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# UNITED STATES ASSISTANCE OPTIONS FOR THE ANDES

## HEARING

BEFORE THE

SENATE CAUCUS ON
INTERNATIONAL NARCOTICS CONTROL

AND THE

SUBCOMMITTEE ON INTERNATIONAL TRADE

OF THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

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SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

ONE HUNDRED SIXTH CONGRESS

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# UNITED STATES ASSISTANCE OPTIONS FOR THE ANDES

**TUESDAY, FEBRUARY 22, 2000**

UNITED STATES SENATE,
CAUCUS ON INTERNATIONAL NARCOTICS CONTROL,
AND THE SUBCOMMITTEE ON INTERNATIONAL TRADE,
OF THE COMMITTEE ON FINANCE,
*Washington, DC.*

The Caucus and Subcommittee met, pursuant to notice, at 10 a.m., in room SD–215, Dirksen Senate Office Building, Hon. Charles E. Grassley, chairman of the caucus and the subcommittee, presiding.

Present: Senators Grassley, Sessions, Biden, and Graham.

Senator GRASSLEY. Even though my colleagues are not here, I am going to go ahead and get started because some of our witnesses, particularly General McCaffrey, have other obligations outside the city today and I want to get started on time.

First of all, I thank particularly our witnesses for coming, taking time out of their busy schedules to help us with the process of congressional oversight. All of you who are in the audience, we thank you for your interest in this issue as well.

The purpose of this hearing is to look at United States counter-drug policy for the Andean region. We have a lot of ground to cover today. The proposed emergency assistance package that the administration has submitted to Congress is one of the most significant foreign policy issues put before Congress in recent years, and it also marks a very major escalation in U.S. counter-drug efforts in Colombia. It comes about as a result of a major expansion in drug production and trafficking from Colombia.

The principal target for most of the drugs produced in Colombia, of course, is the United States. That expansion has occurred despite an already extensive U.S.-supported effort in Colombia, and it has happened in large part because Marxist guerrillas in that country have aligned themselves with drug pushers, becoming in the end drug thugs themselves.

A high murder rate and endemic violence by narco-traffickers, guerrillas, and paramilitaries mean that Colombia faces unprecedented challenges. The fate of democratic institutions and the future of decent government are at risk. Clearly, it is in the U.S. national interest to be concerned about not only what is happening in Colombia, but what we can and must do about the situation there to protect the American people from this drug trafficking.

But it does make a difference how we engage, and the purpose of our engagement, of course, is to make a difference. This hearing

is to look at how the present proposals will accomplish important goals that will help Colombia as well as help the United States.

Last year, Senators Coverdell and DeWine and myself introduced the Alianza Act. The purpose of that effort was to urge immediate and, let me stress, a very thoughtful response, as opposed to just an ad hoc, temporizing, piecemeal effort. What we asked for in that legislation was for the administration to submit a strategy for how to make a difference and not just some grab-bag of goodies bundled together, because there are serious issues involved that require serious consideration.

Our goal was and still is to see Colombia supported. The Alianza Act indeed tries to prime the pump, but we also sought to find a coherent, comprehensive, intelligent strategy, not just a list of projects. I would like to quote from that Act about what Congress wanted then and what we expect now. It is not complicated, but it is necessary.

What we want to see is a plan that lays out priorities, describes the actions needed to address the priorities, defines the respective roles of the United States on the one hand and Colombia on the other, details how the plan will incorporate other regional partners, and delineates a time line for accomplishing the goals based upon some understandable criteria.

At this point, we have yet to see such a detailed plan. What we have seen is various wish lists, and many of these have been somewhat vague. Even these wish lists appear uncoordinated and divergent. So it is my hope that we can clarify that picture today during this hearing. This caucus tried to get that clarity in a similar hearing late last year. The administration did not seem able to shed much light then, and I do hope that they can do better today.

So let me be clear. I believe that it is important to support Colombia, that the situation there is serious and how it develops is of direct concern to us. We have an obligation to help because by helping we help the United States with the drug trafficking that is coming here.

But it makes a difference how we go about providing that help. Poorly conceived and badly implemented programs will do more harm than if we did nothing at all. We will have a lot of questions today about the issue of just what it is we are going to do, how we are going to do it, and what we expect in results.

So I would like to conclude by introducing for the record a letter that I received from the General Accounting Office detailing some of its recent findings on problems with our efforts in Colombia. Members have copies of that communication in their packages. So I just want to read a brief paragraph.

". . . the executive branch has proposed a $1.3 billion assistance package primarily designed to support Colombian military and law enforcement activities, interdiction efforts, economic and alternative development, and human rights and the rule of law . . . However, at the time of our review, an operational interagency strategy for Colombia had not been developed. An official with the Office of National Drug Control Policy indicated that it is considering developing such a strategy, but there is currently no consensus among the interagency counter-narcotics community whether an integrated strategy should be developed. The official also

stated that the Office of National Drug Control Policy may not have the legislative authority to make such a strategy work."

[The letter referred to follows:]

United States General Accounting Office
Washington, DC 20548

National Security and
International Affairs Division

B-284626

February 18, 2000

The Honorable Charles E. Grassley
Chairman, Caucus on International Narcotics Control
United States Senate

Subject: Drug Control: U.S. Efforts in Latin America and the Caribbean

Dear Mr. Chairman:

Illegal drugs, primarily cocaine and, increasingly, heroin from countries in South America, continue to threaten the health and well-being of American citizens. In 1993, the United States developed a policy designed to reduce the production of illegal drugs in South America and stem their flow through the rest of Latin America and the Caribbean. Despite the expenditure of billions of dollars by the United States and foreign countries to carry out this policy, illegal drugs still flood the United States. Although U.S. and host nation counternarcotics efforts have resulted in the arrest of major drug traffickers and the seizure of large amounts of drugs, they have not materially reduced the availability of drugs in the United States.

In response to your request, we are providing information on (1) the nature of the drug threat facing the United States, (2) the way in which the international drug control strategy of the United States addresses the nature of the drug threat, and (3) the obstacles that foreign governments and the United States face in reducing the drug threat. In gathering information on these issues, we reviewed our prior reports and updated information from these reports through discussions with U.S. law enforcement, military, and Department of State officials in Washington, D.C.; the U.S. Southern Command in Miami, Florida; and the Joint Interagency Task Force–East in Key West, Florida. (For a more detailed discussion of our approach, see the scope and methodology section at the end of this report.)

## RESULTS IN BRIEF

The drug threat confronting the United States has changed. Since 1996, Colombia has surpassed Bolivia and Peru as the world's leading source of coca and has become the primary source of cocaine and heroin being shipped into the United States. According to U.S. officials, the most recent data indicate that because of the increase in Colombian coca cultivation, the type of coca being grown, and the production efficiencies of the drug traffickers, the total amount of cocaine produced significantly increased in 1998 and 1999. Moreover, Mexican drug-trafficking organizations have

become the major conduits for cocaine, heroin, and methamphetamines that are consumed in the United States.

The U.S. international drug control strategy emphasizes reducing the production and flow of cocaine and heroin before they reach the United States. In Latin America and the Caribbean, the strategy is designed to reduce drug trafficking in the source countries of Bolivia, Colombia, and Peru and in transit areas within the Caribbean, Central America, and Mexico.[1] Because of the increased drug threat to the United States from Colombia, the U.S. strategy places its highest priority on eliminating drug-trafficking activities in this country. The executive branch recently requested a substantial increase in counternarcotics assistance to Colombia.

Since 1997, we have issued numerous reports discussing the obstacles that foreign governments and the United States encounter in trying to reduce drug-trafficking activities. Many remain.

- Foreign governments and law enforcement organizations frequently lack resources, equipment, and training necessary for them to stop drug production and trafficking activities. This problem continues to be compounded by widespread corruption which, according to U.S. officials, exists within many of these governments. Moreover, counterdrug efforts must compete with other economic and political issues such as dealing with local insurgent groups.

- The level of U.S. support devoted to detection and monitoring activities has declined in the source countries. Moreover, staffing limitations and information-sharing issues continue to impede coordinated counternarcotics efforts. Finally, human rights concerns sometimes make it difficult for the United States to support counternarcotics efforts in some foreign countries.

## THE CHANGING NATURE OF THE DRUG THREAT

Historically, Colombia has always been the world's leading producer of cocaine. However, as shown in table 1, starting in 1997, Colombia surpassed Bolivia and Peru in the number of hectares[2] that were under coca cultivation. In February 2000, the Director of the Office of National Drug Control Policy reported that in 1999 the number of hectares under coca cultivation in Colombia exceeded 1997 estimates by 43,000 hectares, or over 50 percent.[3]

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[1]The major source countries for coca and cocaine are Bolivia, Colombia, and Peru. The major source countries for heroin in the Western Hemisphere are Colombia and Mexico. The major drug transit areas include Mexico, the Caribbean, the eastern Pacific, and Central America.

[2]One hectare equals 2.47 acres.

[3]Statement by General Barry R. McCaffrey, Director, Office of National Drug Control Policy, before the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, House Committee on Government Reform (Feb. 15, 2000).

Table 1: Hectares Under Coca Cultivation in Bolivia, Colombia, and Peru, 1995-99

| Country | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|---|---|---|---|---|
| Bolivia | 48,600 | 48,100 | 45,800 | 38,000 | 21,800 |
| Colombia | 50,900 | 67,200 | 79,500 | 101,800 | 122,500 |
| Peru | 115,300 | 94,400 | 68,800 | 51,000 | 38,700 |
| **Total** | **214,800** | **209,700** | **194,100** | **190,800** | **183,000** |

Source: Statement by General Barry R. McCaffrey, Feb. 15, 2000.

Moreover, the amount of cocaine being produced in Colombia has also increased significantly since 1997. According to the Drug Enforcement Administration (DEA), the estimated cocaine production in Colombia increased from 350 metric tons in 1997 to 520 metric tons in 1999. Besides the increases in the number of hectares under coca cultivation, the Director of the Office of National Drug Control Policy attributed the rise in Colombian cocaine production to higher yielding varieties of coca leaf and more efficiency in processing coca leaf into cocaine.

Colombia is not only the major source of the cocaine entering the United States; it also has become the major source of heroin. Previously, according to DEA, Southeast and Southwest heroin dominated the U.S. market, but these types are no longer available in sizable quantities in cities along the east coast, where, historically, there has been the greatest demand. According to U.S. estimates, the number of hectares opium poppies under cultivation in Colombia has increased from almost nothing in 1990 to over 6,000 hectares in 1999.[4] DEA reports that 65 percent of the heroin seized in the United States during 1998 originated in Colombia.

Despite U.S. and Colombian efforts to disrupt drug-trafficking activities, the U.S. embassy in Colombia has not reported any net reduction in the processing or exporting of refined cocaine to the United States. Moreover, according to DEA, while two major groups (the Medellin and Cali cartels) dominated drug-trafficking activities during the late 1980s and early 1990s, today hundreds of smaller and more decentralized organizations are involved in all aspects of the drug trade. According to DEA, several billion dollars flow into Colombia each year from the cocaine trade alone. This vast amount of drug money has made it possible for these organizations to gain unprecedented economic, political, and social power and influence. Finally, in June 1999 we reported that according to Departments of Defense and State officials, insurgent and paramilitary organizations were becoming increasingly involved in activities related to drug trafficking and were controlling more of Colombia's territory. We also noted that active insurgent groups and their growing involvement in drug-trafficking activities over the past several years were complicating Colombia's ability to reduce drug trafficking.[5]

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[4]Statement by General Barry R. McCaffrey, Feb. 15, 2000.

[5]Drug Control: Narcotics Threat From Colombia Continues to Grow (GAO/NSIAD-99-136, June 22, 1999).

The United States is also concerned about the increasing role that Mexico plays in drug-trafficking activities. Mexico continues to be the primary transit country for cocaine entering the United States from South America as well as a major source country for heroin, marijuana, and methamphetamines. In June 1998, we reported that drug-trafficking organizations in Mexico had expanded their cocaine and methamphetamine operations.[6] We also reported that according to DEA, these organizations are becoming stronger, have billions of dollars in assets at their disposal, and pose an increased threat to citizens in the United States and Mexico.[7] In October 1999, DEA reported that heroin from Mexico represented about 17 percent of the heroin seized in the United States during 1998. Moreover, in March 1999, the State Department reported that Mexico was a major supplier of methamphetamines to the United States. The State report also showed that the cultivation of opium-producing poppies in Mexico had increased by 25 percent, from 12,000 hectares in 1997 to 15,000 hectares in 1998. However, according to more current DEA estimates, the number of hectares under opium poppy cultivation in Mexico declined during 1999.

In addition to the increased cultivation and production of illegal drugs, the drug threat confronting the United States and foreign governments has changed in terms of drug-trafficking methods of transportation and the greater use of technology. For example, since the early 1990s, traffickers have changed their primary mode of transporting drugs through the Caribbean and Central American transit zones from aircraft to ships and boats, which are more difficult to locate and identify. Also, according to law enforcement agencies, drug-trafficking organizations have used their vast wealth to acquire and use expensive modern technology such as global positioning systems, cellular communications equipment, and communications encryption devices. According to U.S. law enforcement officials, these devices make it more difficult to intercept communications on planned drug-trafficking activities.

## IMPLEMENTING STRATEGY FOR DRUG REDUCTION EFFORTS

A presidential directive issued in November 1993 established U.S. policy designed to reduce the flow of cocaine from the source countries of Bolivia, Colombia, and Peru. In 1995, the Office of National Drug Control Policy prepared a National Drug Control Strategy that established goals to reduce drug demand and supply. The strategy includes two goals for reducing the flow of drugs entering the United States. The two goals are to break foreign and domestic drug sources of supply and to protect America's air, land, and sea frontiers from the drug threat.

According to U.S. officials at the agencies we visited, the drug control policy and strategy are the primary guidance they used in developing their counternarcotics

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[6] Drug Control: U.S.-Mexican Counternarcotics Efforts Face Difficult Challenges (GAO/NSIAD-98-154, June 30, 1998).

[7] Drug Control: Update on U.S.-Mexican Counternarcotics Activities (GAO/T-NSIAD-99-98, Mar. 4, 1999).

programs. The Department of Defense and DEA developed regional strategies for combating drug-trafficking activities in the source countries based on that guidance. Officials from the Department of State and the U.S. Customs Service said that they have not developed comprehensive plans to support their regional efforts within the source countries. However, these officials also indicated that drug control efforts in the source countries will now focus on Colombia as a top priority and that several initiatives are planned and under way to address the threat from Colombia. Among these initiatives are efforts to enhance the interdiction capabilities of the government of Colombia and expand the capabilities of the Colombian military and police to conduct counternarcotics operations. Finally, the executive branch has proposed an assistance package of approximately $1.3 billion to primarily support Colombian military and law enforcement activities, interdiction efforts, economic and alternative development, and human rights and the rule of law.

However, at the time of our review, an operational interagency strategy for Colombia had not been developed. An official with the Office of National Drug Control Policy indicated that the office is considering developing such a strategy, but the interagency counternarcotics community disagrees about whether an integrated strategy should be developed.

According to officials from the Office of National Drug Control Policy, Mexico has also become a top priority for U.S. counternarcotics activities, ranking ahead of the source countries of Bolivia and Peru, because of the increased drug threat it poses to the United States. According to U.S. estimates, Mexican drug-trafficking organizations facilitate the movement of between 50 and 60 percent of the almost 300 metric tons of cocaine consumed in the United States annually. According to the Department of State, U.S. counternarcotics policy toward Mexico is aimed at supporting the political commitment and strengthening the institutional capability of the Mexican government and improving bilateral counternarcotics cooperation between the two countries.

## DRUG CONTROL EFFORTS BY FOREIGN GOVERNMENTS AND THE UNITED STATES CONTINUE TO FACE OBSTACLES

In 1997, we reported on obstacles to implementing U.S. and host-nation drug control efforts.[8] Specifically, the counternarcotics efforts in drug-producing and transit countries are constrained by corruption, limited resources and institutional capabilities, and internal problems such as insurgencies and civil unrest. We also reported that U.S. counternarcotics efforts faced organizational and operational limitations and inconsistent funding levels.

Our current review indicates that foreign governments and the United States continue to face obstacles that limit their ability to reduce the production and flow of illegal drugs. Foreign governments are still constrained by corruption, limited resources and institutional capabilities, and in the case of Colombia an ongoing insurgency and

[8] Drug Control: Long-Standing Problems Hinder U.S. International Efforts (GAO/NSIAD-97-75, Feb. 27, 1997).

civil unrest. Moreover, U.S. counternarcotics efforts continue to be hampered by the lack of resources and assets to conduct detection and monitoring operations, shortfalls in staffing, limitations on information sharing, and other restrictions on the U.S. ability to provide assistance to certain foreign organizations that conduct counternarcotics operations.

Obstacles in Foreign Countries

The United States is largely dependent on the countries that produce drugs and are transit points for trafficking-related activities to reduce the amount of coca and opium poppy being cultivated and to make the drug seizures, arrests, and prosecutions necessary to stop the production and movement of illegal drugs. Our review indicates that these countries continue to face long-standing obstacles that limit their drug control efforts.

Inadequate Resources and Institutional Capabilities

Our work over the past 3 years indicates that foreign governments continue to lack the resources and capabilities necessary to perform effective counternarcotics operations in the source and transit countries. For example, in February 1997 we reported that Bolivia, Colombia, and Peru lacked adequate resources to conduct interdiction and eradication operations.[9] Moreover in June 1999 we reported that because of severe budgetary constraints, the Colombian government was unable to increase funding for counternarcotics efforts and as a result would have a difficult time controlling the areas where crops were being grown.[10] We also reported that according to the Department of Defense, the Colombian military lacked a long-term strategy and effective leadership; suffered from poor morale; and had inadequate equipment, logistics, and training. Finally, in December 1999 we noted that according to U.S. embassy officials in Peru, the Peruvian police (the lead agency for counterdrug enforcement) did not have maintenance capabilities or adequately trained staff to manage boats designed for interdicting drug trafficking activities on their rivers.[11]

The lack of resources and capabilities continues to exist in key drug-transiting countries. For example, in June 1998 we reported that certain Mexican law enforcement units faced operational and support problems, such as inadequate funding for equipment, fuel, and salary supplements for personnel assigned to these units.[12] Moreover, according to the Joint Interagency Task Force–East officials, Haiti became a primary point for drug-trafficking activities within the transit zone during 1999. These officials stated that the principal reason for this was that the government

[9]Drug Control (GAO/NSIAD-97-75, Feb. 27, 1997).

[10]Drug Control (GAO/NSIAD-99-136, June 22, 1999).

[11]Drug Control: Assets DOD Contributes to Reducing the Illegal Drug Supply Have Declined (GAO/NSIAD-00-9, Dec. 21, 1999).

[12]Drug Control (GAO/NSIAD-98-154, June 30, 1998).

of Haiti, despite a significant level of U.S. assistance, continued to lack the resources, equipment, and training needed to conduct effective interdiction activities against drug traffickers. Finally, we also reported that nations within the transit zone had weak economies and insufficient resources for conducting law enforcement activities.[13]

Widespread Corruption

Narcotics-related corruption is a continuing impediment to U.S. and foreign government efforts to reduce drug-trafficking activities. In March 1999, the Department of State reported that despite the efforts of Mexico's president to reduce corruption, it continues to be a serious problem in Mexican institutions, including federal, state, and local police agencies.[14] Moreover, in June 1999, we reported that widespread corruption within all sectors of the Colombian government was a major factor affecting counternarcotics operations.[15] According to the Department of State, drug-related corruption in all branches of the government continued to undermine Colombia's counternarcotics effectiveness. For example, our report noted that according to the State Department, the U.S. Customs Service and DEA personnel searched a Colombian Air Force aircraft in Florida and found 415 kilograms of cocaine and 6 kilograms of heroin in November 1998.

Corruption also exists in countries throughout the transit zone. For example, in March 1999, the State Department reported that corruption in Haiti had infected the justice, customs, and port authority sectors of government.[16] According to the report, judges, whose salaries are often lower than those paid to policemen, are likely targets for drug-trafficking organizations. This report further noted that corruption continues to exist in other transit countries through the Caribbean region.

Internal Strife in Colombia

Internal strife within Colombia is limiting Colombia's ability to reduce drug-trafficking activities. In June 1999, we reported that Colombian insurgent groups had become increasingly involved in drug-related activities and controlled about 40 percent of the country.[17] We also noted that the current alliance of convenience between the insurgents and the drug traffickers posed a clear challenge to Colombia's ability to conduct effective counternarcotics operations in the primary coca- and opium-growing regions of southern Colombia. In addition, powerful paramilitary

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[13]Drug Control: Update on U.S. Interdiction Efforts in the Caribbean and Eastern Pacific (GAO/NSIAD-98-30, Oct. 15, 1997).

[14]International Narcotics Control Strategy Report (Washington, D.C.: U.S. Department of State, Mar. 1999).

[15]Drug Control (GAO/NSIAD-99-136, June 22, 1999).

[16]International Narcotics Control Strategy Report (Mar. 1999).

[17]Drug Control (GAO/NSIAD-99-136, June 22, 1999).

groups are also heavily involved in drug-trafficking activities. Our report further said that these groups were operating with relative impunity in parts of northern Colombia.

U.S. Government Obstacles

Our recent work shows that the U.S. counternarcotics efforts continue to be hindered by the lack of adequate levels of detection and monitoring support, staffing shortfalls, information-sharing limitations, and U.S. legal restrictions on the ability of the United States to provide assistance to certain foreign organizations that conduct counternarcotics operations.

Shortfalls in Detection and Monitoring Support

The Department of Defense, the U.S. Customs Service, and the U.S. Coast Guard play a key role in providing the resources necessary to detect and monitor suspected air and maritime drug-trafficking activity. However, as stated in our June 1999 report, Defense and the U.S. Customs Service had not provided the number of aircraft needed to meet the U.S. Southern Command's detection and monitoring plans for source countries, including Colombia, primarily because of competing worldwide demands to support higher priority missions, such as those in Bosnia and Kosovo.[18] In December 1999, we reported that the Department of Defense's level of support to international drug control efforts had significantly declined since 1992.[19] Our report noted that the number of flight hours and ship days dedicated to detecting and monitoring illegal drug shipments declined by about 68 percent and 62 percent, respectively, between 1992 and 1999.

Even though the decline in Defense assets has been offset somewhat by increases in the U.S. Coast Guard assets, our recent discussions with Task Force officials indicate that the lack of sufficient assets continues to hinder U.S. counternarcotics efforts, particularly in the source countries. According to Task Force officials, the U.S. government is implementing a plan to enhance its coverage of illegal air-trafficking activities in southern Colombia using existing resources. These officials consider the resources to be inadequate to provide the coverage necessary for an effective detection and monitoring mission.

U.S. officials also expressed concern that without authority for U.S. detection and monitoring aircraft to overfly Venezuela, the forward operation locations in Curacao and Aruba were not close enough to the southern Colombia operations areas. These officials stated that while the Manta, Ecuador, location was more strategically located, it did not currently have the facilities necessary to support the aircraft needed to conduct detection and monitoring operations. These officials further stated that they are surveying five different locations to provide U.S. aircraft the flexibility necessary to operate in areas of southern Colombia. These surveys are

[18] Drug Control (GAO/NSIAD-99-136, June 22, 1999).

[19] Drug Control (GAO/NSIAD-00-9, Dec. 21, 1999).

being conducted to determine if the sites have the facilities and security needed to support the aircraft that would be located there. Task Force officials stated that the surveys would not be completed until at least the end of March 2000.

Although U.S. officials recognized that the limited assets would be an impediment to adequately detecting and monitoring illegal air activity in southern Colombia, they stated that even with increased assets, the ability of the Colombian Air Force to intercept drug-trafficking flights is limited by equipment and training limitations and by the inability of the Colombian air traffic control system to respond in a timely manner to requests for identifying suspicious air activity. According to the Department of Defense, portions of the proposed $1.3 billion assistance package are being targeted to enhance the equipment and training capabilities of the Colombia Air Force.

### Staffing Shortfalls in the Joint Interagency Task Force–East

In 1999, the United States closed its counternarcotics operations in Panama. As a result of this closure, the Joint Interagency Task Force–East in Key West, Florida, assumed responsibility for planning and conducting detection and monitoring operations throughout the source and transit countries.

Staffing shortfalls have been a continuing problem in the Task Force. In October 1997, we reported that 37 of the 184 permanent positions in the Task Force were vacant and that the anticipated mix of law enforcement positions had not been achieved. As shown in table 2, this situation continues in the Task Force, where as of February 18, 2000, 59 of 290 positions were vacant.

Table 2: Authorized and Assigned Personnel in the Joint Interagency Task Force–East, Key West, Florida (as of February 18, 2000)

| Source of personnel | Authorized | Assigned | Shortfall |
|---|---|---|---|
| Department of Defense | 179 | 147 | 32 |
| U.S. Coast Guard | 22 | 18 | 4 |
| Other U.S. agencies[a] | 34 | 15 | 19 |
| Contract personnel | 55 | 51 | 4 |
| **Total** | **290** | **231** | **59** |

Note a: According to DEA, the number of authorized positions for U.S. agencies was developed by the Department of Defense with no input for the affected U.S. agencies. The number of positions that U.S. agencies will eventually provide is being negotiated and may change from these figures.

Source: The Joint Interagency Task Force–East.

According to Task Force officials, the staffing shortages have caused operational problems and, if continued, morale could suffer. These officials stated that the shortages are caused by the inability to attract an adequate number of skilled personnel necessary to fill the positions, the scarcity of housing, and the high cost of living for civilian personnel living in Key West. These officials stated that actions are

under way to provide housing and to obtain a cost of living allowance for personnel assigned to Key West.

Information Sharing

In the past, we have reported that the reluctance to share intelligence among U.S. agencies and between the United States and foreign governments has been a long-standing impediment to conducting effective counternarcotics operations.[20] Although our work indicates that progress has been made in increasing intelligence sharing among U.S. agencies, the issue continues to be contentious, particularly at the Task Force where foreign liaison officers participate in planning and conducting counternarcotics operations. According to DEA and Task Force personnel, approximately 80 to 90 percent of the data used by the Task Force originates from DEA sources. DEA officials stated that they are concerned about the types of information that should be released to foreign liaison officers until they have been properly cleared to receive sensitive law enforcement information. DEA officials said that they are developing a procedure to address the release of information to foreign liaison officers.

Information-sharing restrictions also limit the ability of U.S. and foreign government to conduct counternarcotics operations. For example, in June 1999 we reported that U.S. guidance, initially issued in 1998, restricted the sharing of any information on insurgent capabilities and activities in Colombia unless it was directly related to an approved counternarcotics operation.[21] As a result of this guidance, U.S. officials frequently had to make difficult decisions regarding whether and when information on insurgent activities should be provided to the Colombian military. U.S. embassy officials stated that within the area where most drug-trafficking activities occur, the drug traffickers and insurgents have become virtually indistinguishable. In responding to the 1999 report, U.S. officials stated that new guidelines on information sharing have been issued and that these guidelines should improve the information-sharing process. We have not assessed whether these guidelines have improved information sharing with the Colombian military.

Restrictions on Assistance

Human rights concerns also limit the ability of the United States to provide counternarcotics assistance to foreign governments. U.S. law prohibits giving counternarcotics assistance to personnel or units in foreign countries if credible evidence shows that they have committed gross human rights violations.[22] In June 1999, we reported that the Department of State had established screening procedures

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[20]Drug Control (GAO/NSIAD-98-30, Oct. 15, 1997).

[21]Drug Control (GAO/NSIAD-99-136, June 22, 1999).

[22]22U.S.C. 2304(a)(2). Congress has similar restrictions in appropriations acts. See the Foreign Operations, Export Financing, and Related Appropriations Act, 2000 (Sec. 564 of Title V, Appendix B of P.L. 106-113). The Congress also included similar language in the Department of Defense Appropriations Act, 2000 (Sec. 8098 of P.L. 106-79).

to determine which Colombian units meet the requirements of this policy before providing U.S. counternarcotics assistance.[23] We further reported that according to the Department of State, all units of the Colombian National Police and the Colombian Air Force, Navy, and Marine Corps could receive U.S. assistance; however, only three of six army brigades operating in major drug-trafficking areas had met the requirements. U.S. embassy personnel stated that unless other army units could meet the screening process requirements, it would be difficult to provide the level of Colombian military support that the National Police needs to effectively reduce drug-trafficking activities.

AGENCY COMMENTS

In oral comments on a draft of this report from the Departments of Defense and State, DEA, and the Joint Interagency Task Force–East, the agencies generally agreed with the information contained in this report. They also suggested some technical changes, which we have incorporated, as appropriate.

SCOPE AND METHODOLOGY

To determine the nature of the drug threat, we received briefings and analyzed documents from U.S. law enforcement and military officials at the Departments of State and Defense, DEA, and the U.S. Interdiction Coordinator in Washington, D.C.; the U.S. Southern Command in Miami, Florida; and the Joint Interagency Task Force–East in Key West, Florida.

To determine the status of the implementation of the international portions of the National Drug Control Strategy and the limitations that host governments and the United States face, we visited agencies involved in counternarcotics activities in Washington, D.C.; Miami, Florida; and Key West, Florida. In Washington, D.C., we interviewed officials and reviewed various documents and reports at the Office of National Drug Control Policy and the Departments of State, Defense, Justice, Transportation, and the Treasury. In Miami, we interviewed U.S. officials at the U.S. Southern Command and reviewed documents relating to the planning and implementation of the National Drug Control Strategy. In Key West, we interviewed officials at the Joint Interagency Task Force, including foreign liaison officers from the United Kingdom, France, the Netherlands, Colombia, Brazil, and Venezuela, and reviewed reports and documents relating to the planning and implementation of various operations in the source and transit zones.

We also reviewed our various reports and testimony that address issues discussed in this letter (see related GAO products at the end of this report).

[23] Drug Control (GAO/NSIAD-99-136, June 22, 1999).

We conducted our work from July 1999 through January 2000 in accordance with generally accepted government auditing standards.

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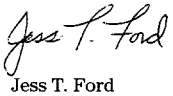
We are sending copies of this letter to interested congressional committees; the Honorable Madeleine K. Albright, Secretary of State; the Honorable William S. Cohen, Secretary of Defense; the Honorable Lawrence H. Summers, Secretary of the Treasury; the Honorable Rodney E. Slater, Secretary of Transportation; the Honorable Janet F. Reno, U.S. Attorney General; the Honorable Barry R. McCaffrey, Director, Office of National Drug Control Policy; the Honorable Donnie R. Marshall, Acting Administrator, Drug Enforcement Administration; and the Honorable Louis Freeh, Director, Federal Bureau of Investigation. Copies will also be made available to other interested parties upon request.

Please contact me on (202) 512-4268 if you have any questions concerning this report. The major contributors to this report were Allen Fleener and Ronald Hughes.

Sincerely yours,



Jess T. Ford
Associate Director,
International Relations and Trade Issues

RELATED GAO PRODUCTS

Drug Control: DOD Allocates Fewer Assets to Drug Control Efforts (GAO/T-NSIAD-00-77, Jan. 27, 2000).

Drug Control: Assets DOD Contributed to Reducing the Illegal Drug Supply Have Declined (GAO/NSIAD-00-9, Dec. 21, 1999).

Drug Control: DEA's Strategies and Operations in the 1990s (GAO/GGD-99-108, July 21, 1999).

Drug Control: Narcotics Threat From Colombia Continues to Grow (GAO/NSIAD-99-136, June 22, 1999).

Drug Control: Update on U.S.-Mexican Counternarcotics Activities (GAO/T-NSIAD-99-98, Mar. 4, 1999).

Drug Control: Update on U.S.-Mexican Counternarcotics Efforts (GAO/T-NSIAD-99-86, Feb. 24, 1999).

DOD Counterdrug Activities: Reported Costs Do Not Reflect Extent of DOD's Support (GAO/NSIAD-98-231, Sept. 23, 1998).

Drug Control: Observations on U.S. Counterdrug Activities (GAO/T-NSIAD-98-249, Sept. 16, 1998).

Drug Control: U.S.-Mexican Counternarcotics Efforts Face Difficult Challenges (GAO/NSIAD-98-154, June 30, 1998).

Drug Control: An Overview of U.S. Counterdrug Intelligence Activities (GAO/NSIAD-98-142, June 25, 1998).

Drug Control: Status of Counternarcotics Efforts in Mexico (GAO/T-NSIAD-98-129, Mar. 18, 1998).

Drug Control: Status of U.S. International Counternarcotics Activities (GAO/T-NSIAD-98-116, Mar. 12, 1998).

Drug Control: Counternarcotics Efforts in Colombia Face Continuing Challenges (GAO/T-NSIAD-98-103, Feb. 26, 1998).

Drug Control: U.S. Counternarcotics Efforts in Colombia Face Continuing Challenges (GAO/NSIAD-98-60, Feb. 12, 1998).

Drug Control: Update on U.S. Interdiction Efforts in the Caribbean and Eastern Pacific (GAO/NSIAD-98-30, Oct. 15, 1997).

Drug Control: Observations on Elements of the Federal Drug Control Strategy (GAO/GGD-97-42, Mar. 14, 1997).

Drug Control: Long-Standing Problems Hinder U.S. International Efforts (GAO/NSIAD-97-75, Feb. 27, 1997).

(711443)

Senator GRASSLEY. So I finish with this commentary on the letter. This suggests that we are in the process of considering a major support package without a clear idea of what it is that we are proposing to do. That was true last year. I am not too sure that things are better this year. That is what I hope to hear more about today. We need an approach that will take the initiative away from the traffickers and their allies. If we don't, all we will be doing is playing an expensive game of hopscotch, and we will be doing that all over the region and that seems to me to be a formula for losing.

I now call on my colleagues, first Senator Biden and then Senator Graham.

Senator BIDEN. Thank you, Mr. Chairman. I want to begin by commending you for holding this hearing. It is very important that we consider the proposal for U.S. assistance to Colombia and other options for the Andes. Though much of the focus of the President's supplemental budget request is on Colombia, you are correct to emphasize that we need a regional approach to combat the drug problem in South America.

A decade ago, the Bush administration and Congress joined in supporting the Andean Initiative, a multi-year effort to combat drug trafficking in Bolivia, Colombia, Peru, and Ecuador. Over the past 10 years, the United States has provided considerable amounts of assistance as well as special market access to certain Andean products under the Andean Trade Preference Act.

As we start a new decade, we can look back with some satisfaction that our joint efforts with these nations have yielded some successes. In Bolivia and Peru, coca cultivation is much reduced since 1995. In Colombia, large cartels that once dominated the trade have been largely dismantled. Colombia has resumed extraditing criminals to the United States, and countries which a decade ago appeared to lack any political will to combat drugs have become our partners in this effort. That is the good news.

The bad news is that the scope of the problem is still much the same. Cocaine continues to flow out of the region at extremely high levels. Moreover, the face of the battle in Colombia has changed. There, the cocaine trade has become decentralized. Large cartels have been replaced by numerous and smaller organizations. Colombian traffickers have also moved into a new sector which some of us predicted in the mid-1990s—that is, the cultivation of opium and the trafficking in heroin—and are now major players in the eastern United States.

Finally, Colombia is now a major center for coca cultivation, replacing Peru and Bolivia as the leading supplier of the coca base. When we started the Andean Initiative and we would speak with Colombians, they would basically say it is your problem; we don't use it, we don't grow it, it is just transshipped through us. Now, they use it. Now, they grow it. Now, it is a serious domestic problem for them, beyond the corruption that it breeds and the violence, just in terms of use.

In sum, we face a different set of challenges in the region today than we did at decade ago. To address the growing crisis in Colombia, President Clinton has put forward an ambitious proposal designed to support the, quote, "Plan Colombia" formulated by the Colombian government.

I agree with the Clinton administration that we must significantly increase our assistance to Colombia, and do so quickly, and I hope Congress will act promptly on the President's request for an extra $1 billion for fiscal year 2000. But as Congress considers this proposal, we should go in with our eyes wide open. Everyone should understand that we are entering a new phase in the drug war in the Andes.

The proposal to train and equip counter-narcotics battalions in the Colombian army is not without risk, and some significant risk. Because the drug trade and the Colombian civil war are intertwined in southern Colombia, it seems to me almost inevitable that these battalions we are training will at least occasionally become engaged in counterinsurgency operations, and we should recognize that reality at the outset.

But we should guard against being pulled into Colombia's guerrilla war. I am confident that the U.S. military doesn't want to become enmeshed in Colombia's civil war, but I am not so sure the Colombian military wouldn't like the United States to become enmeshed in their civil war. We must make clear to the Colombian government in our words as well as our deeds that although we fight against narcotics trafficking and we view it as our fight as well as theirs, their war against the guerrillas is their war and their war to win.

In approving the administration's proposal, we should seek transparency—I can't emphasize this enough to the four witnesses today—absolute transparency, transparency about the number of U.S. forces present in the country, transparency about the use of our equipment, transparency about the activities in U.S.-funded battalions, transparency as to whatever the heck we are going to call those who are training, if they are contract folks hired by the military to do the training as opposed to uniformed military. There must be transparency because when one element of this goes awry, the whole house of cards will come down if it is presumed by the public or the press that there hasn't been absolute transparency.

Second, we should remain vigilant and seek continued improvement in the human rights record of the Colombian military. In past years, elements of the Colombian army have been guilty of serious human rights violations. President Pastrana has made serious efforts to address the problem and he appears to be making progress. But we should demand that institutional tolerance within the military for atrocities by right-wing paramilitaries will cease or we will cease.

Third, we should consider additional measures to help Colombia's neighbors. History, as no one knows better than our drug director, General McCaffrey, tells us that pressure in one area will cause traffickers to relocate their operations in another area—the so-called balloon effect. We have seen it when we did, through the military's assistance, such a wonderful job in the Caribbean, and we moved everything up through Mexico as a consequence of that. We are going to see it again if we are successful in Colombia. Not only do Bolivia, Ecuador and Peru deserve our continued assistance, but it is essential that we maintain progress in those countries on the drug war with them.

And, fourth, it seems to me we must be sure that the economic aspects of this proposal receive sufficient emphasis and support. If enforcement pressures succeed, we must be ready with alternatives for the displaced.

And, finally, perhaps most importantly, we should all understand that although the plan before us is a two-year budget, this will be a long-term effort. Patience is not always a virtue for which the American political system is known, but we should recognize that it will take more than two years to make significant progress in turning things around in Colombia without making things worse in other parts of the Andes.

In closing, Mr. Chairman, I want to thank you again for this hearing. I also commend the administration for stepping forward with this plan. The President and his people have done a good job in assembling a comprehensive proposal, and I look forward to working with my colleagues and with the people before us today to help gain its approval.

But, again, let me end by saying transparency, transparency, transparency. I have been down this road before in 28 years in this body. We will make a fatal mistake if it is not totally transparent. I am not suggesting it is not. I am suggesting, though, that that be a watch word.

I thank you, Mr. Chairman.

Senator GRASSLEY. Thank you.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman, and I also wish to thank you and Senator Biden for holding this joint hearing today and giving us an opportunity to learn from the various perspectives represented here. I don't believe we could have four more knowledgeable people of what the situation is in Colombia and what our commitments are being asked to be.

I recently visited Latin America and I heard a recurring question which was similar to what I have heard from people in this country, and that is what is different. This combat in Colombia has been underway for a long time, over 50 years in terms of the guerrilla engagement, and over 30 years in terms of serious drug issues. I personally visited Colombia for the first time in 1979 to see what the U.S. effort was in terms of drug suppression.

I think there are some significant differences that exist today that have not been in place in the past, and which justify the kind of U.S. commitment that we are being asked to make. Let me just suggest what I think some of those differences are.

First, an enormous increase in Colombian coca cultivation, a 140-percent increase in the last 5 years, more than 300,000 acres of coca currently under cultivation in the jungles and mountains of Colombia, with a particular surge in growth in the southernmost regions of that country. Actual cocaine production in Colombia has risen from 230 metric tons to 520 metric tons, a 126-percent increase in the same 5-year period.

Second, traditional external funding sources for the insurgent revolutionary armed forces of Colombia, the FARC, and the National Liberation Army, the ELN, the two principal guerrilla groups, no longer exists. Since the end of the Cold War, their external support from the Soviet Union, Cuba, and other sources has

largely evaporated. Thus, the FARC and the ELN have been transformed from Marxist ideological movements into Mafia-like criminal organizations that fund their anti-government operation with drug trafficking dollars.

Third, the infusion of narco-dollars allows the FARC and the ELN to act with relative impunity as they direct the cultivation, processing, and transportation of coca and poppy. They also attack oil pipelines and electric power facilities and conduct sophisticated kidnapping operations throughout the country.

Next, at the same time, the insurgents' growing involvement in criminal activity has greatly reduced their public support in Colombia. The most vivid example of that is that a majority of Colombians today support the extradition of Colombian drug traffickers to the United States for trial in U.S. courts. The Colombian people recognize that the most effective way of attacking the guerrillas is to cut off their source of economic support from narco-trafficking.

Next, after over 60 years of sustained economic growth, Colombia today is struggling with its worst economic recession since the 1930s. Unemployment in Colombia is at an historic high of over 20 percent. The Colombian economy is suffering from three consecutive quarters of negative growth. The economic downturn in Colombia has undermined both foreign and domestic investor confidence.

Finally, record numbers of Colombia's best and brightest citizens are fleeing the country. In 1998, the United States embassy in Bogota processed approximately 200,000 visas. As of December 1, 1999, it had already had applications for 340,000 visas.

We are at a critical juncture in our relationship with Colombia, with our hemisphere's oldest functioning democracy. Plan Colombia, developed, as our chairman has indicated, by the President of Colombia, demonstrates the commitment of the Colombian people to fight the drug traffickers who threaten the stability of the entire Andean region, to move the peace process forward and to rehabilitate the Colombian economy, and recognize the principle of basic human rights for all citizens.

However, in the face of its diminished economic capacity, Colombia cannot complete this important mission alone. Plan Colombia is a $7.5 billion initiative, of which Colombia will invest 60 percent of the necessary funding. The United States, as well as the international community, must do its part to assure the successful completion of this initiative.

I have analogized Plan Colombia to a puzzle which has ten pieces. The Colombian government is going to be responsible for six of those ten pieces, the United States for two, and we will look to the international community for the other two. The question is how do we construct a plan in which all of those ten pieces will fit together and will achieve our goal of a stable Colombia, politically and economically, which can resume its position as a leading force for democracy in Latin America.

As we consider this proposal, there are a few additional items which I think should be considered, and several of those have already been mentioned by my two colleagues.

First, we must do more to assist Colombia's neighbors who are our partners in reducing drug production. Bolivia and Peru have

drastically reduced coca production and their efforts must be recognized and reinforced.

Second, in the area of alternative development and economic assistance, we should consider such things as an early renewal of the Andean Trade Preference Act to rebuild confidence in the Colombian economy. This Act has been a great success, adopted in 1991 when Colombian exports to the United States totaled $2.7 billion, while U.S. exports to Colombia totaled almost $2 billion. So we had a negative balance of payments of $700 million.

Nine years after the Andean Trade Preference Act, Colombian exports to the United States have increased to $4.7 billion, while U.S. exports to Colombia have more than doubled, to $4.8 billion. So, today, we have a $100 million trade surplus with Colombia. Early renewal of the Andean Trade Preference Act will signal U.S. support of Colombia's economic reform efforts and will boost confidence in both domestic and foreign investors in pursuing business opportunities that create jobs and enhance international trade with Colombia and the Andean region.

Finally, we must do more to address the deficiencies in tactical intelligence that are at the center of any successful counter-drug strategy and are a major contribution of the two out of ten pieces of this puzzle which the United States can make.

Plan Colombia is much more than a counter-drug strategy. It is a multi-faceted and comprehensive approach to restore Colombian national security, reform the institutions of Colombia's government, and rebuild a prosperous Colombian economy. Today's witnesses reflect the diversity of this initiative and I look forward to hearing their testimony.

Senator GRASSLEY. Thank you, Senator Graham.

Before I introduce witnesses, I am going to put a letter in the record from Fanny Kertzman, General Director of the Colombian Taxes and Customs Agency.

[The letter referred to follows:]

February 16, 2000

The Honorable
**CHARLES E. GRASSLEY**
**SENATOR**
135 Senate Hart Office Building
Washington, DC 20510-1501

Dear Senator Grassley:

I fully enjoyed meeting with Mr. Bill Olson, and your staff, past January 28th. In order to follow-up on the discussion regarding our countries' alliance to end narcotraffic, I would like to reiterate the importance of bringing to your attention the significance of the fight against contraband in Colombia, as part of the joint effort to fight narcotics trafficking.

Contraband constitutes an unfair competition, which has led to the closing of many local industries in Colombia. These closings have contributed significantly to the high unemployment rate, 20% – the highest for Colombia in the twentieth century. Such supply of unemployed people immediately fuels the contraband business as a way to launder illegal drug proceeds. If we can carry on Plan Colombia's fight against narcotics trafficking as envisaged, we expect to achieve a lower level of contraband and therefore a lower unemployment rate in our country.

I would also like to briefly bring to your attention the inadvertent effect that the proposed CBI Parity legislation may cause to our efforts to bust money laundering through contraband. If the U. S. Congress grants the same treatment that the NAFTA countries have to neighboring Caribbean countries and does not include Colombia (a country which has about 1,000 miles of Caribbean coast), our legitimate businesses would immediately be in

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DIAN
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disadvantage to compete with beneficiaries, thus launching the closings of many small business and increasing the already mentioned unemployed population.

This chain of events can be prevented by giving Colombia the opportunity to play in a level field, that is, if benefits are granted to other partner countries; Colombia that has been fighting hand in hand with the U.S. this war against a global illegal industry, deserves not to be undercut. Our industries are competitive in trade if they have the opportunity of a fair game, so we ask of the U.S. Congress to give Colombia the opportunity to maintain its existing businesses. Your support of Plan Colombia already is an important milestone in the cooperation to bust narcotraffic, money laundering, contraband and illegal crops. By leveling Colombian apparel industry with Mexico and other countries that have preferential access to the U.S. markets you would also contribute significantly to win this war against a global illegal industry.

I look forward to continue exchanging ideas and working with you and your staff.

Sincerely yours,

**FANNY KERTZMAN**
GENERAL DIRECTOR
*Dirección de Impuestos y Aduanas Nacionales – DIAN*
(Colombian Taxes and Customs Agency)

*Carrera 8 No. 6-64 piso 6*
*Teléfono: 3 33 30 36 – Fax: 2 86 57 89*
*Dirección General de Impuestos y Aduanas Nacionales*

Senator GRASSLEY. I am going to introduce you in the way I would like to have you make your presentations. General McCaffrey is Director of the Office of National Drug Control Policy. Since 1996, General McCaffrey has overseen, among other things, the creation and implementation of the Federal Drug Control Strategy, the Drug-Free Communities Program, and the National Youth Anti-Drug Media Campaign.

Next, we have Ambassador Thomas Pickering, Under Secretary for Political Affairs for the Department of State. He has served as Under Secretary since 1997. He is a familiar face here on Capitol Hill.

Ambassador Richard W. Fisher, our third witness, serves currently as Deputy U.S. Trade Representative at the Office of the U.S. Trade Representative. His primary responsibility is covering trade issues for Asia, Latin America, and Canada. Given the importance and high profile of this issue to the administration and Congress, I had hoped that Ambassador Barchevsky would be able to come. But I thank you, Mr. Fisher, for filling in.

Our final witness today is General Charles Wilhelm. He has served as Commander-in-Chief of U.S. SouthCom since 1997 and has previously served as Commander of U.S. Marine Corps Forces Atlantic and Commanding General, Fleet Marine Force Atlantic. His decorations include the Distinguished Service Medal and the Silver Star.

All statements will be included in the record. I would ask you to summarize. And for the benefit of my colleagues who didn't hear me say this, General McCaffrey has to leave at 11:30. I hope we will be able to do things in the normal procedure, but just in case we aren't able to do that, we will concentrate maybe our first questioning upon General McCaffrey, but I would like to go through all four witnesses first.

General McCaffrey.

## STATEMENT OF HON. BARRY R. McCAFFREY, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

Mr. MCCAFFREY. Mr. Chairman, Senator Biden, Senator Graham, and your colleagues, I very much appreciate the chance to appear and to put a statement into the record. We tried to draw together our thinking and the data that are needed to intelligently discuss the issue in one document, and I commend this to your attention.

Let me also thank the committee for their past support to put together and to maintain a sensible U.S. national drug policy. I am enormously mindful that in an era of balanced budgets that the U.S. Congress has given us an increase of some 55 percent in our funding for prevention and education programs, and a more than 26-percent increase in drug treatment, which I believe is going to turn this issue around in the coming years.

Let me also, if I may, acknowledge the presence of the senior team from the Government that has hammered out Plan Colombia that we will discuss this morning, and particularly acknowledge Under Secretary Pickering's leadership. Secretary Albright, Mr. Sandy Berger, the President and I really have looked to Mr. Pickering's leadership to try and pull together the regional think-

ing about the drug issue, and I think he has done an absolutely superb piece of work.

General Wilhelm is going to have to do the heavy lifting on this at the end of the day. As we get into the details of this package, it is clear that a good bit of it is a mobility package for the Colombian armed forces, and some of it involves the training of not only counter-narcotics battalions, but also riverine elements and the skillful integration of intelligence into that effort. General Wilhelm and U.S. Southern Command obviously will have to be the primary agency to face up to that in support of the U.S. Embassy in Bogota.

Then, finally, Ambassador Fisher. I thank him for his tutorials on how we should think about the associated economic issues that are at stake here.

Mr. Chairman, with your permission, let me make four points and then walk very quickly through some charts. The four points begin the following: We have a strategy and it is working. You know, I frequently fall back on an old assertion that we should never argue about facts. They are either facts or they are not. The facts are we have been able to pull together a national strategy which has been sent to the Congress. We have consulted with leading members of Congress. We have your views and they are incorporated in this document.

There is a classified annex to the National Drug Strategy which gives guidance to the intelligence, armed forces, and law enforcement agencies to match this public document. We have also pulled together in the space of some six months of hard work our own understanding of what the Colombians are trying to achieve, and that strategy is Plan Colombia.

We knew we could not substitute U.S. thinking for what essentially has to be a Colombian approach, an approach that takes into account not just the massive challenges posed by 25,000 heavily armed narco-guerrillas, but also the concurrent problems which President Pastrana must face and for which he will be held accountable—the economy which is undergoing such difficulties, the peace process, as well as rebuilding democratic institutions where they are lacking.

And then finally, if you will allow me, there is indeed an administration proposal that pulls together and analyzes what the contributing agency requirements will be to make the U.S. support for Plan Colombia work. And I think there was some confusion in the GAO report you referenced. There is no question that we do have an interagency plan for supporting Colombia. There is no question that we have a five-year budget approach for the Andean Ridge.

I think what is quite correct is that we have not yet gotten to campaign planning on an interagency basis for the region, and I think that is really where you will see us go in the coming months and years to flesh out——

Senator BIDEN. General, would you mind explaining what you mean—I am being serious—by campaign planning?

Mr. MCCAFFREY. Yes. To some extent, it is a matter of semantics. By "strategy" I mean we do have a conceptual architecture and we have got resources tied to the concept. So we don't just have a notion, we don't just have a shopping list. We have got a blueprint and we have tied the resources to that blueprint.

Now, in addition, for Colombia itself we have pretty much moved out on developing programs to support the strategy and the resources. So, hopefully, if you ask those charged with implementing this, whether it is the Department of Justice, Treasury, DoD or elsewhere, they will tell you what they are trying to achieve with any sub-element of this plan. They will be able to explain what we are doing to upgrade four Customs aircraft, precisely why you are going about training three counter-narcotics battalions, why you chose these helicopters, what will be the deployment schedule. All that kind of work clearly exists. I would also argue we have got a pretty good Andean Ridge concept.

Now, a campaign plan for the region will take into account that all three of these principal nations—Peru, Bolivia and Colombia—are linked, and that indeed there has to be an explicit linkage to Venezuela, Ecuador, Panama, and the Caribbean, and I think the mechanics of that have to be fleshed out.

Senator BIDEN. Thank you.

Mr. MCCAFFREY. To underscore the strategy, though, at the end of the day, since 1995 there has been an 18-percent drop in the global production of cocaine, period. It went down. This is working. Peru and Bolivia have made dramatic achievements; the Peruvians, in particular, more than 60-percent reduction. To my astonishment, in barely more than 2 years, the Banzer administration in Bolivia has reduced production by more than 50 percent.

The second point, with your permission, Mr. Chairman, I would make is that Colombia is the center of gravity. That is where we have to go. It is quite clear that notwithstanding the regional successes and the Peruvian and Bolivian country successes, we do have a massive U.S. threat posed by cocaine and heroin production.

Eighty percent of the drugs we are seeing in America (in terms of cocaine and heroin) either originate in Colombia or transit through that country. So if we believe our own rhetoric, if we think these numbers we are using are correct, this is killing 52,000 Americans a year. This causes $100 billion in damages. This is actually the cause of much of the crime, the violence, the health problems, and the welfare problems we have in this country.

We are going to Colombia to try and support their democratic authorities in an attempt to stop the production of cocaine and heroin. And I would tell you the figures on cocaine are astonishing—520 metric tons in 1999. But we are also seeing, according to CIA analysis—and I am so announcing this really this morning—a 23-percent increase in opium cultivation last year alone. We are now crediting Colombia with producing now some 8 metric tons of heroin, and this is another major threat to our young people, up and down the East Coast in particular.

Point number three: the programs we will discuss today we have been working on for six months. I say this not lightly. This has involved many of us in the Departments of Defense, Justice, Treasury, State, USAID, and others to pull together a coherent plan and then to make sure that it is supportive of Colombian thinking.

A final thought, Mr. Chairman is that this plan must be, in my view, viewed as long-range. It will not, in our judgment, work to pass a supplemental and not to see that this is a multi-year effort to deal not just with Colombia, but also with regional problems,

and to support it not just in terms of police, armed forces, and intelligence, but also in precursor chemical control, arms smuggling, money laundering, alternative economic development, et cetera. So we think it is long-term and it requires bipartisan support.

Very quickly, let me just show you an overview in map form of what we are talking about. There is the problem—Bolivia and Peru, with dramatic reductions; concurrent, very definite increases in cocaine and heroin production in Colombia.

Next chart.

The problem is drugs. I think we can form a very good argument that the problems with the economy, with the peace process, and with the guerrilla forces are all related to an enormous amount of money that flows out of the production of cocaine and heroin and into those insurgent groups. I would include in that category the so-called paramilitary forces. There is no question that they also in many cases are nothing more than bandit formations whose arms and whose money comes from guarding or in some cases directly taking part in the growing or production of drugs.

Next slide.

To underscore, we don't think there can be a Colombia-only solution. We have to take into account the spillover effect, the hijacking of aircraft out of Venezuela, the 1,000 or more FARC guerrillas that have moved into the Darien Peninsula, the paramilitary forces now following to terrorize the population, the impact on Ecuador, the movement of drug smuggling routes in many cases from just formerly the fast boats and aircraft out of Colombia and into the eastern Caribbean. Now we see a very definite tendency to smuggling going out to the eastern Pacific ports in Ecuador, Peru, and indeed in Chile, and other drug routes now opening up through Brazil and even as far south as Argentina.

And then here is a pie chart (A graphic displayed). We can slice this $1.6 billion in many ways, but this gives you a quick overview. Let me just summarize it by saying the $1.6 billion is a 2-year program. It involves a substantial amount of support for Peru and Bolivia. They have made incredible reductions. We are continuing to maintain support for their efforts, and I think you will see about 15 percent of the total package goes to those two nations.

There is additional money intended for Ecuador, Venezuela, potentially Brazil, and potentially Panama. A good bit of that funding, however, does go to Colombia, some 85 percent. And if you look at the Colombia package, half of it goes to support of a mobility package for the Colombian armed forces. Essentially, it boils down to 30 Blackhawks and 33 UH–1Ns to allow Colombian military and police to reinsert democratic control in the south.

In two of those provinces, Putumayo and Caqueta, we have an explosion of drug production. In fact, the CNP, the eradication program of the Colombian police, has worked. They have had dramatic successes out in the east in Guaviare province. The production is now concentrated in the south. There are five FARC fronts down there. They are heavily armed. 2,500 police cannot insert themselves and eliminate drug production, never mind have governmental bodies provide the concurrent packages of humanitarian support that will be required as some 10,000 people are moved off this land where they are now involved in growing illegal crops.

We think the mobility package is going to be a huge change in the nature of the police ability to intervene in the south. I am going to fly to Colombia today. I will be there through Thursday. I will see these areas. When you look at the southern province, a third of the arable land area is under coca cultivation. It is outrageous, and the police simply can't get in there.

If you look at the rest of that package, there is a substantial amount—it has gone from about 5 percent last year to 20 percent this year—in support for judicial reform, alternative economic development, et cetera, so a huge increase in the balance of this program. And it does include quite specifically $240 million in support for these programs. We think it is a balanced package, we think it will make a difference, and over time we expect that a sense of support for Colombian democratic authorities will save American lives.

Mr. Chairman, I thank you for the chance to make these opening comments and I will look forward to responding to your questions.

[The prepared statement of Mr. McCaffrey follows:]

**Statement by General Barry R. McCaffrey**
**Director, Office of National Drug Control Policy**
**Senate International Narcotics Control Caucus and**
**Finance Committee, Subcommittee on International Trade**
**US Counterdrug Assistance for Colombia and the Andean Region**
**February 22, 2000**

**Introduction**

All of us in the Office of National Drug Control Policy appreciate the concern demonstrated over the years by the Caucus and the Subcommittee as to the threat to U.S. national security posed by drug trafficking in Colombia and the Andean Region. The recent explosion of coca production in Colombia, and the enormous economic resources that have become available to terrorist organizations associated with organized crime in Colombia, have increased the seriousness of the threat and extended it beyond Colombia into the other countries in the Andean region. Chairman Grassley, Senator Biden, Senator Moynihan, distinguished members of the Committee, we thank you for the opportunity to testify today about the drug trafficking situation in Colombia and the Andean Region, and the administration's proposed support package to address that situation. We welcome this opportunity to review the comprehensive initiatives that are being conducted in support of Goal 5 of the *National Drug Control Strategy*: Break foreign and domestic drug sources of supply.

**Cocaine Production is Declining**

The final 1999 coca cultivation and potential cocaine production estimates for the Andean Region released by the CIA's Crime and Narcotics Center show progress in attacking the cocaine trade. Overall Andean net coca cultivation declined to 180,000 hectares in 1999, 4 percent less than the 1998 figure, and 15 percent less than in 1995. Potential global cocaine production fell to 765 metric tons, a drop of 7 percent from the 1998 figure, and an 18 percent drop since 1995.

Although the overall coca cultivation trends are positive, this data confirms that there has been a major shift of coca cultivation from Peru and Bolivia to guerrilla-controlled territory in Colombia. The new data illustrates the urgency for Congressional action in support of the administration's $1.6 billion aid package to Colombia. The rapid expansion of drug production in Colombia, almost entirely in zones dominated by illegal armed groups constitutes an emergency. Without U.S. assistance substantially along the lines proposed by President Clinton, Colombia will not be equipped to implement its plan to end impunity for drug traffickers in areas currently beyond governmental influence. Neither will it likely be able to bring an end to the violence and human rights violations perpetrated by the drug-funded warlords who rule those areas. Drug production for the US market would continue unimpeded and could outstrip supply reductions achieved elsewhere in the Andean region.

**ANDEAN POTENTIAL COCAINE PRODUCTION**
**(Metric Tons)**

| | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|---|---|---|---|---|
| **Peru** | 460 | 435 | 325 | 240 | 175 |
| **Bolivia** | 240 | 215 | 200 | 150 | 70 |
| **Colombia** | 230 | 300 | 350 | 435 | 520 |
| **Totals** | **930** | **950** | **875** | **825** | **765** |

**ANDEAN COCA CULTIVATION**
**(Hectares)**

| | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|---|---|---|---|---|
| **Peru** | 115,300 | 94,400 | 68,800 | 51,000 | 38,700 |
| **Bolivia** | 48,600 | 48,100 | 45,800 | 38,000 | 21,800 |
| **Colombia** | 50,900 | 67,200 | 79,500 | 101,800 | 122,500 |
| **Total** | **214,800** | **209,700** | **194,100** | **190,800** | **183,000** |

**The Crisis in Colombia**

President Pastrana and his reform-minded government took office in August 1998. He has faced multiple challenges from the outset of his administration. These ongoing multiple and inter-related crises in Colombia threaten many US national interests. Among these interests are: stemming the flow of cocaine and heroin into the US, support for democratic government and rule of law, respect for human rights, promoting efforts to reach a negotiated settlement to Colombia's long-running internal conflict, maintaining regional stability, and promoting legitimate trade and investment. Without substantial financial, technical, and political support from the United States, these inter-related crises will not only negatively affect our nation, but threaten to undermine democracy and stability in Colombia and the region in the near term.

Rapidly expanding cocaine and heroin production in Colombia constitute a threat to US national security and the well-being of our citizens. Ninety percent of the cocaine entering the United States originates in or passes through Colombia. The annual cultivation of opium poppies in Colombia has expanded from almost nothing in 1990 to over 6,000 hectares now, producing enough high purity heroin to meet over half of the U.S. demand.

Over the last decade, drug production in Colombia has increased dramatically. In spite of an aggressive aerial eradication campaign, Colombian cultivation of coca, the raw material for cocaine, has more than tripled since 1992. New information about the potency of Colombian coca, the time required for crops to reach maturity, and efficiency in the cocaine conversion process has led to a revision of the estimates of Colombia's 1998 potential cocaine production from 165 metric tons to 435 metric tons.

The newly released 1999 figures indicate that both the number of hectares of coca under cultivation in Colombia and the amount of cocaine produced from those crops continue to skyrocket. Colombian coca cultivation rose 20 percent to 122,500 hectares in 1999; there was a corresponding 20 percent increase in potential cocaine production to 520 metric tons. Left unchecked, these massive increases in drug production and trafficking in Colombia will reverse gains achieved over the last four years in Peru and Bolivia, and continued expansion of drug production in Colombia will likely result in more drugs being shipped to the United States.

**US National Interests Are Threatened by the Crisis in Colombia**

The problems in Colombia affect the lives of Americans at home and abroad. Illegal drugs cost our society 52,000 dead and nearly $110 billion dollars each year due to health costs, accidents, and lost productivity. The US has been successful in reducing the number of cocaine users by over seventy percent since its peak in 1985. If left unchecked, the rapid expansion of drug production in Colombia threatens to significantly increase the global supply of cocaine and heroin. Without effective supply reduction programs, cheap and easily-obtainable drugs can undercut the effectiveness of our successful demand reduction programs and increase the drug threat to our communities. In Colombia, narco-funded terrorists kidnap and murder US citizens, and attack and extort US companies doing business there.

**Changes in Drug Trafficking**

In large part due to successful counterdrug programs in Peru and Bolivia, the drug production problem in the Andean Region has changed dramatically over the last decade. Until recently, most coca was grown in Peru and Bolivia, and coca base was shipped to Colombia for processing and distribution. Aggressive drug crop eradication, interdiction operations, and a broad array of law enforcement programs, in combination with alternative economic development programs in Peru and Bolivia have reduced coca cultivation in those countries 66% and 55%, respectively, since 1995.

Unfortunately, the traffickers found favorable conditions to move production into Colombia, converting it into the world's largest producer of coca. Domination of Colombia's vast coca growing regions by guerrilla or paramilitary groups, another relatively recent phenomenon, has greatly handicapped Colombian President Pastrana's ability to reduce drug production or enforce Colombian national law. These new circumstances require a change in strategy, policy, and resources if we intend to protect our nation from becoming the target of dramatically increased amounts of cocaine and heroin and avert possible increases in drug addiction, violence and crime. It is in the interest of both the United States and Colombia to curb the Colombian drug trade and increase prospects for peace and stability in Colombia and the Andean region as a whole.

The immense amounts of money generated by the drug trade are also fueling violence,

lawlessness, and Colombia's long internal conflict. Colombia lacks the resources to dislodge the organized terrorists and private armies that provide a safe haven for a drug-based economy. These illegal armed groups have a dominant presence in about half of Colombia's national territory and are the overwhelming source of the human rights violations committed in Colombia. High levels of violence, insecurity, and attacks on infrastructure are displacing large numbers of rural inhabitants and discouraging both Colombian and foreign investment, exacerbating Colombia's worst economic recession since the 1930s. Narco-financing of the guerrilla groups has produced a paradoxical situation in which the guerrillas are militarily strong and politically weak. All of these factors are undermining the Colombian government's good faith efforts to negotiate peace and bring an end to the decades of violence.

**The Economic Context of Colombia's Crisis**

The Colombian economy is in its first recession in 25 years, and the deepest recession of the last 70 years. Real gross domestic product is estimated to have fallen by 3.5 percent in 1999, the result of external shocks, fiscal imbalances, and a further weakening of confidence related to stepped up activity by insurgent groups. Unemployment has rocketed from under 9 percent in 1995 to about 20 percent in 1999, adding to the pool of unemployed workers who can be drawn into the narcotics trade or into insurgent or paramilitary groups. The deep recession has also sapped the Colombian government of resources to address societal and political pressures, fight the narcotics trade, or address systemic security requirements.

Drug trafficking issues often overshadow the importance of US-Colombian economic ties. Nevertheless, Colombia is an important regional trading partner. Two-way trade in 1998 reached nearly $11 billion. Fresh cut flowers imported from Colombia account for two-thirds of the flowers sold in the United States, and the Colombian flower industry directly and indirectly provides in excess of 200,000 jobs in the US. Other Colombian imports to the US include coffee, fruit, oil, and leather goods. US products sold in Colombia include telecommunications and computer equipment, energy components, and auto parts. The US is the number one foreign investor in Colombia, accounting for 28 percent of accumulated foreign direct investment in 1998 (not including petroleum).

Colombia is the eighth largest supplier of foreign crude oil to the United States, with more than 330,000 barrels per day shipped primarily to Gulf Coast refineries in Texas and Louisiana. In 1999, oil was Colombia's largest export, accounting for approximately 31 percent of the country's total exports and 24 percent of the central government's income. Not surprisingly, the guerrilla groups routinely attack the government-owned oil pipelines, 79 times in 1999 alone. These terrorist acts deprive the Colombian government of its principal source of foreign exchange, undermine the national economy, take away vital resources that could be used to provide security and basic government services to the Colombian people, and cause massive environmental damage. From a regional perspective, Colombia, Ecuador, and Venezuela together provide more than 20% of the US's oil imports. This statistic cannot be overlooked as we assess the importance of maintaining stability in the region, especially given the rising price of oil on the world market and the volatility of the Middle East.

**Plan Colombia – The Colombian Government's Response**

The Pastrana Government authored an integrated strategy, "Plan Colombia," that recognizes that solving Colombia's inter-related problems will require significant action on a variety of fronts. The plan articulates a set of far-reaching, interlocking policies designed to promote peace, strengthen democracy, combat drug trafficking, improve the human rights climate, and revive the economy. The Government of Colombia estimates that implementing Plan Colombia will cost about $7.5 billion over the next three years, and Colombia has committed to spending $4 billion of its own resources and international financial institution loans to execute the plan. The Pastrana Government is asking the international community to provide the remaining $3.5 billion in bilateral foreign assistance. The Administration proposal is responsive to the requirements identified in Plan Colombia.

President Pastrana's plan focuses on five strategic issues:

1. The peace process;
2. The Colombian economy;
3. The counter-drug strategy;
4. The reform of the justice system and the protection of human rights;
5. Democratization and social development;

These five planks respond comprehensively to Colombia's most severe problems. At the core is the need to strengthen the democratic institutions and their ability to rule. Repairing the economy will make it easier for the Colombian people to provide for themselves and will decrease the lure of the drug trade and other illicit activity. Combating the drug trade will reduce corruption, allow for legitimate economic development, remove the principal source of economic support from the illegal armed groups who create havoc within Colombian society, and make the negotiating table a more attractive setting than the battlefield for resolving their problems. Decreasing the scale of the internal conflict will facilitate the reform of the justice system and lead to improvement in the human rights situation. Illegal armed groups will no longer be in a position to control and abuse the Colombian people, and the GOC will be able to focus on reforms within the government rather than reacting to terrorist actions. True democratization and social development will bring better governance to the Colombian people.

President Pastrana has also placed his personal prestige behind the decision made by Colombia's military leadership to improve the military's human rights performance, end collusion with right-wing violence, and punish those who violate these new policies. Colombia's

human rights problems do not stem from an oppressive state and out of control security forces. Rather, the vast majority of human rights violations in Colombia are committed by illegal armed groups – paramilitaries, guerrillas, and common criminals – who are able to operate because of the weakness and/or absence of the state in the remote, outlying areas of the country. Plan Colombia address the systemic shortcomings to ensure that the military, police, and judicial system personnel throughout Colombia have the training, equipment, and governmental support they need to implement the rule of law and protect the Colombian people.

Under current leadership, the Colombian military is undergoing a cultural transformation which, if sustained, bodes well for Colombia. Defense Minister Ramirez and Armed Forces Commander Tapias have taken dramatic steps to deal with the legacy of human rights abuses and impunity that have clouded our bilateral relations in the past. The forced retirements of Generals Millan and del Rio because of ties to illegal paramilitary organizations and the arrests of General Uscategui and Lt. Col. Sanchez Oviedo for alleged involvement in the 1997 Mapiripan massacre conducted by paramilitaries are particularly significant. The US State Department's annual human rights report has also documented a steadily declining number of reported human rights violations by the Colombian military. Clearly, these are only steps toward a solution. Still, these good faith efforts demonstrate the will to address the remaining human rights problems in the Colombian military and to resolve the difficult challenges facing Colombia.

**The Assistance Package and the US National Drug Control Strategy**

The administration's proposed Colombia/Andean Region support package is perfectly in line with our National Drug Control Strategy – a strategy that represents a comprehensive approach focusing on: educating children about the dangers of drug use, decreasing the addict population, breaking the cycle of drugs and crime, securing our borders, and reducing the supply of drugs. Our effort to support Plan Colombia directly supports goal five of the National Strategy: Break foreign and domestic drug sources of supply. Funds used for overseas supply reduction still represent a small percentage of our entire National Drug Control budget. For example, including the administration's Colombia/Andean Region counterdrug assistance proposal, USG funding in Fiscal Year 2000 by counter-drug activity would break down as follows:

-- Demand reduction activities (e.g., treatment, prevention, research) accounts for 32.3% of the National Drug Control budget ($5.9 billion).

-- Domestic law enforcement accounts for 49% of that budget ($9 billion).

-- In contrast, our international efforts are only 8.4% of the budget ($1.5 billion), while interdiction activities account for the remaining 10.4% ($1.9 billion).

To deal effectively with the overall drug problem, we need to deal simultaneously with drug supply reduction, transportation, distribution, and abuse issues that have a complex interrelation. The proposed package will make an important addition to this effort.

**Staying the Course in Bolivia and Peru**

Also critical to US national interests is enhancement of counterdrug support to the surrounding nations, especially Peru and Bolivia, to ensure that the drug producers and traffickers can not respond to increased counterdrug efforts in Colombia simply by moving their operations to other countries. The current governments of Peru and Bolivia have shown impressive political will to attack drug trafficking in their nations within the framework of democracy and respect for human rights. If we are to help implement a plan that will cripple large-scale cocaine production in the Andes, we must continue to support Bolivia and Peru.

**The Administration Proposal**

The administration developed a proposal for a two-year assistance package to help implement Plan Colombia and bolster our counterdrug support to other nations in the region. The proposal suggests a $954 million Fiscal Year 2000 supplemental appropriations package and a supporting $318 million increase in the Fiscal Year 2001 budget. The proposed assistance is a balanced, comprehensive package supporting counterdrug activities, alternative economic development, rule of law, human rights, good governance, and the resettlement of internally displaced persons.

The specific package of equipment, training, and technical assistance for Colombia and the Andean Region that the Administration proposal includes was carefully developed over six months. An Administration working group consisting of government experts from State, Defense/SouthCom, ONDCP, CIA, Justice, Treasury, USAID, Customs, and other agencies consulted with our Embassy Country Teams, and with Colombian government, police and military officials to ensure that the assistance would, a) give the GOC the necessary tools to implement its own Plan Colombia; b) work together as an integrated package; c) provide sufficient training and spare parts to ensure that all assistance provided could be effectively absorbed and deployed by host nation authorities; and d) buttress the successful coca reduction programs in Peru and Bolivia . We believe that the package, as presented, represents a carefully calibrated combination of initiatives, which, when deployed, will make a real, concrete difference in Colombian and regional counterdrug efforts.

The proposed package is based on inter-linked initiatives:

- Counterdrug equipment, training, and technical assistance to help the Colombian police and military to establish government control of the vast coca growing regions in southern Colombia;

- Major increases in Colombian alternative economic development programs, including new job generation, to wean small farmers and migrant workers off cultivating drug crops;

- Strengthening governing capacity and human rights mechanisms;

- Supporting Colombia's economic recovery;

- Promoting progress in Colombia's peace process; and

- Enhancing regional drug interdiction and alternative development programs to support continued progress against drug trafficking and avoid displacement of Colombia's drug trade to the surrounding countries.

**Extending the Rule of Law in Colombia**

The Colombian National Police (CNP) will continue to be the primary responsible agency for drug law enforcement operations including eradication, lab destruction, chemical and drug shipment interdiction, and dismantling trafficking organizations. The CNP's crop control efforts are currently severely limited by the danger posed to eradication aircraft and personnel by the efforts of the guerrillas and paramilitary forces to protect the main source of their income. Military support will be required to provide a sufficient level of security for the CNP to perform their law enforcement mission. The proposed assistance package would enable the Colombian Army to operate jointly with the CNP as they move into the dangerous drug production sanctuaries in southern Colombian by providing funds to stand up two additional Army Counter-narcotics Battalions. The first Army Counter-narcotics Battalion, which was trained and equipped by the US, was brought on line in late 1999. The proposed assistance package will also provide resources to increase intelligence for the Colombian Joint Task Force – South, based at Tres Esquinas, which includes fully-vetted participants from all the military services and the Colombian National Police.

Colombia's current drug producing sanctuaries exist in large part because the illegal armed groups take advantage of Colombia's rugged geography, lack of basic infrastructure, and poor road network. To be effective, the Counter-narcotics Battalions must have sufficient air mobility to operate in the vast coca-growing areas. As a result, the largest single component in the proposed package involves providing the Counter-narcotics Battalions with adequate lift capability – 30 UH-60 (BlackHawk) and 15 UH-1N helicopters; 18 UH-1N helicopters were delivered to Colombia in November 1999 for this purpose.

**Additional Support for the Colombian National Police**

The package also includes substantial additional support for the Colombian National Police, including procuring additional spray aircraft; upgrading existing helicopters and planes; providing training, equipment, secure communications; building new bases and enhancing security at existing bases. The $95 million proposed in this assistance package for the CNP is in addition to the approximately $221 million the CNP received from the FY 1999 State/INL base funding and the counterdrug emergency supplemental package, the approximately $76 million FY 2000 INL base funding, and the $60 million request for FY 2001 in INL base funding. If Congress passes these funding requests, the three-year total for the CNP (1999-2001) would be $452 million, which we believe would provide the CNP with a robust capability to carry out their

counterdrug law enforcement responsibilities.

**Intelligence Enhancements**

The proposed assistance also includes resources to enhance both the Colombian and US governments' ability to collect, analyze, and disseminate the intelligence necessary to support all aspects of operational planning and execution. Though much progress has been made over the past five years, we need to continue to build the top quality intelligence support that is critical to effective implementation at both the strategic and operational levels. A portion of the funding goes toward improving the Colombian government's ability to field effective intelligence programs in support of both police and military operations. Other funds will be applied to US programs that support both Colombian and US government efforts, including those being carried out by US law enforcement agencies.

U.S. ability to collect and disseminate counter-drug intelligence to Colombia and other foreign allies will improve with the implementation of the President's *General Counterdrug Intelligence Plan (GCIP)*, released February 14. The GCIP addresses seven issue areas and advances 12 action items related to information sharing with foreign governments. The plan calls for a single Senior Narcotics and Law Enforcement Coordinator in each U.S. overseas mission, whose responsibility it is to assure that all the collecting agencies at a post coordinate their efforts. In addition, the Counter-Drug Intelligence Coordinating Group under the direction of the GCIP in Washington will coordinate the development of a comprehensive interagency system, governed by policy direction, to facilitate the secure and timely sharing of intelligence and information with allies and overseas counterdrug partner nations. The system will be designed to control sensitive sources and methods and release precisely the information needed in a timely and flexible manner.

**Improving Interdiction Capabilities**

In addition to crop control efforts, the Government of Colombia needs to wage a vigorous drug interdiction effort. The assessment of US and Colombian analysts is that the air transportation node that services Colombian cocaine labs and growing areas is vulnerable to interdiction. The goal is to cause a major disruption of the traffickers' ability to move their product. A successful interdiction campaign, similar to the Peruvian air bridge denial effort, is required. The $92 million for Colombian air interdiction programs contemplated in the package would establish Colombia's ability to interdict drug air transit in southern Colombia, and improve upon existing capability in northern Colombia through aircraft upgrades, additional ground-based radars, and improvement of existing air bases near the drug-producing regions. The package also includes $68 million to fund radar upgrades to four US Customs Airborne Early Warning Radar equipped P-3 aircraft for increased detection and monitoring missions in Colombia.

More than $30 million in additional funding would also be provided to improve riverine, maritime, and overland interdiction efforts to prevent the traffickers from finding alternative transportation routes or methods.

**Promoting and Protecting Human Rights**

In accordance with US law and policy, all assistance to the Colombian police and armed forces is contingent upon human rights screening. No USG assistance is being provided to any unit of the Colombian police or military for which there is credible evidence of gross human rights violations by its members. None will be provided to such units, unless, as required by US law, the Secretary of State determines that the GOC is taking steps to bring those responsible for gross human rights violations to justice. The Colombian military has markedly improved its human rights performance in recent years. Unfortunately, at the same time, the number of abuses committed by the guerrillas and, particularly, by the paramilitaries has also increased. We have urged the GOC to take effective steps to end abuses and impunity within its security forces. We welcomed President Pastrana's decisions in 1999 to retire four generals linked to paramilitary groups, as mentioned above, and statements by President Pastrana and top military officials that they would not tolerate collaboration with the paramilitaries. It is important to acknowledge that the Colombian military has one of the longest unbroken records of support for democracy and civilian government in the hemisphere.

**Bolstering Government Capacity and Alternative Development**

The Government of Colombia will need to provide improved local government services and licit economic alternatives to the illegal drug trade in order to consolidate its authority in the drug-producing regions and to ameliorate the effects on the population of increased counterdrug efforts. The proposed assistance package contains a major increase in US support for Colombian alternative development programs and funds to improve the delivery of municipal government services in the affected areas.

If the funding is approved, we would be committing $270 million over the next two years to alternative development, enhancing good governance, judicial reform, and human rights protection. This is in addition to some $4 billion that the GOC is committing to Plan Colombia from its own resources, including loans obtained from the International Financial Institutions, which would be aimed primarily at social, humanitarian, and infrastructure development, as well as economic revitalization.

The expanded alternative development programs proposed in this package would accelerate the damage done to the coca business while avoiding violent confrontations with a displaced coca labor force. Alternative development programs have been a key factor in recent, record-level reductions in coca cultivation in Peru and Bolivia, once the major producers of coca. Coca leaf prices rose in Peru in 1999 after many years of steady decline. It is imperative to

expand our efforts to provide licit economic opportunities in all three of the coca source countries to prevent farmers and laborers from returning to coca production.

The eradication of coca crops will hurt the illicit economy, and will force some people to move to find employment. The proposed assistance package supports the positioning of international organizations such as the Red Cross and the International Organization for Migration, as well as Colombian non-governmental organizations to deal with the estimated 10,000 migrant coca plantation workers that will be displaced by the eradication campaign. Displaced persons will receive a 90-day emergency benefits package, followed by a "Contingency Plan" sponsored by PLANTE (Colombia's alternative development agency) covering the time of return until the onset of a viable alternative development program. To address any increase in social unrest or violence that may arise in response to the eradication effort, USAID will provide support to the human rights delegates of Colombia's National Ombudsman's office to circulate where possible in Putumayo and Caqueta.

In order to foster the recovery of municipalities once illicit production has been destroyed, USAID will provide simple grants for public infrastructure. To obtain a grant, the municipal government must meet criteria for transparency in financial management and active participation in alternative development. USAID will also establish *Casas de Justicia* (Houses of Justice) in conflictive areas of Putumayo and Caqueta as security permits. Finally, for those small farmers who do not leave the region (estimated 4,000), USAID will assist the GOC to implement an alternative development program of licit crop substitution, improved local governance, and environmental management similar to the program initiated in the rest of Colombia.

**Strengthening Colombia's Judicial System**

Colombia's ability to enforce drug control laws is weakened by poorly functioning courts, untrained or inexperienced judges and prosecutors, threats and corruption. The Government of Colombia requires assistance in strengthening its criminal justice capacity – law enforcement, the police and prosecutor investigative capabilities, increased prison security – to build long-term counterdrug capability, enhance the rule of law, and increase public confidence in the justice system. The proposed package contains a significant administration of justice element to address these challenges.

The $88 million for justice-related programs illustrates that the USG is committed to a comprehensive solution to the problems in Colombia and to protecting human rights and the rule of law. Many of these dramatic and inter-related challenges to the rule of law that Colombia faces stem from the culture of violence bred by a long-standing insurgency and weak governing institutions in the interior of Colombia. The growing narcotics trade has spawned additional violence and corruption. US assistance to the program includes increased training for the police, prosecutors and judges in areas of human rights, narcotics, maritime and border security, corruption, kidnapping, and money laundering/asset forfeiture cases. Funds will also be used for security protections for witnesses, judges, and prosecutors in the criminal justice system, as well

as assistance in prison design and administration. Additionally, US support for Plan Colombia will provide for procedural and legislative reforms to ensure that the system functions fairly and effectively, with particular emphasis on the transition to an accusatory system, including oral trials. There must also be close coordination between civilian and military justice systems to ensure that any member of the armed forces implicated in human rights abuses is properly investigated and held accountable for crimes.

Other proposed initiatives relating to increasing Government of Colombia governing capacity are a substantial increase in US assistance to international organizations and Colombian non-governmental organizations helping Colombians displaced by the internal conflict, as well as funding for programs designed to protect human rights workers, strengthen Colombian government and non-governmental human rights entities, and establish and train specialized units in the National Police and Prosecutor General's Office to handle human rights cases.

The remaining Colombia-specific programs in the proposed package are designed to address the inter-related issues that exacerbate or facilitate the drug trade in Colombia. The Government of Colombia needs to create better conditions for a successful peace process, and greater domestic and foreign investment. The US would provide technical assistance to initiatives relating to economic recovery. We would also provide some training opportunities for Government of Colombia negotiators and policy advisors to facilitate progress in the peace process. We believe that to the extent that Plan Colombia reinvigorates the Colombian economy, enhances GOC governing capability, discourages human rights abuses, and reduces the money available to guerrillas and paramilitaries from involvement in drug trafficking, it will encourage the peace process.

**The Requirement for Broad International Support**

The USG is seeking to ensure that other donor nations that are part of the global cocaine consumption market assist Colombia to move forward with Plan Colombia. With our strong support, the International Monetary Fund has approved a $2.7 billion program for Colombia. In addition, we are supporting the Colombian Government's request for more than $3 billion in loans from the World Bank and the Inter-American Development Bank. Efforts to build support among potential bilateral donors in Europe and Asia are underway.

**Regional Support Elements of the Proposal**

In order to maximize the effectiveness of increased counterdrug efforts in Colombia, we must reinforce counterdrug efforts in the surrounding countries to capitalize on successful programs there and to prevent the traffickers from simply moving their operations to avoid law enforcement. Successful execution of source zone interdiction programs is dependent upon US interagency detection and monitoring and intelligence support. The proposed package would provide $38.6 million to establish Forward Operating Locations in the region to enable the US to continue its robust regional interdiction initiatives now that the bases in Panama have closed.

The proposal also includes $46 million for programs that would adapt air, land, and riverine interdiction efforts in Peru and Bolivia to changes in trafficker routes and methods, and would provide modest funding to support increased interdiction challenges in Venezuela, Ecuador, and Brazil. Increased effectiveness of interdiction programs will depress trafficker demand for coca leaf and base and reduce coca farm-gate prices, which will, in turn, increase the allure and effectiveness of alternative development programs. The proposed package includes an additional $30 million above the baseline funding for alternative development programs in Peru, Bolivia, and Ecuador to handle the increase in demand for licit alternatives to coca production.

The Andean Region assistance package has been crafted in response to the need for a strategy to eliminate coca production in the Andes where it is most prevalent, and prevent its return to Peru and Bolivia where so many coca growers have moved away from the drug trade into licit activities. The proposed assistance package will be effective only if it is implemented as a whole and is kept in place for the long term. It offers the best hope for decisive, permanent action against the flow of illegal drugs in the United States, and in favor of democracy, peace, stability, and respect for human rights in our hemisphere.

**Conclusion**

Now is the time for a major effort to support the counterdrug efforts of the governments in the Andean Region. There is strong political will in Colombia, Peru, and Bolivia to attack the drug trade, root out corruption, end violence, and establish peace and security within the framework of democracy and respect for human rights. There is also strong will in the governments of Ecuador, Venezuela, and Brazil to ensure that successful counterdrug efforts in the current drug source countries do not displace the drug trade into their nations.

While Colombia has become the center of illegal drug production in our hemisphere, the commitment of the Government of Colombia to attacking drug production and trafficking is indisputable. The Government of Colombia is now conducting a robust counterdrug effort including eradication of drug crops; lab destruction; alternative development; attacking drug mafias; and air, maritime, riverine, and land interdiction operations to seize and destroy drugs and chemicals. President Pastrana recently resumed extradition of Colombian nationals. As a result of the very successful Operation Millennium and other cooperative law enforcement actions against drug criminal organizations, extradition proceedings are underway for forty-one more drug traffickers wanted for crimes in the United States. The traffickers have already responded with bombs and threats.

Hundreds of Colombian police and military personnel, judges, prosecutors, government officials, and innocent civilians have lost their lives as a result of drug trafficking and the violence it generates. Just as we share with Colombia the threat to national security and social well-being posed by illegal drugs, we share the responsibility to act against them. It is imperative that the United States Government do its fair share to fight drug production and trafficking in Colombia and the region, and support our democratic allies.

The Administration looks forward to working closely with Congress to develop a package that will stem the tide of drugs flowing into the United States from the Andean Region while providing the necessary funding to help Colombia confront its current problems.

Senator GRASSLEY. Ambassador Pickering.

**STATEMENT OF HON. THOMAS R. PICKERING, UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS, DEPARTMENT OF STATE**

Ambassador PICKERING. Thank you, Mr. Chairman, very much. I am delighted to be here. I have a statement I will submit for the record. I would like you and the members of the committee to know how much I appreciate the opportunity to be with you today to discuss our assistance to the Andean region, and what I will do in excerpts of my statement is attempt to compliment the excellent overview which General McCaffrey has just presented.

I have just come back from a visit to Colombia, Venezuela and Ecuador, and some of the testimony I will give today incorporates my firsthand impressions. I know that we are all very concerned about the impact of the situation in the Andean region on our own country. The importance of fighting the scourge of illegal drugs is an issue on which we all agree. Narcotics have deleterious effects not only on the health of the person who consumes them, but they have a corrosive effect on democratic institutions and on the economies in the region, something that I have just again witnessed firsthand. We look forward to working with you, sir, and with the Congress as a whole to take the decisive action that is necessary to address these questions.

I want to speak a little more in-depth about Colombia and our proposed assistance package to support Plan Colombia, and then I will touch briefly on some of the other issues that come up in the regional context.

The U.S. has consulted closely on the key elements that make up the Plan with Colombian leaders and their senior officials. The Plan ties together many individual approaches and strategies that are already being pursued in Colombia and elsewhere in the region. It attempts to use the success in Bolivia and Peru as road maps to a successful plan. It was formulated, drafted, and approved in Colombia by President Pastrana and his team, and without the Colombian stamp the Plan would not have the support and commitment of Colombia behind it, and particularly that of President Pastrana.

Colombian ownership and vigorous Colombian implementation are essential to the future success, and as General McCaffrey said, we are now very heavily focused on implementation of the Plan, the operational plan, if you would call it, or the campaign plan. The U.S. shares the assessment that an integrated and comprehensive approach to Colombia's interlocking challenges holds the best promise of success.

Before I go on to describe in a little more detail our proposal to assist Plan Colombia, let me remind you that the Plan cannot be understood simply in terms of the U.S. contribution, which is only a portion, and indeed a minor portion of the overall Plan.

Plan Colombia is at least a $7.5 billion plan, of which President Pastrana has said Colombia will commit itself to provide $4 billion of its scarce resources to support. He called on the international community for help to provide the remaining $3.5 billion. In response to this request, the Administration is now proposing a $1.6

billion assistance package to Colombia of new monies and current funding for the first two years of the Plan.

Our request for new monies includes, as you know, $954 million in FY 2000 emergency supplemental funds and $318 million in an FY 2001 funding package. A significant share of our effort will go to reduce the supply of drugs to the U.S. by assisting Colombia in its efforts to limit production, refinement, and transportation of cocaine and heroin.

Building on current funding of over $330 million, for FY 2000 and 2001, the administration's proposal includes an additional $818 million funded through international affairs programs, the Function 150 account, and $137 million through Defense programs, Function 050, in FY 2000, and $256 million funded through Function 150 and $62 million through Function 050 in FY 2001.

We are looking to the European Union and the International Financial Institutions to provide additional funding. In this regard, the International Financial Institutions, we understand, have already committed between $750 million and $1 billion to Plan Colombia activities.

The Departments of State, Defense, Justice, and Treasury, as well as AID and the Drug Enforcement Administration, and the Office of National Drug Control Policy all played major roles in proposing and crafting the Plan Colombia two-year support package. General McCaffrey has been kind to offer me some congratulations on this. I think that all of us on this side of the table will accept them when we see Plan Colombia beginning to realize some real progress in its objectives. But all of these agencies have been instrumental in providing their support and backing to the U.S. contribution and all of them will play a central role in the interagency implementation effort.

General McCaffrey has explained some of the overall problems with production of cocaine and heroin in Colombia. There has been an explosive growth in the crop in southern Colombia, in the Department of Putumayo, and to a lesser extent in the north in the Department of Norte de Santander. Putumayo is an area that remains beyond the reach of the government's coca eradication operations. Strong guerrilla presence, and I would say increasing paramilitary presence from my recent visit, and weak state authority have contributed to a lawless situation in that Department.

As our successes in Peru and Bolivia demonstrate, it is possible to combat narcotics production in the Andean region. The package will aid the government of Colombia in their plans to launch a comprehensive step-by-step effort in Putumayo and the adjoining Department of Caqueta to concur the coca explosion, including eradication, interdiction, and alternative development over the next several years.

In doing this, as you have said yourself, Mr. Chairman, and others, we cannot and will not abandon our allies in Bolivia and Peru. Their successes are real and inspired, with 60- to 70-percent reductions in coca production in these countries. But they are also tenuous against the seductive dangers of the narcotics trade.

That is why our Plan Colombia support package includes nearly $46 million for regional interdiction efforts and another $30 million for alternative development in Peru, Bolivia, and Ecuador. These

countries deserve our continued support to solidify the gains that they have worked so hard to obtain, and we are not content to allow cultivation and production of narcotics to be simply displaced from one Andean country to another.

The various components of the assistance package I would like to review in brief. Boosting governing capacity and respect for human rights is the first element, and here the Administration proposes funding $93 million over the next 2 years to fund AID and Justice Department and Department of State programs to strengthen human rights and administration of justice institutions.

Expansion of counter-narcotics operations into southern Colombia is the second element. The world's greatest expansion in narcotics cultivation is occurring now as we speak in the insurgent-dominated area of southern Colombia. With this package, the Administration proposes to fund $600 million over the next 2 years to help train and equip two additional special counter-narcotics battalions and provide the 33 Blackhawks and the 33 Huey helicopters that General McCaffrey spoke about to make these air battalions air-mobile and to provide them with sufficient intelligence support.

Alternative economic development is the third element. The package includes new funding of $145 million over the next 2 years to provide economic alternatives for small farmers who now grow coca and poppy, and to increase local government ability to respond to the needs of their people.

The fourth element is more aggressive interdiction. Enhancing Colombia's ability to interdict air, waterborne and road trafficking is absolutely essential to decreasing the price paid to farmers for coca leaf and to decreasing the northward flow of drugs toward our country and elsewhere. The Administration proposes to spend $340 million on interdiction. The program includes funding over the next two years for radar upgrades to give Colombia a greater ability to intercept traffickers, and also to provide intelligence to allow the Colombian police and military to respond quickly to narcotics efforts. It also includes some of the elements of increase in the riverine forces which Colombia has begun already to deploy.

The fifth element includes assistance for the Colombian National Police. The Administration proposes an additional funding of $96 million over the next 2 years to enhance the Colombian National Police's ability to eradicate coca and poppy fields. This requests builds on our FY 1999 counter-narcotics assistance of $158 million to the Colombian National Police.

U.S. assistance to military and police forces will be provided strictly in accordance with Section 564 of the FY 2000 Foreign Operations Appropriations Act, the so-called Leahy amendment. No assistance is provided to any unit of the security forces for which we have credible evidence of commission of gross violations of human rights unless the Secretary of State is able to certify that the government of Colombia has taken effective measures to bring those responsible to justice.

We are firmly committed to the Leahy amendment and have a rigorous process in place to screen those units being considered for assistance, and this is just but one of the many areas where Sen-

ator Biden's admonition on transparency is being taken seriously into account and applied.

Let me now turn to the region. In Bolivia, President Hugo Banzer's administration has embarked on an ambitious five-year plan called the Dignity Plan to eliminate all illicit coca and permanently remove the country from the international narcotics circuit. A goal that seemed utopian when it was announced early in 1998 is now actually, Mr. Chairman, within reach.

More than 73 percent of the country's illicit coca has been eradicated in less than 50 percent of the allotted time for that task. It is vital that the Bolivians consolidate these gains by providing alternative development options to the farmers who are abandoning the coca trade, while maintaining the focus on eradication and interdiction. U.S. assistance has been and will continue to be essential.

In Venezuela, at this particularly important crossroads it is important to continue to emphasize the value of staying within democratic bounds and establishing precedents for transparent, effective, and responsive government in that country. We will continue to engage in bilateral cooperation with Venezuela in a wide variety of areas, everything from flood relief and reconstruction from the various serious floods they suffered in December, to counter-narcotics, anti-corruption, and judicial reform, and the creation of an attractive investment and business climate in Venezuela.

Venezuela is cooperating broadly with Colombia on counter-narcotics, border protection, and the search for peace in Colombia. On my recent trip to Venezuela, I had a full and valuable range of discussions with Venezuelan officials on various issues, including a central focus on counter-narcotics, and I am happy to report that I believe we recorded significant progress on the few issues with Venezuela that are now not already fully agreed upon.

In Peru, we enjoy a strong bilateral relationship with that country that spans many issues, from counter-narcotics to commercial ties. Our assistance seeks to strengthen democratic institutions in Peru, enhance the government's ability to interdict and disrupt narcotics production and distribution, and to reduce poverty and promote economic and social development. Our democracy assistance promotes civic and voter education, journalism training, and support for press freedom organizations, election monitoring, judicial training, increased political participation of women, and increased citizen participation in local government. Our programs also help to strengthen and expand the Office of Human Rights Ombudsman, and to support the work of credible human rights NGOs. Peru is, of course, a country that is a serious source of cocaine, and the value progress that they have made, described by General McCaffrey, is indeed important in the continuing effort that we are making in the region.

In Ecuador, while we reject the means by which the recent president, President Mahuad, was removed from office, we are committed to working with the new Noboa government on the full range of issues of mutual interest, including, of course, our joint narcotics operations from the Manta forward operating location.

Ex-president Mahuad has since called on all Ecuadorans to support the new president, President Noboa. The new president's prin-

cipal challenge will be to address the economic crisis rapidly in Ecuador and to restore public confidence. We have urged Ecuador to work very closely with the International Monetary Fund and to take the economic steps necessary to put the reforms in place and put Ecuador on the path to recovery, including the urgent need for legislation in the country. The Noboa government has put forward a package of necessary reforms, and when I was there I strongly urged all of the parties in the Ecuadoran congress to pass them.

The Andean Trade Preference Act, which will be addressed by Ambassador Fisher, is also an important instrument for us and for our activities in the region, and I believe is something we need continually to keep in mind as part of the efforts that we are making.

Thank you, Mr. Chairman, for the opportunity to make this presentation, and I look forward very much to your questions.

Senator GRASSLEY. Thank you, Ambassador Pickering.

[The prepared statement of Ambassador Pickering follows:]

**Testimony**
**of**
**Ambassador Thomas R. Pickering,**
**Under Secretary of State for Political Affairs**
**before the**
**Senate Narcotics Caucus**
**and**
**Senate Finance Committee**
**Subcommittee on International Trade**

**February 22, 2000**

**U.S. Assistance to the Andean Region**

Mr. Chairman, members of the Committee, I appreciate the opportunity today to discuss U.S. assistance to the Andean region. I have just returned from a visit to Colombia, Venezuela, and Ecuador, and I look forward to sharing some first-hand impressions. I know that we are all very concerned about the impact of the situation in the Andean region on the United States. The importance of fighting the scourge of illegal drugs is an issue on which we can all agree. Narcotics have deleterious effects not only on the health of the person who consumes them, but have a corrosive effect on the democratic institutions and the economies of the region. We look forward to working with Congress in order to take decisive action to address these issues.

I will speak in depth about Colombia and our proposed assistance package in support of Plan Colombia. I then touch briefly on the other Andean countries and what the USG is doing to assist them. I will then conclude with the Andean Trade Preference Act (ATPA).

**COLOMBIA**

Colombia, in particular, is a matter of vital importance to the United States. We are fortunate to be working with President Pastrana and his Administration. After strained relations with the tainted Samper Administration, President Pastrana's tenure offers the United States and the rest of the international community a golden opportunity to work with Colombia in confronting these threats. President Pastrana's commitment to achieve peace is indisputable. He has also demonstrated his willingness to root out narcotics trafficking

while remaining firmly committed to democratic values and principles.

Colombia is currently enduring critical societal, national security, and economic problems that stem in large part from the drug trade and the internal conflict that it finances. This situation has limited the Government of Colombia's sovereignty in large parts of the country. These areas have become the prime coca and opium poppy producing zones. This problem directly affects the United States as drug trafficking and abuse cause enormous social, health, and financial damage in our communities. Over 80 percent of the world's supply of cocaine is grown, processed, or transported through Colombia. The U.S. Drug Enforcement Agency estimates that up to 75 percent of the heroin consumed on the East Coast of the United States comes from Colombia - although Colombia produces less than 3 percent of the world's heroin.

Colombia's national sovereignty is increasingly threatened by well-armed and ruthless guerrillas, paramilitaries and the narcotrafficking interests that are inextricably linked. Although the Government is not directly at risk, these threats are slowly eroding the authority of the central government and depriving it of the ability to govern in outlying areas. Colombia must reestablish its authority over these narcotics producing "sanctuaries." Bogota cannot successfully resolve its many socio-economic problems, establish respect for human rights or achieve peace while these "sanctuaries" flourish and while the illegal armed groups in them earn hundreds of millions of dollars from the drug trade.

We estimate that the FARC now has 7,000-11,000 active members, the ELN between 3,000-6,000 and that there are an estimated 5,000-7,000 paramilitary members. They all participate in this narcotics connection. Estimates of guerrilla income from narcotics trafficking and other illicit activities, such as kidnapping and extortion, are unreliable, but clearly exceed $100 million a year, and could be far greater. Of this, we estimate some 30-40% comes directly from the drug trade. Paramilitary groups also have clear ties to important narcotics traffickers, and paramilitary leaders have even publicly admitted their participation in the drug trade.

This situation is worsened by the fact that the Colombian economy is undergoing its first recession in 25 years, and its deepest recession of the last 70 years. Real gross domestic product is estimated to have fallen by 3.5 percent last year,

the result of external shocks, fiscal imbalances, and a further weakening of confidences related to stepped up activity by insurgent groups. Unemployment has rocketed from under 9 percent in 1995 to about 20 percent in 1999, adding to the pool of unemployed workers who can be drawn into the narcotics trade or into insurgent or paramilitary groups. This recession has also sapped the Colombian government of resources to address societal and political pressures, fight the narcotics trade, or respond to its thirty-five year internal conflict.

**Plan Colombia**

The Government of Colombia has taken the initiative to confront the challenges it faces with the development of a strategic approach to address its national challenges. The "Plan Colombia - Plan for Peace, Prosperity, and Strengthening of the State" is an ambitious, but realistic, package of mutually reinforcing policies to revive Colombia's battered economy, to strengthen the democratic pillars of the society, to promote the peace process and to eliminate "sanctuaries" for narcotics producers and traffickers. The strategy combines existing Colombian policies with new initiatives to forge an integrated approach to resolving Colombia's most pressing national challenges.

The USG consulted closely on the key elements that make up the Plan with Colombian leaders and senior officials. It ties together many individual approaches and strategies already being pursued in Colombia and elsewhere in the region. The Plan itself was formulated, drafted and approved in Colombia by President Pastrana and his team. Without its Colombian stamp, the Plan would not have the support and commitment of Colombia behind it. Colombian ownership and vigorous GOC implementation are essential to the future success of the Plan.

The USG shares the assessment that an integrated, comprehensive approach to Colombia's interlocking challenges holds the best promise of success. For example, counternarcotics efforts will be most effective when combined with rigorous GOC law enforcement and military cooperation, complementary alternative development programs and measures to ensure human rights accountability. Similarly, promoting respect for the rule of law is just as essential for attracting foreign investors as it is for securing a durable peace agreement.

I met with President Pastrana and his Plan Colombia team on February 13-14 to discuss the Plan's implementation. We reviewed with the Colombians a wide array of coordination and implementation issues. I believe we have launched a process of continuous bilateral discussions that will refine and make more effective our implementation policies.

Before I describe for you our proposal to assist Plan Colombia, let me remind you that the Plan cannot be understood simply in terms of a U.S. contribution. Plan Colombia is a $7.5 billion plan of which President Pastrana has said Colombia will provide $4 billion of its scarce resources. He called on the international community to provide the remaining $3.5 billion. In response to this request, the Administration is proposing a $1.6 billion assistance package to Colombia of new monies and current funding. Our request for new monies includes a $954 million FY 2000 emergency supplemental and $318 million in FY 2001 funding. A significant share of our package will go to reduce the supply of drugs to the United States by assisting the Government of Colombia in its efforts to limit the production, refinement, and transportation of cocaine and heroin. Building on current funding of over $330 million in FY 2000 and FY 2001, the Administration's proposal includes an additional $818 million funded through international affairs programs (function 150) and $137 million through defense programs (function 050) in FY 2000, and $256 million funded through function 150 and $62 million through function 050 in FY 2001. We are looking to the European Union and the International Financial Institutions to provide additional funding.

The Departments of State, Defense, Justice, and Treasury, as well as the Agency for International Development, the Drug Enforcement Administration, and the Office of National Drug Control Policy all played major roles in proposing and crafting the Plan Colombia two year support package. They will all play essential roles in the interagency implementation effort.

The Administration's proposal for support for Plan Colombia addresses the breadth of Colombia's challenges, and will help Colombia in its efforts to fight the drug trade, foster peace, increase the rule of law, improve human rights, expand economic development, and institute justice reform. Much of the assistance for social assistance programs will come from the International Financial Institutions (IFI), future potential bilateral donors and Colombia's own funds.

There has been an explosive growth in the coca crop in Putumayo, in southern Colombia and, to a lesser extent, in Norte de Santander, in the northeast. Putumayo is an area that remains beyond the reach of the government's coca eradication operations. Strong guerrilla presence and weak state authority have contributed to the lawless situation in the Putumayo. As our success in Peru and Bolivia demonstrates, it is possible to combat narcotics production in the Andean region. This package will aid the Government of Colombia in their plans to launch a comprehensive step-by-step effort in Putumayo and Caqueta to counter the coca explosion, including eradication, interdiction, and alternative development over the next several years.

The push into drug producing southern Colombia will give greater sovereignty over that region to the GOC, allowing the CNP to eradicate drug cultivation and destroy cocaine laboratories. Increased interdiction will make the entire drug business more dangerous for traffickers and less profitable. Meanwhile, our support for Plan Colombia will also assist internally displaced people with emergency relief in the short term and fund alternative economic development to provide licit sources of income in the long term. USAID and DOJ will fund programs to improve human rights conditions and justice institutions giving the Colombian people greater access to the benefits of democratic institutions.

Our counternarcotics package for Colombia was designed with the benefit of knowing what has worked in Bolivia and Peru. With USG assistance, both countries have been able to reduce dramatically coca production. This was achieved through successful efforts to re-establish government control and bring government services to former drug producing safe havens. Both Bolivia and Peru combined vigorous eradication and interdiction efforts and with incentives for small farmers to switch to legal crops. We aim to help Colombia accomplish a similar record of success.

In doing this, we cannot, and will not, abandon our allies in Bolivia and Peru. Their successes are real and inspired. But they are also tenuous against the seductive dangers of the narcotics trade. This is why our Plan Colombia support package includes $46 million for regional interdiction efforts and another $30 million for alternative development in Peru, Bolivia and Ecuador. These countries deserve our continued support to solidify the gains they have striven so hard to obtain. We are not content to allow the cultivation and production of narcotics to be simply displaced from one Andean country to another.

**Components of U.S. Assistance Package**

The proposed U.S. assistance has five components:

1. Boosting Governing Capacity and Respect for Human Rights:

The Administration proposes funding $93 million over the next two years to fund programs administered by the Agency for International Development (AID) and the Departments of State and Justice to strengthen human rights and administration of justice institutions. Specific initiatives include increasing protection of human rights NGOs, supporting human rights NGOs' information and education programs, creating and training special units of prosecutors and judicial police to investigate human rights cases involving GOC officials, and training public defenders and judges. We propose to allocate $15 million dollars to support GOC and NGO entities specifically focused on protecting human rights. Boosting governing capacity also includes training and support for GOC anti-corruption, anti-money laundering and anti-kidnapping personnel.

2. Expansion of Counternarcotics Operations into Southern Colombia:

The world's greatest expansion in narcotics cultivation is occurring in insurgent-dominated southern Colombia. With this package, the Administration proposes to fund $600 million over the next two years to help train and equip two additional special counternarcotics battalions (CNBN), provide 30 Blackhawk helicopters and 33 Huey helicopters to make the CNBNs air mobile and to provide them with intelligence. These troops will accompany and backup police eradication and interdiction efforts. They will also provide secure conditions for the implementation of aid programs, including alternative development and relocation assistance, to those impacted by the ending of illegal narcotics cultivation.

3. Alternative Economic Development:

The Administration includes new funding of $145 million over the next two years to provide economic alternatives for small farmers who now grow coca and poppy, and to increase local governments' ability to respond to the needs of their people. As interdiction and eradication make narcotics farming less profitable, these programs will assist communities in the transition to licit economic activity.

4. More Aggressive Interdiction:

Enhancing Colombia's ability to interdict air, water-borne, and road trafficking is essential to decreasing the price paid to farmers for coca leaf and to decreasing the northward flow of drugs. The program includes funding over the next two years for radar upgrades to give Colombia a greater ability to intercept traffickers, and also to provide intelligence to allow the Colombian police and military to respond quickly to narcotics activity. It will support the United States forward operating location in Manta, Ecuador, which will be used for narcotics related missions. Additionally, these funds will provide assistance to enhance interdiction efforts in Peru, Bolivia, and Ecuador to prevent narcotics traffickers and growers from moving into neighboring countries.

5. Assistance for the Colombian National Police (CNP):

The Administration proposes additional funding of $96 million over the next two years to enhance the CNP's ability to eradicate coca and poppy fields. This request builds upon our FY-99 counternarcotics assistance of $158 million to the CNP. Our additional assistance will upgrade existing aircraft, purchase additional spray aircraft, and provide secure bases for increased operations in the coca-growing centers. It will also provide more intelligence on the narcotics traffickers.

All U.S. counternarcotics assistance to Colombia will continue to be in the form of goods and services. The counternarcotics components of Plan Colombia will be implemented by the Colombian police and military, and there are no plans to commit any U.S. forces to implement militarily any aspect of this Plan. On the ground, our military assistance will be limited to training vetted counternarcotics units through the temporary assignment of carefully picked U.S. military trainers.

**Human Rights Dimension**

We have also strongly supported the efforts of the Pastrana Administration to advance the protection of human rights and to prosecute those who abuse them. Complicity by elements of Colombia's security forces with the right wing militia or paramilitary groups has been a serious problem, although the GOC has taken important steps in holding senior military and police officials accountable for participation in human rights violations. Since assuming office in August of 1998, President

Pastrana has demonstrated his Government's commitment to protecting human rights by the dismissal of four generals and numerous mid-level officers and NCO's for collaboration with paramilitaries or failure to confront them aggressively. There have also been repeated government declarations that collaboration between members of security forces and paramilitaries will not be tolerated. More must be done, however.

U.S. assistance to Colombian military and police forces is provided strictly in accordance with Section 563 of the FY 2000 Foreign Operations Appropriations Act--the so-called Leahy Amendment. No assistance is provided to any unit of the security forces for which we have credible evidence of commission of gross violations of human rights, unless the Secretary is able to certify that the Government of Colombia has taken effective measures to bring those responsible to justice. We are firmly committed to the Leahy Amendment, and have a rigorous process in place to screen those units being considered for assistance.

The Government of Colombia also acknowledges the urgent need to improve physical security and protection for human rights workers and the NGOs to which they belong. Currently, the GOC has dedicated $5.6 million to provide physical protection to approximately 80 human rights activists and their offices. The Plan outlines measures to strengthen the Human Rights Ombudsman's office, as well as to establish a Permanent National Commission on Human Rights and International Humanitarian Law.

**Peace Process**

President Pastrana has made bringing an end to Colombia's civil strife through a peace agreement with the various insurgent groups a central goal of his Administration. President Pastrana believes, and the United States Government agrees, that ending the civil conflict and eliminating all it's harmful side effects is central to solving Colombia's multi-faceted problems.

A peace agreement would stabilize the nation, help Colombia's economy to recover and allow for further improvement in the protection of human rights. A successful peace process would also restore Colombian government authority and control in the coca-growing region. We hope the peace negotiations going on now between the GOC and the FARC and the GOC's informal

discussion with the ELN prove successful. We applaud the Colombian Government's determination to press the guerrillas to cease their practices of narcotics trafficking, kidnapping, forced recruitment of children, and attacks against the civilian population.

**BOLIVIA**

In Bolivia, President Hugo Banzer's administration has embarked on an ambitious five-year plan, called the Dignity Plan, to eliminate all illicit coca and permanently remove the country from the international narcotics circuit. A goal that seemed utopian when it was announced in early 1998 is now actually within reach. More than 73 percent of the country's illicit coca has been eradicated, in less than 50 percent of the allotted time. It is vital that the Bolivians consolidate these gains by providing alternative development options to the farmers who are abandoning the coca trade, while maintaining the focus on eradication and interdiction. U.S. assistance has been and will continue to be essential to their success.

**VENEZUELA**

For the past year, Venezuela has been engaged in a dramatic, controversial exercise of democracy, with the goal of reforming the nation's government in order to make it work more fairly and more consistently in the interest of the people. A new Constitution, adopted with overwhelming support, has set the stage for elections for most elected positions, including President, on May 28. Restructuring of the government has been accompanied by dramatic changes in the political landscape. New political parties and coalitions can be expected to emerge and the final shape cannot be anticipated at this time. At this important crossroads, it is important to continue to emphasize the importance of staying within democratic bounds and establishing precedents for transparent, effective and responsive government. We will continue to engage in bilateral cooperation in a wide variety of areas, including flood relief and reconstruction, counternarcotics, anti-corruption and judicial reform, and creation of an attractive investment and business climate. On my recent trip to Venezuela, I had a full range of discussions with Venezuelan officials on various issues including counternarcotics.

**PERU**

We enjoy a strong bilateral relationship with Peru that spans many issues, from counternarcotics to commercial ties. Our assistance seeks to strengthen democratic institutions in Peru, enhance the Government of Peru's ability to interdict and disrupt narcotics production and distribution, and to reduce poverty and promote economic and social development. Our democracy assistance promotes civic and voter education, journalism training and support for press freedom organizations, election monitoring, judicial training, increased political participation of women and increased citizen participation in local government. U.S. programs also help to strengthen and expand the Office of the Human Rights Ombudsman and to support the work of credible human rights NGOs.

Peru is a source country for cocaine, and the U.S. has enjoyed excellent cooperation from the GOP in counternarcotics activities, resulting in a 66% decline in coca cultivation from 1995 to 1999. Our counterdrug assistance provides training and assistance for aerial, maritime, riverine and ground interdiction of drug shipments, enhanced law enforcement, alternative development assistance, and drug education and demand reduction. With U.S. assistance, GOP interdiction and "shootdown" operations effectively shut down drug traffickers' northern "air bridge" to Colombia. To reinforce and maintain the success of the interdiction programs and help sustain reductions in coca production, the U.S.-Peru alternative development program provides alternative income opportunities for coca growers. Assistance for more than 25,000 hectares of licit crops focuses on promoting the production of legal crops such as coffee and cacao. To date, the alternative development program has financed 850 km of road rehabilitation, constructed 21 bridges, and built two irrigation systems. INC funds also provide training to Peruvian police units to dismantle international criminal organizations.

**ECUADOR**

Both political instability and an economic crisis currently endanger democracy in Ecuador. In January an uprising by an indigenous political movement, supported by elements of the army, provided unconstitutional pressure on President Mahuad that forced him from office. The military clearly failed in its duty to protect the country's democratically elected leaders and played an unacceptable role in the political crisis. We have

strongly expressed our condemnation of the military's role in the January crisis to its leadership. Key Ecuadorian officials publicly acknowledged that our pressure was a key factor in the restoration of civilian rule. Within hours Mahuad's constitutional successor, former Vice President Gustavo Noboa, assumed office. Nevertheless, we have stressed to the Ecuadorian military leadership that it has a constitutional duty to protect the nation's democratically elected leadership and that it cannot contribute, either actively or inactively, to an unconstitutional change in government.

While we reject the means by which President Mahuad was removed from office, we are committed to working with the Noboa government on the full range of issues of mutual interest, including our joint counternarcotics operations from the Manta forward operating location. Ex-president Mahuad has since called on all Ecuadorians to support President Noboa. Noboa's principal challenge will be to rapidly address the economic crisis in Ecuador and restore public confidence. We have urged Ecuador to work closely with the IMF and take the macroeconomic steps necessary to put Ecuador on the path to recovery. The Noboa government has put forward a package of necessary reforms, and I strongly urged all parties in the Ecuadorian Congress to pass them.

**Andean Trade Preference Act**

The Andean Trade Preference (ATPA) provides tariff benefits comparable to those now granted in CBI to four beneficiary countries (Bolivia, Colombia, Ecuador and Peru). Venezuela is not currently an ATPA beneficiary. The program expires on December 4, 2001. It appears to be a successful and beneficial program for all our countries. Ambassador Fisher will address this trade benefit and the Administration's trade policy in support of the Andean region's anti-narcotics efforts.

Mr. Chairman, distinguished members, the Administration has been pleased by the bipartisan support from both houses that share our concern for Colombia and the Andean region's future. Concerted action now could help over time to stem the illicit narcotics flow to the United States. I look forward to working with Congress to address these issues.

Senator GRASSLEY. Ambassador Fisher.

**STATEMENT OF RICHARD FISHER, DEPUTY UNITED STATES TRADE REPRESENTATIVE, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

Ambassador FISHER. Mr. Chairman, Senator Biden, Senator Graham, thank you very much for inviting me to talk about the trade aspects of this exercise. I also want to share with General McCaffrey our gratitude to Under Secretary Pickering for pulling our team together as he does so brilliantly.

I have just returned from a trip to Argentina, Brazil, and Uruguay. These countries, of course, are remaining on track in their economic recovery despite the recession they have experienced and the financial turmoil that recently affected South America. I had the opportunity to meet with all three presidents of those countries and was struck by the expressions of angst that came from them with regard to the Andean region.

The Andean region is not faring as well obviously as the Southern Cone, and as each of you have noted, the scourge of narcotics production and trafficking and all the economic, social, and security problems associated with that illegal activity are particularly intense in the entire region.

In addition to its general purpose in developing mutually beneficial trade and investment bilateral relationships, our trade policy in the region has been tailored to give the Andean countries greater opportunities to move away from narcotics cultivation into legitimate trade.

I would like to highlight for you our three major initiatives in the region: the first, referred to by Ambassador Pickering, the benefits created by the Andean Trade Preference Act, or ATPA; the second, our strengthening of bilateral trade relations with countries in the region which we have intensified; and, third, the negotiations toward the Free Trade Area of the Americas and how it is relevant to this exercise.

First, with regard to the special market access program created by the Andean Trade Preference Act, known as ATPA, this was originally applied to Bolivia and Colombia in 1992, then to Ecuador and Peru in 1993, granting these four countries tariff benefits comparable to those of the Caribbean Basin Economic Recovery Act until the year 2001, in December. Its goal was to help generate economic alternatives to drug production and trafficking through reduced duty or duty-free treatment to most of these countries' exports to the United States.

The ATPA has indeed been providing benefits to items of significant export interest in the region; for example, cut flowers from Colombia, Ecuador and Bolivia, totaling about $440 million annually; precious metals and jewelry products from Colombia and Bolivia and Peru, totaling about $210 million annually; fish and fish products from Ecuador, totaling about $80 million annually.

This has helped prompt substantial growth in our trade relationships, as mentioned by Senator Graham. Bilateral trade between the U.S. and the Andean region has more than doubled since the passage of the ATPA. The four countries combined have increased their exports to the United States by about 80 percent since 1991,

with Colombia gaining approximately 95 percent and Peru nearly 140 percent.

In 1999, $1.7 billion in imports from the four relevant countries entered the U.S. under the ATPA, $799 million from Colombia, $607 million from Peru, $259 million from Ecuador, and some $63 million from Bolivia. Our most recent formal review submitted per the statute, which requires a review every three years, was submitted in December of 1997 and showed that ATPA had a positive effect on drug crop eradication and crop substitution in the beneficiary countries.

Our judgment of the success of this program is echoed by the beneficiary countries. In October of last year, for example, Colombia's Ministerio de Comercio Exterior, their foreign minister, wrote that the ATPA has, quote, "had a remarkable socio-economic impact. Net ATPA-related employment generation over 1992 to 1998 was 108,000 jobs in Colombia," end of quote.

The ATPA program expires in less than two years, as was noted by Senator Graham, in December of 2001, as I mentioned earlier, which is a rather short time in terms of business and investment planning. The Andean community has requested that we extend the program for at least several years, and asked us to reduce the list of products excluded from preferential treatment under the current legislation, and to add Venezuela, which is the fifth member of the Andean community as a beneficiary country. It has also been suggested that we request an early extension of the program before the December 2001 expiration date, and we are prepared, Senator, to examine all these proposals very closely in consultation with you and with the Congress.

Second, as I mentioned in my introduction, we have been intensifying our bilateral trade relationships with the Andean region. For instance, in May of 1999 we and the five member states of the Andean community met in Cartagena, Colombia, for the very first meeting of the newly formed U.S.-Andean Community Trade and Investment Council. We refer to it by an acronym called TIC. The TIC meeting addressed issues such as the FTAA negotiations, the intellectual property rights issues between us, trade issues under the Andean Trade Preference Act, and matters of mutual interest in the WTO and in bilateral trade.

We also have an active program of bilateral investment treaties, or BITs, and we have a BIT in force between the United States and Ecuador since May of 1997. We signed one with Bolivia in April of 1998 that is still subject to Senate ratification, and we are in various stages of exploratory talks with Peru and with Venezuela on possible bilateral investment treaties. During his recent trip to Washington, I proposed to President Pastrana that we proceed with a BIT negotiation with Colombia, and we are awaiting his reply.

These treaties, Senator, provide mutual benefits by enhancing investor certainty and confidence. They help create jobs and long-term growth which are inherently desirable, and also help economies diversify away from narcotics.

The administration has also made the point to the Andean governments—and I have personally had the pleasure of meeting with all five of the Andean presidents in that meeting around the Cartagena meeting—that full implementation of the WTO obliga-

tions and respect for the rule of law in such areas as intellectual property and trade-related investment measures and customs valuation are critical to creating favorable business climates and to attracting investment into the region.

Indeed, the Plan Colombia which we have been talking about so much today makes a similar point in the section in that plan dealing with trade. The Plan also refers to the need to implement business facilitation measures agreed to in the FTAA negotiations, to promote a favorable environment for electronic commerce, and recognize that, as Senator Biden referred to earlier, transparency and due process in government procurement is essential to achieving greater efficiency and integrity in the use of public funds, not just in this country but, of course, in the Andean region.

Third, and finally, in parallel with the special focus on the Andean region per se, we and the Andean countries are full partners in the construction of the Free Trade Area of the Americas. These talks are due to conclude by December 2004. They are on track to meet that deadline. These negotiations, when concluded, will greatly increase the alternatives to narcotics trade in the Andean countries.

By eliminating obstacles to trade and goods, the Free Trade Area of the Americas will create similar new opportunities for the Andean countries not simply in the United States, but also in the other countries of the hemisphere. Opening markets and services will help to strengthen their economies and encourage competition, transparency, and impartial regulation of financial systems, telecommunications, insurance, and other industries basic to a modern, diversified economy.

The elimination of tariffs and non-tariff barriers envisioned by the FTAA will be a powerful stimulus for investment in all of our economies, giving Andean nations and others further opportunities to diversify away from and develop alternatives to narcotics production. And it will strengthen the value of openness, accountability, democracy, and the rule of law, which themselves make the FTAA possible. These are values central to any successful effort to combat narcotics trafficking.

Senator Grassley, a strong trade and investment relationship with the Andean region is a vital component of our counter-narcotics efforts, as well as a critically important goal in its own right. It is not in any sense a substitute for the policies directly focusing on narcotics issues, but it offers nations afflicted by poverty and by these conflicts opportunities to grow and develop healthier, diversified economies.

Thank you, Mr. Chairman.

[The prepared statement of Ambassador Fisher follows:]

**Oral Testimony on U.S. Assistance Options for the Andes**

**Ambassador Richard Fisher**
**Deputy United States Trade Representative**

**February 22, 2000**

Mr. Chairman, Senator Moynihan, Senator Biden, Members of the Caucus, Members of the Subcommittee:

I welcome this opportunity to appear before you today to discuss the Administration's trade policy in support of the Andean region's anti-narcotics efforts. Our Administration shares your concerns regarding the need to support the Andean countries in their attempts to diversify away from narcotics production and trafficking.

I have just returned from a trip to Argentina, Brasil, and Uruguay. I am pleased to report that those countries are remaining on the track of economic recovery and reform despite the recession and financial turmoil that recently has affected South America. Unfortunately, the Andean region is not faring as well as the Southern Cone. The scourge of narcotics production and trafficking, and all the economic, social, and

security problems associated with that illegal activity, are particularly intense in the Andean region. This situation makes today's hearing especially important and timely.

In addition to its general purpose in developing mutually beneficial trade and investment bilateral relationships, our trade policy has been tailored to give the Andean countries greater opportunities to move away from narcotics cultivation into legitimate trade. I would like to highlight our three major initiatives in the region: the benefits created by the Andean Trade Preference Act; our strengthening of bilateral trade relations with countries in the region, and the negotiations toward the Free Trade Area of the Americas.

First, the special market access program created by the Andean Trade Preferences Act (ATPA). The ATPA, originally applied to Bolivia and Colombia in 1992, then to Ecuador and Peru in 1993, granted these four countries tariff benefits comparable to those of the Caribbean Basin Economic Recovery

Act until December 2001. Its goal was to help generate economic alternatives to drug production and trafficking through reduced duty or duty-free treatment to most of these countries' exports to the United States. And the ATPA has, indeed, been providing benefits to items of significant export interest to the region, such as:

- Cut flowers from Colombia, Ecuador and Bolivia totaling about $440 million annually;

- Precious metals and jewelry products from Colombia, Bolivia and Peru totaling about $210 million annually;

- Fish and fish products from Ecuador totaling about $80 million annually.

This has helped prompt substantial growth in our trade relationships. Bilateral trade between the U.S. and the Andean region has more than doubled since passage of ATPA: the four

countries combined have increased their exports to the United States by about 80 percent since 1991, with Colombia gaining approximately 95 percent and Peru nearly 140 percent. **In 1999, $1.7 billion in imports from the four relevant countries entered the U.S. under ATPA: $799 million from Colombia, $607 million from Peru, $259 million from Ecuador, and $63 million from Bolivia.** Our most recent formal review, submitted per the statute in December of 1997, showed that the ATPA had a positive effect on drug-crop eradication and crop substitution in the beneficiary countries.

Our judgement of the success of this program is echoed by the beneficiary countries. In October of last year, Colombia's Ministerio de Comercio Exterior wrote that the ATPA, "has had a remarkable socio-economic impact. Net ATPA-related ... employment generation over 1992-98 was ... 108,000 jobs."[1]

The ATPA program expires in less than two years, in

[1]Document NI/MPM-785EN, Ministerio de Comercio Exterior, Republica de Colombia, October 29, 1999.

December 2001—a rather short time in terms of business and investment planning. The Andean Community has requested that we extend the program for at least several years, and asked us to reduce the list of products excluded from preferential treatment under the current legislation, and to add Venezuela (the fifth member of the Andean Community) as a beneficiary country. It has also been suggested that we request an early extension of the program, before the December 2001 expiration date. We are prepared to examine all these proposals very closely, in consultation with Congress.

Second, we are developing our bilateral trade relationship with the Andean region. For instance, in May of 1999 we and the five Member States of the Andean Community held in Cartagena, Colombia the first meeting of the newly-formed U.S.-Andean Community Trade and Investment Council, or TIC. This new partnership with the Andean Community members reflects the increasing importance the Andean Community has attained as a regional decision-making body and

our interest in expanding our trade and investment relationships in the region. The TIC meeting addressed issues such as the FTAA negotiations, intellectual property rights, trade issues under the Andean Trade Preference Act, and matters of mutual interest in the WTO.

We also have an active program of bilateral investment treaty, or "BIT," negotiations with the region. Specifically, a BIT is in force between the United States and Ecuador; we signed one with Bolivia in April 1998 which is still subject to Senate ratification; and we are in various stages of exploratory talks with Peru and Venezuela on possible BITs. During his recent visit to Washington, I proposed to President Pastrana that we proceed with BIT negotiations with Colombia, and we are awaiting his reply. These treaties provide mutual benefits by enhancing investor certainty and confidence, thus helping create jobs and long-term growth which are inherently desirable and also help economies diversify away from narcotics.

The Administration has also made the point to the Andean Governments – and I personally made this point to the five Andean Presidents in Cartagena – that full implementation of WTO obligations and respect for the rule of law in such areas as intellectual property, trade-related investment measures, and customs valuation are critical to creating favorable business climates and to attracting investment into the region. The Plan Colombia announced last fall by President Pastrana makes a similar point in the section dealing with trade. The Plan also refers to the need to implement business facilitation measures agreed in the FTAA negotiations, promote a favorable environment for electronic commerce, and recognize that transparency and due process in government procurement is essential to achieve greater efficiency and integrity in the use of public funds.

Third and finally, in parallel with this special focus on the Andean region, we and the Andean countries are full partners in the construction of a much broader project: the Free Trade Area

of the Americas, or the ALCA (Area de Libre Comercio de las Americas) as it is referred in Spanish. The talks are due to conclude by December 2004 and are on track to meet that deadline. These negotiations, when concluded, will greatly increase the alternatives to narcotics trade in the Andean countries.

By eliminating obstacles to trade in goods, the ALCA will create significant new opportunities for the Andean countries, not just in the United States but also in the markets of their other hemispheric trading partners. Opening markets in services will help to strengthen the Andean economies, by encouraging competition, transparency, and impartial regulation of financial systems, telecommunications, insurance and other industries basic to a modern economy. The elimination of tariffs and non-tariff barriers envisioned by the ALCA will be a powerful stimulus for investment in all our economies, giving Andean nations and others further opportunities to diversify and develop alternatives to narcotics production. And it will strengthen the

values of openness, accountability, democracy, and the rule of law which themselves make the ALCA possible. These are values central to any successful effort to combat narcotics trafficking.

In conclusion, Mr. Chairman, a strong trade and investment relationship with the Andean region is a vital component of our counter-narcotics efforts, as well as being a critically important goal in its own right. It is not in any sense a substitute for policies directly focusing on narcotics issues, but offers nations afflicted by poverty opportunities to grow and develop healthier alternatives.

Thank you very much, Mr. Chairman, and we look forward to working with you and your colleagues in addressing these very important issues.

Senator GRASSLEY. General Wilhelm, inform me whether or not it will take you more than seven or eight minutes. If it does, I would like to go to questioning of General McCaffrey before we hear from you. But if you can be done in seven or eight minutes, I think we will just go ahead with your testimony.

General WILHELM. Senator Grassley, I think I will be very close to that.

Senator GRASSLEY. Okay, thank you. Go ahead.

**STATEMENT OF GENERAL CHARLES E. WILHELM, COMMANDER-IN-CHIEF, UNITED STATES SOUTHERN COMMAND**

General WILHELM. Chairman Grassley, Senator Biden, Senator Graham, I welcome this opportunity to discuss with you United States assistance options for the Andean region.

I know that during this hearing you intend to discuss U.S. economic and political assistance policies for the region and the Andean Trade Preferences Act. There are distinct linkages between these policies and our counter-drug and military-to-military engagement policies and activities. This morning, I would like to comment on these linkages and Department of Defense activities in support of Plan Colombia.

The counter-drug struggle provides the underpinning for most of the military engagement activities in the region. With regard to Colombia, I am encouraged by the progress that is being made. During 1999, we created the first of the Colombian counter-narcotics battalions. This 931-member unit is composed of professional soldiers, all of whom have been vetted to avoid human rights abuses. The battalion has been trained by members of the United States Seventh Special Forces Group and is designed to interact with and provide security for elements of the Colombian National Police during counter-drug operations.

Tactical mobility has long been the Achilles heel of Colombia's armed forces. This battalion will be supported by an aviation element consisting initially of 18 refurbished UH–1N helicopters provided through a cooperative effort on the parts of INL at the State Department and United States Southern Command. These new units will focus their operations in the southern departments of Colombia which have been the sites of recent wholesale increases in drug cultivation and production.

To assure that combined military and police units conducting counter-drug operations have the best, most recent, and most accurate intelligence, we have worked closely with Colombia while developing the Colombian Joint Intelligence Center, or COJIC, as we refer to it, at the Tres Esquinas military complex that abuts the southern departments.

This computerized facility attained initial operating capability on the 22nd of December of last year. Deliberately, and without fanfare, these new organizations have commenced operations. Their two initial forays into drug cultivation and production areas near Tres Esquinas resulted in arrests, seizures of drugs, destruction of laboratories, confiscation of precursor chemicals, and identification and subsequent eradication of new cultivation sites. The counter-drug battalion and Colombian Joint Intelligence Center were cre-

ated by reprogramming and reprioritizing previously budgeted resources during the past year.

The initiatives that I have just described we refer to collectively as Action Plan 99. The follow-on effort, Action Plan 2000, builds on these first-phase efforts. During the coming year, we will build two additional counter-narcotics battalions and a brigade headquarters. With a well-trained and fully equipped counter-narcotics brigade consisting of more than 3,000 professional soldiers, the Colombian armed forces will be prepared to join forces with air mobile elements of the Colombian National Police to reassert control over the narcotics-rich departments of southern Colombia.

Continuing to focus on mobility and intelligence, we will provide 15 additional UH–1N helicopters, rounding out the aviation battalion. These UH–1Ns will ultimately be replaced by UH–60 Blackhawks, which have the range, payload, high-altitude capability and survivability required by Colombia's armed forces to cripple the narcotics industry and bring the remainder of the country under government control.

On the intelligence side, we will continue to develop and refine the Colombian Joint Intelligence Center and pursue a broad range of initiatives to improve our interdiction capabilities. A key component of the interdiction plan is first-phase development of the forward operating location at Manta, Ecuador. This facility is urgently required to replace capabilities lost when we left Panama and closed Howard Air Force Base. Manta's importance stems from the fact that it is the sole operating site that will give us the operational reach to cover all of Colombia, all of Peru, and the coca-producing regions of Bolivia.

Looking beyond 2000, we have engaged the services of the Military Professional Research Institute, or MPRI. MPRI has assigned hand-picked and highly experienced analysts to assess Colombia's security force requirements beyond the counter-drug brigade and its supporting organizations. Among other things, the contract tasks MPRI to develop an operating concept for the armed forces, candidate force structures, and necessary doctrines to implement the operational concept.

I have now served at Southern Command for 28 months. Shortly after assuming command and making my initial assessment of security and stability conditions in the region, I stated that I considered Colombia to be the most threatened nation in my area of responsibility. Today, almost two-and-a-half years later, I stand behind that assessment. However, I am encouraged by what I see in Colombia.

Served by a first-class civilian and military leadership team, Colombia demonstrates a level of national organization and commitment that was simply not present two-and-a-half years ago. To be sure, the recently reported upsurge in coca cultivation and production provides cause for concern, but that concern is partially offset by improved performance by Colombia's security forces during tactical engagements with the FARC, ELN, and others who are aiding and abetting narcotics traffickers.

Cooperation between the armed forces and National Police has improved. New levels of competence in air-ground coordination have been demonstrated. Intelligence-sharing is on the upswing.

An aggressive program is underway to restructure the armed forces. The armed forces and National Police are poised to reassert control over the southern and eastern portions of the country, and Plan Colombia provides a comprehensive national strategy designed to defeat the narco-traffickers and correct the ills they have visited on Colombia's society.

On average, I visit Colombia about once every six weeks. I am convinced that the second most populous nation in South America, with the longest and strongest democratic traditions, is turning the corner. With our help, Colombia will succeed.

In recent months, I have become increasingly concerned about Colombia's neighbors. The adverse social, economic and political conditions spawned wholly or in part by drug trafficking and the other transnational threats that it breeds are weakening the fabric of democracy in other nations in the region.

For this reason, while I endorse a Colombia-centric approach to the drug problem in the region, I caution against a Colombia-exclusive approach. While we assist Colombia in making important strides to reassert its sovereignty over its territory and to curb growing cultivation, we should also take appropriate steps to preserve the noteworthy successes achieved by Peru and Bolivia, and be sensitive to emerging needs in the bordering countries of Ecuador, Panama, Venezuela and Brazil. This is truly a regional problem. As such, we must pursue regional solutions.

In summary, I am convinced that we are headed in the right direction and we are pursuing the right options in the Andean region, but not a minute too soon. To seize the initiative in a struggle which General McCaffrey has testified claims as many as 52,000 American lives per year, I urge rapid approval of the supplemental and increased support for other nations in the region.

I thank the caucus for the help it has given us in the past and I look forward to your questions that will follow. Thank you, sir.

[The prepared statement of General Wilhelm follows:]

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AND THE SENATE FINANCE COMMITTEE, SUBCOMMITTEE ON INTERNATIONAL TRADE

STATEMENT OF

GENERAL CHARLES E. WILHELM, UNITED STATES MARINE CORPS

COMMANDER IN CHIEF, UNITED STATES SOUTHERN COMMAND

BEFORE THE SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

AND THE SENATE FINANCE COMMITTEE, SUBCOMMITTEE ON INTERNATIONAL TRADE

22 FEBRUARY 2000

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AND THE SENATE FINANCE COMMITTEE, SUBCOMMITTEE ON INTERNATIONAL TRADE

**INTRODUCTION**

Mr. Chairman and distinguished members of the Caucus and Committee, thank you for the opportunity to appear before you to discuss drug trafficking as a regional problem and to identify required counternarcotics assistance for countries in the Andean Ridge. Drug trafficking increasingly poses a significant threat to regional stability, strong democracies, and free market economies throughout our hemisphere. While Andean Ridge countries must lead the fight against drug trafficking, they need our commitment of financial, operational, and intelligence support. Today I will provide you an assessment of the narcotics threat facing the nations of the Andean Ridge Region. I will also discuss current and planned U.S. military assistance to these nations in support of counterdrug activities.

**REGIONAL THREAT**

The danger of drug trafficking to Andean Ridge nations is real, immediate, and growing. The illicit drug industry has become a corrosive force without precedent, relentlessly eroding the foundations of democracy in the region, corrupting public institutions, poisoning youth, ruining economies, and disrupting the social order.

Colombia is key to the region's stability. Colombia's problems are not contained by her borders, but are spilling over into neighboring countries. For example, Venezuela has deployed approximately 10,000 troops along the Colombian border to prevent intrusions by Colombian insurgent forces. Peru and Ecuador also deploy forces along the Colombian border to deter the Revolutionary Armed Forces of Colombia (FARC), paramilitary forces, and drug traffickers from unwanted incursions. Ecuador's current economic plight makes it nearly impossible for the government to deploy adequate military forces to prevent illegal border crossings. FARC and drug trafficker



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incursions recently prompted the Brazilian Army to reinforce military garrisons along its border with Colombia and spurred the government to continue development of the very expensive ($1.4 billion) Amazon Surveillance System (SIVAM).

Lacking an army and the resources for an effective border police, Panama is unable to control all of its border with Colombia. FARC and paramilitary forces routinely enter Panama with impunity to terrorize and extort Panamanian locals, and to traffic in drugs and arms.

To wage an effective, long-term counterdrug (CD) campaign, countries of the region must cooperate to develop a common strategy and coordinate their actions against narcotraffickers. A collective regional response is required to provide effective border security and to expand and sustain the impressive CD results realized in Peru and Bolivia.

**Assessment of the Andean Ridge Heroin and Cocaine Industry**

Peru and Bolivia have made significant progress in reducing coca production, surpassing 1999 eradication goals. For 1999, Peru reduced illicit coca production by 27 percent, while Bolivia reduced production by 53 percent. Despite these significant reductions, a dramatic increase in Colombian production offsets progress in other nations and seriously impedes regional CD efforts.

Colombia is now the world's largest producer of cocaine, due in large part to the Colombian Government's only limited control of territory in its outlying provinces. Drug traffickers took advantage of the minimal security force presence in these provinces to increase coca production in 1998 by 24 percent over the previous year. Production for 1999 increased by 20 percent over 1998. Despite aerial spraying to eradicate more than 42,000 acres of

coca in Colombia, cocaine production for 1999 is estimated to have been 520 metric tons, with a U.S. street value of $6.2 billion.

The Counternarcotics Center (CNC) reported that drug traffickers in 1999 used air, sea, and land routes to move an estimated 512 metric tons of mostly Colombian cocaine from the Source Zone. Multi-national CD efforts interdicted approximately 131 metric tons, but an estimated 381 metric tons evaded interdiction efforts and entered the Transit Zone, potentially destined for the U.S.

In addition to coca production, Colombia is a major source of opium poppy cultivation and heroin production. Colombia now ranks fourth among the world's heroin producers. Production for 1998 was estimated at six metric tons, with a U.S. street value of $390 million. To attack this problem, Colombia pursues an active aerial eradication program and sprayed approximately 8,000 hectares of poppy cultivation last year. Production estimates for 1999 are not yet available, but we are confident that increased eradication spraying will be necessary to cripple illegal poppy cultivation.

**Challenges**

The difficulty of locating, tracking, and intercepting drug traffickers throughout the Andean Ridge is exacerbated by the proliferation of sophisticated Drug Trafficking Organizations (DTOs). These DTOs are smaller, more adaptable, and more mobile than traditional cartels, complicating intelligence collection efforts and making them more difficult to target.

Many DTOs have symbiotic links to the FARC, ELN, and paramilitary organizations. More than half of the FARC fronts and roughly one-fourth of ELN fronts receive support from, and provide protection to, DTOs. Drug money provides a major portion of the FARC's war chest and is the FARC's primary source for sustaining forces, conducting combat operations, and purchasing

weapons. Several Colombian paramilitary groups also protect and receive support from DTOs.

**Required Intelligence Support to Assist Regional CD Operations**

The success of regional CD operations is contingent upon timely, accurate, predictive, and actionable intelligence. Significant deficiencies exist in Source Zone Intelligence, Surveillance, and Reconnaissance (ISR). These shortfalls impede the gathering of timely and actionable tactical intelligence to counter increasingly diversified and mobile drug trafficking operations. ISR shortfalls inhibit our ability to collect essential information on the capabilities, intentions, and activities of drug traffickers, and complicate our force protection efforts.

We need to expand our current collection capabilities and provide additional intelligence to Partner Nations and U.S. military forces and to law enforcement agencies conducting CD operations. The proposed supplemental funding for U.S. military airborne intelligence resources will enable Southern Command to collect additional critical intelligence on drug smuggling activities in the Source and Transit Zones. Increased sharing of that intelligence, closer cooperation with the Interagency, and better training of Partner Nation personnel will significantly enhance the effectiveness of CD operations throughout the Andean Ridge.

**U.S. ASSISTANCE TO COLOMBIA AND NEIGHBORING COUNTRIES**

The proposed supplemental will assist Colombia in implementing its strategic plan for counterdrug operations. The supplemental is consistent with the overarching National Drug Control Strategy (NDCS), supports goals 4 and 5 of the Strategy and will enable United States Southern Command to more effectively execute its Counterdrug Campaign Plan. Colombia and its Andean

Ridge neighbors fully appreciate the regional problems that are caused by the illegal drug industry, and they have demonstrated the willingness to pursue solutions at the regional level. Success in these efforts will require continued commitment from the U.S.

The United States has provided initial training, limited infrastructure support, technological support, and equipment to foster commitment and to improve Partner Nation capabilities to fight drug trafficking within their borders and throughout the region. Ninety of our 119 CD training support deployments for Fiscal Year 2000 are scheduled for Andean Ridge countries. In addition, seven of our nineteen Tactical Analysis Teams (TATs) are located in the five Andean Ridge countries, and more than 100 Joint Planning and Assistance Teams (JPATs) transition through the region annually, providing CD training and assessments for host nation security forces. We are also providing support for the Andean Ridge ground, air, and riverine programs. If approved, supplemental funding will enable us to aggressively pursue existing programs that have already demonstrated their merit, and initiate new ones, such as the Colombia CD Brigade which can be decisive as we seek a comprehensive solution to the drug challenge.

**Support to Ground Programs**

We have helped the Colombian Army (COLAR) organize, train, and equip their first Counternarcotics Battalion (CN BN), which became operational December 15, 1999. Manned by more than 900 COLAR soldiers and based at the Joint Task Force (JTF)-South headquarters in Tres Esquinas, the CN Battalion is comprised of a headquarters company and three maneuver companies. The Battalion completed an extensive three-phase training program conducted by U.S. Special Forces at a cost of $3.9 million, and received $3.5 million in individual field equipment, unit equipment, and medical supplies to enable

stand-alone operations. The CN Battalion is designed to conduct ground and airmobile CD operations in coordination with the Colombian National Police. Colombian armed forces and police units will receive integrated intelligence support from the Colombia Joint Intelligence Center (COJIC).

To provide urgently needed tactical mobility, the Battalion has received 18 refurbished UH-1N helicopters (and accompanying spare parts), which were provided by the Department of State (DOS). Based at Tolemeida and Florencia, the helicopters are manned by 25 contract pilots and 14 Colombian copilots trained in the United States and assigned to the COLAF. The contract pilots will be phased out as additional Colombian pilots complete their training. DOS is also providing follow-on support equipment (armament and portable hangars), and has budgeted $2.1 million of monthly Operations and Maintenance funds to sustain this crucial capability.

The Colombian Joint Intelligence Center became operational on December 22, 1999 and is currently supporting national police, military, and JTF-South CD operations. It produces real-time targeting information, terrain and weather analysis, force protection vulnerability assessments, and intelligence estimates. The USG provided $4.9 million for construction of the COJIC facility, installing networked computers, supplying communications equipment and administrative material, upgrading the base infrastructure, and to cover sustainment costs through mid June 2000. Three U.S. subject matter experts are deployed to the COJIC through June 2000 to observe and assist COLAR and Colombian National Police intelligence specialists manning the facility. We also are making improvements to Tres Esquinas, where Joint Task Force South, the COJIC and the CN Battalion are colocated. Thus far, we have spent more than $600,000 on force protection improvements alone. Other upgrades are underway which include extension of the existing aircraft runway and construction of an aircraft parking ramp.

Planning is ongoing to establish, train, and equip two additional CN Battalions and a COLAR CN Brigade headquarters during 2000. Each of the two additional Battalions will have an individually tailored training schedule. The second CN Battalion will begin training in April followed several months later by the third Battalion which will finish training in December 2000. These Battalions will be organized in much the same way as the first CN Battalion. Organizational improvements will include the inception of a reinstruction company which will provide a reservoir of trained soldiers to replace administrative and combat losses, and the consolidation of support elements (reconnaissance, medical, mortars), into a Support Battalion. Soldiers assigned to the new Battalions will be vetted for human rights violations.

**Support to Air Programs**

We continue to conduct cooperative air interdiction efforts with Peru and Colombia and are using the security assistance program to upgrade the capabilities of A-37, Tucano, and C-26 aircraft. We have teamed with the Interagency to develop a CD Air Interdiction Plan to enhance current GOC capabilities. This plan will maximize Colombian operational effectiveness focusing phased air interdiction operations against drug smuggling aircraft in southern and eastern Colombia. Operations will integrate Relocatable Over-the-Horizon Radar (ROTHR), U.S. tracker and detection aircraft, and Colombian air force and national police aircraft. Training will begin in February 2000, followed by several months of focused air interdiction operations.

The proposed supplemental funds air-to-air radar and an upgraded communications package for two of the COLAF's C-26 Merlin aircraft. These modified aircraft will provide COLAF the capability to track and intercept

aircraft moving cocaine from inland laboratories to the Colombian coasts for transshipment to the United States. The supplemental also: (1) improves COLAF tactical surveillance and intelligence capabilities by providing Forward-Looking Infrared Radar (FLIR) for low-altitude, long-duration reconnaissance aircraft; (2) improves collection from ground-based radars (GBR) by funding upgrades to current GBR's and fielding an additional GBR at Tres Esquinas; and (3) corrects operational and safety deficiencies at the Forward Operating Location (FOL) in Manta, Ecuador to allow sustained operations by U.S. Navy, Air Force, and Customs aircraft in the deep Source Zone and the Eastern Pacific.

Problems in transiting Venezuelan air space in pursuit of suspected drug trafficking aircraft continue. Since June of last year, Venezuelan authorities have routinely denied U.S. requests for authorization to enter Venezuelan airspace in pursuit of suspected drug trafficking aircraft. Since May 27, 1999, the Government of Venezuela has denied 34 of 37 U.S. requests for overflight in pursuit of suspect aircraft. However, we are encouraged by a very recent approval of an overflight request and will persist in our efforts to reach agreement with the Venezuelans on mutually acceptable overflight accords.

The proposed supplemental will go a long way toward correcting one of Colombia's longest standing and most crucial operational deficiencies . . . inadequate tactical mobility. As previously mentioned, 18 UH-1N helicopters have already been delivered to Colombia to provide air mobility for the inaugural CN Battalion. These aircraft were provided through a coordinated effort by the Department of State and Department of Defense. If the supplemental is approved, 15 additional UH-1N's will be upgraded; brought to standardized configuration and delivered to Colombia to support expanded mobility needs as the CN Battalion grows to Brigade strength. Ultimately,

these 33 UH-1N helicopters will be replaced by 30 UH-60 Blackhawks and additional H-60's that will be purchased by Colombia using its own funds. The selection of the UH-60 as the standard helicopter for Colombia's armed forces was based on its range, payload, survivability, versatility, service ceiling and a variety of other factors. Other options were considered to include non-U.S. aircraft. We support the Colombian decision and believe that important requirements such as training, maintenance, facilities, and contractor support will be simplified by the Blackhawk selection.

**Support to Riverine Programs**

Southern Command supports Partner Nation riverine programs with counterdrug training support teams, operational seminars, operational planning support, equipment procurement, infrastructure development, and training assessments. Equipment support to Colombia and Peru includes boat maintenance spares, armored flotation vests, and night vision devices. The Colombians have increased their Riverine Combat Elements to 25 (of a projected 45), operating from seven advanced riverine bases. As a result of last year's funding, during 2000 we will be able to provide eight 25-foot patrol boats, additional spare parts, night vision devices, and radio/navigation equipment. This, coupled with Colombia's own provisioning efforts and thoughtful reorganization of its riverine forces will pave the way for more assertive and effective control of the river systems that have become drug trafficking highways in southern and eastern Colombia.

Our assistance has enabled Peru to establish the Joint Peru Riverine Training Center in Iquitos and equip four operational Riverine Interdiction Units (of a projected 12). With existing funding, we are providing Peru twelve 25-foot patrol boats, six 40-foot patrol craft, spare parts, night vision devices, and armored flotation vests.

**STRATEGY AND LONG RANGE PLAN TO ASSIST THE ANDEAN RIDGE COUNTRIES WITH THEIR COUNTERDRUG EFFORTS**

**Personal Assessment**

We must sustain and broaden our CN initiatives with Colombia, Peru, Ecuador, Venezuela, Panama, and Bolivia. U.S. efforts are currently focused on training counterdrug forces and conducting detection and monitoring operations against the production and transportation of illicit drugs in these nations. Continued support of these efforts is crucial to long-term success in the region. The first step in achieving regional stability for the Andean Ridge requires the development of an integrated Source Zone strategy. This strategy must consider the economic and social impact of illicit drug trafficking and effectively coordinate the counterdrug efforts of each Partner Nation. Two national policy directives guide the way ahead: Presidential Decision Directive-14 and goals four and five of the National Drug Control Strategy. Current policy guidance clearly identifies the importance of effective interdiction and the requirement to break the source of supply of drugs. The NDCS establishes two measurable goals for Southern Command and the Interagency: a 10 percent reduction in the shipment of illegal drugs through the Transit Zone and a 15 percent reduction in flow from the Source Zone by 2002; and a 20 percent reduction through the Transit Zone and 30 percent reduction from the Source Zone by 2007. Achievement of these goals will require strong commitment on the parts of the nations of the Andean Ridge, but they will not succeed on their own. It will fall to the United States to provide the leadership, technical assistance, training and materiel support that is needed to fill the gaps in national capabilities.

**CD Campaign Plan**

Southern Command, as part of the interagency team, has developed a three-phased regional CD Campaign Plan that supports the goals, objectives, and intent of the NDCS and PDD-14. We will conduct interdiction in the Transit Zone during all three phases. The focus of Phase I is on assisting Partner Nations to improve their CD capabilities and, where required, develop new ones. This approach requires the U.S. to help organize, train, and where necessary, equip Partner Nations to conduct effective air, riverine, and ground operations against drug traffickers. Phase II will focus on decisive regional operations to neutralize organizations involved in the illicit drug trade. During this Phase, Partner Nations will isolate drug production areas from traditional markets and transit points and extend security force presence into production areas. Phase III will sustain successes achieved during the first two phases by preparing Partner Nation forces to adapt counterdrug operations to the narcotraffickers' constantly evolving tactics.

**Forward Operating Locations (FOLs)**

To achieve the objectives of our CD Campaign Plan, we must better position our assets to conduct sustained operations throughout the Source Zone. FOLs provide us the required operational reach to conduct these operations. Intelligence, Surveillance, and Reconnaissance missions conducted from the FOLs will enhance the effectiveness of U.S. detection and monitoring operations and Partner Nation interdiction efforts.

The FOL in Manta, Ecuador is my number one theater architecture priority Manta is critical for conducting deep Source Zone air coverage with Airborne Early Warning aircraft, and it is the only FOL that enables us to achieve full air coverage of Peru, Colombia, and the drug producing areas of Bolivia. On November 18th, 1999, we concluded a 10-year access agreement with the

Government of Ecuador. Currently, we can operate three medium-size aircraft (e.g., P-3 and C-130) from Manta under visual flight rules during daylight hours. We will begin all weather, 24-hour operations in April 2000, following completion of necessary improvements to satisfy our own mandatory safety requirements. The proposed supplemental will fund the necessary operational improvements at Manta to allow unconstrained Detection, Monitoring, and Tracking operations with all types of aircraft used in CD operations. The design plan for airfield upgrades will be completed in March, 2000 with construction to commence just as soon as funding becomes available.

The FOLs at Aruba and Curacao, funded in the Fiscal Year 2001 budget request, are required for effective, rapid response detection and monitoring operations in the northern Source Zone, which includes the Guajira Peninsula of Colombia and Venezuelan border region, as well as a large part of the Transit Zone. U.S. and Dutch negotiating teams have finished their work, initialed a 10-year agreement, and we anticipate that the formal signing ceremony will occur during the first or second week of March.

We also require an FOL in Central America. This FOL would provide air coverage in the Eastern Pacific and Central America to keep pressure on the Transit Zone as we build CD capabilities in the Source Zone. We are currently evaluating prospective sites.

**Future Efforts to Adapt to the Changing Drug Threat**

The success of Southern Command's Counterdrug Strategy requires Partner Nation cooperation, "will to succeed", and enhanced counterdrug capabilities. The nations of the region have demonstrated commitment and resolve to attack illicit drug trade in their respective countries. We must maintain and expand our cooperative efforts within the interagency and with the Partner Nations to build, nurture, and sustain effective regional CD capabilities. A

focused, well-coordinated Interagency effort will provide required levels of support to individual Partner Nations and complement our regional effort to plan and execute counterdrug operations. To this end, Southern Command continues to host planning conferences and bilateral meetings that enhance regional cooperation. A recently completed Aerospace Conference brought together the region's Air Force Commanders to discuss initiatives for improving regional air interdiction capabilities. Bilateral meetings between Ecuador and Colombia have also improved counterdrug coordination along their shared borders.

**CONCLUSION**

I have now served at Southern Command for 28 months. Shortly after assuming command and making my initial assessment of security and stability conditions in the region, I stated that I considered Colombia to be the most threatened nation in the AOR. Today, almost two and half years later, I stand behind that assessment. However, I am encouraged by what I see in Colombia. Served by a first class civilian and military leadership team, Colombia demonstrates a level of national organization and commitment that was not present two years ago. To be sure, the recently reported upsurge in coca cultivation and production provides cause for concern, but concern is partially offset by improved performance by Colombia's security forces during tactical engagements with the FARC, ELN, and others who are aiding and abetting narcotraffickers. Cooperation between the armed forces and national police have improved, new levels of competence in air-ground coordination have been demonstrated, intelligence sharing is on the upswing, an aggressive program is underway to restructure the armed forces, the armed forces and national police are poised to reassert control over the southern and eastern portions of the country, and Plan Colombia provides a comprehensive national

strategy designed to defeat the narcotraffickers and correct the ills they have visited on Colombia's society. On average, I visit Colombia once every six weeks. I am convinced that the second most populous nation in South America with the longest and strongest democratic traditions is turning the corner. With our help Colombia will succeed.

In recent months I have become increasingly concerned about Colombia's neighbors. The adverse social, economic and political conditions, spawned wholly or in part by drug trafficking and the other transnational threats that it breeds, are weakening the fabric of democracy in other nations in the region. For this reason, while I endorse a "Colombia centric" approach to the drug problem in the region, I caution against a "Colombia exclusive" approach. While we assist Colombia in making important strides to reassert its sovereignty over its territory and to curb growing cultivation, we should also take appropriate steps to preserve the noteworthy successes achieved by Peru and Bolivia, and be sensitive to emerging needs in the bordering countries of Ecuador, Panama, Venezuela and Brazil. This is truly a regional problem - as such we must pursue a regional solution.

Thanks to the hard work of this Caucus and Committee we are edging closer to the solution to a problem that the Director of the Office of National Drug Control Policy recently stated claims as many as 52,000 U.S. lives each year. If that grim calculation is correct, the annual loss of lives to drugs approximates our total losses in Vietnam - our nation's longest war. I can assure you of the commitment and conviction of every man and woman at United States Southern Command to succeed in this struggle. We know what to do and how to do it; we simply need the means to put our strategy and plans into motion. The supplemental that you are now considering will do just that. I urge your support.



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Senator GRASSLEY. I suggest for my colleagues that on this first round, so we can each get General McCaffrey if we want to ask him questions, five minutes, and then we will take a longer period of time after he leaves if other members want to follow up with other people.

I am going to start with you, General McCaffrey, but maybe this is also appropriate for Ambassador Pickering. I got the point that you made that perhaps the General Accounting Office was somewhat confused whether or not there was a detailed strategy on the part of the administration. I kind of laid out what I thought the detailed strategy ought to have, laying out priorities, describing the actions needed to address those priorities, defining the respective roles of the U.S. and Colombia, details of how the plan will incorporate other regional partners, and finally delineating a time line for accomplishing the goals based on some understandable criteria.

Is there a document that you could place in front of us that would have that information in it? Or is my presumption wrong, if you want to take exception to my presumption that we ought to have such a document? This is something that Senator Coverdell and I and others were pursuing last September when we introduced our legislation.

Mr. MCCAFFREY. First of all, let me just reiterate there is a conceptual architecture. There has been enormous, extensive involvement by the entire interagency in coming together not just with the concept but with the resources that will support the concept. So all of that is available.

I think what is also true is that the implementing plan behind this architecture is still evolving and requires continuing leadership. Ambassador Pickering may wish to address our understanding that we had to do something differently. We were barely managing a $150 million a year program. Now, we are talking a multi-year effort that is not just $1.6 billion for the United States, but as Secretary Pickering talked to, it is $7.5 billion for the Colombians.

So in no way would I suggest that the decisionmaking apparatus that now exists is yet adequate for the task ahead of us. That has to be built. We are going to put together a high-level team here in Washington to be the mechanism, the secretariat of this. We have established a new deputies committee and we will expect the Colombians to do the same thing.

Senator GRASSLEY. Before Ambassador Pickering responds, is it wrong for me to assume that we ought to have this information before Congress makes a decision of moving ahead on spending the $1.3 billion, or whatever it is, that we are going to be spending?

Mr. MCCAFFREY. No. I think we do have on the table a well thought out, competent conceptual outline of what we are trying to do with the resources, and we can explain to you why we arrived at those conclusions. I do believe the documentation and the professionalism of the people that built this should be adequate to reach a decision.

Senator GRASSLEY. Ambassador Pickering.

Ambassador PICKERING. I just support what General McCaffrey has said. I think that priorities are contained in the National Drug Policy of the United States, plus Plan Colombia. The actions taken

to support those and defining the respective roles, I think, are very clearly in the congressional presentation document that you have got before you.

The role of the other regional parties is in the congressional presentation document and the time line is being prepared, but there is a rough time line already indicated in the congressional presentation document about how and in what way we will commit our funding for various objectives. And I believe that we could provide you with a briefing on that time line in a little more detail if you or your staff would like to have that.

Senator GRASSLEY. The second question is in regard to part of the Alianza Act, the $410 billion that goes to support the regional anti-drug interdiction and eradication programs. According to reports by Occidental Petroleum Corporation, not only are pipeline attacks at the highest rate of incidence, but there is significant activity for new crop cultivation along the Colombian-Venezuelan border.

Given the fact that the threat is not limited to the south, what plans are there to address the northern regions of Colombia, if you consider that a problem like these reports seem to indicate it is a problem?

Mr. MCCAFFREY. Well, I don't think there is any question but that to include the production of heroin, which you didn't mention—it is now up to 8 metric tons—many of these activities that are in Plan Colombia don't relate just to the regaining control of the south element. That is the three battalions, some riverine forces, intelligence support, as well as associated alternative economic development and humanitarian aid for people displaced by that action. But a lot of this program goes to prison reform.

By the way, in a 3-year period, we are talking about $450 million-plus assistance provided to the Colombian National Police. These are substantial resources that are on the table now, not just for aircraft, but training and operations, et cetera. So I think it does apply Colombia-wide. The piece of it, the mobility package, is in the south.

Senator GRASSLEY. If Congress were to fully fund the President's emergency supplemental, what changes in cocaine prices and purity could we expect to see, and when should those changes begin to occur?

Mr. MCCAFFREY. Well, we have seen an 23-percent reduction in hectares under cultivation. We have seen an 18-percent drop in total tonnage produced in the Andean Ridge, and that came primarily out of moving Peru from the dominant source of cocaine to a distant number two, Colombia now being about 75 percent of it. It is our collective judgment that this plan will work and that in the coming 2 years to 5 years we should expect to see substantial reductions in the production of drugs in Colombia.

Senator GRASSLEY. According to the 1999 National Drug Control Strategy measures of effectiveness, your office is responsible for reporting on the outflow of drugs from source countries. What changes of outflow of drugs from Colombia would you see?

Mr. MCCAFFREY. Well, I think in the coming years, as we get at the coca- and opium-producing regions, you will see an almost immediate reduction in the production of these drugs as they impact

on the United States. Again, in my view, this is a 2-year plan we are now talking about, but this is clearly a 2- to 5-year effort we are facing up to.

Senator GRASSLEY. The CIA says that we have had a 12.7-percent reduction since 1996 in coca production. How much of a reduction of coca production do you expect to see as a result of the aid package?

Mr. MCCAFFREY. Well, again, it gets at the point, can we turn things around in the center of gravity, which is Colombia. We assess that we can and as we have seen in Guaviare Province where the Colombian National Police aerial eradication program was enormously successful. It serves as witness that it will work.

How do we get the Colombian National Police back into the south so that eradication can take place and displaced people can be cared for? Again, Senator, I would suggest the answer is probably in the coming two to five years we will see a dramatic impact.

Senator GRASSLEY. What is the U.S. plan for how to deal with the implications if our current package gets us more involved in confrontation with the guerrilla forces?

Mr. MCCAFFREY. Well, I think this will not be U.S. service men and women involved in this. This is a Colombian problem. It must be a Colombian strategy; it must be their police, their armed forces, their prosecutors and judges that face up to this. I think that is what they plan on doing, so I would anticipate U.S. military elements will not be involved in counter-drug operations.

Senator GRASSLEY. Senator Biden.

Senator BIDEN. Thank you very much.

General, I wish you luck on your trip. I would like to focus on two things. While I have you here, as well as General Wilhelm, I would like to talk about one part that—I was going to say "concerns," but I am not sure it concerns me; I want to make sure I understand it. I would like to talk about the mobility package here.

Having spent a fair amount of time becoming acquainted with the issue of mobility in the Balkans and watching Apache helicopters and their movement into a region and the difficulty that that took and the command and control problems that were involved, it seems to me—and you have spoken to me about this briefly, General McCaffrey—that there is going to be a need for a serious presence on the ground of someone with more than a couple of bars on their shoulder down in Colombia, as well as some high-level State Department personnel assigned to the embassy to make sure that this significant transfer of mobility in terms of Hueys and Blackhawks—that is a big deal in terms of maintaining them, locating them, getting them there, et cetera. Can you tell me a little bit about what the deal is, how you have worked that out?

My dad has an expression I won't quote precisely, but being the oldest in a family of four, when he and my mother would leave they would say, you are in charge, and point to me. And I would say why me? He would say, you are the oldest and I want to know who to hold responsible if something goes wrong.

Well, who do we hold responsible, who specifically? Are we going to have a name of an individual who is the guy or the woman on the ground making sure that this equipment, these helicopters actually get in place, actually are put in the position to be able to

be used, actually are able to get up off the ground? I mean, how are you going to do that practically?

Mr. MCCAFFREY. Well, I am sure CINC South will want to respond. There is no question in my mind who is responsible. Number one, it is the U.S. ambassador. We have got a substantial team on the ground.

Senator BIDEN. But as good as they are, they don't know a damn thing about helicopters.

Mr. MCCAFFREY. Right.

Senator BIDEN. They don't know a damn thing about how to move them.

Mr. MCCAFFREY. We are going to have say the ambassador is responsible. The Secretary of State is responsible. They can't do it unless CINC U.S. Southern Command wakes up every morning and views themselves as being primarily in support of the U.S. embassy effort.

We do have to rethink who is in Colombia, the kinds of skills they have, the numbers, et cetera. And I don't think that process has been finished, and CINC will, I am sure, want to respond. I think even more importantly, there is no question in our own mind—and Under Secretary Pickering and the NSC and I have discussed it—we need to change business as usual here in Washington. We can't get by with the normal interagency process when we ramp up to this level of support.

So we have discussed and we are moving to implement a separate deputies committee steering group for policy decisions, and we will put together a secretariat of some form with a person full-time who is going to be our quarterback to make sure the policy implications are considered.

Senator BIDEN. General.

General WILHELM. Yes, Senator Biden. If I could pick up where General McCaffrey left off, the General correctly, of course, traced the hierarchy of responsibility. But I will tell you I feel the weight of responsibility on my shoulders on the military side. I think that is appropriate. I think that is what you pay me to do.

We are trying to do this in a very thoughtful way. There is a lot more to helicopters than air frames.

Senator BIDEN. You got it.

General WILHELM. There is maintenance, there is training, there is life cycle management, and there is intelligent employment of assets and their preservation. We are keenly mindful of all of those things. I am trying to do the very best I can to provide Ambassador Curt Kamen the best advice that I can, and work very closely with Rand Beers, sitting in the audience in back of me, because since day one this has been a shared Department of State-Department of Defense enterprise.

As you know, Senator, the $388 million that is in the supplemental to buy the 30 Blackhawks are State Department dollars. But we view ourselves at Southern Command as very much partners in this enterprise. Where we have started, sir, is to look first at an intelligent, well-integrated, well-thought-out basing arrangement. We have come up with three bases.

We will use Tolemeida, which is a well-developed facility, as our main operating base; Lorandia, another very well-developed facility

currently used by the Colombian National Police, as our forward operating location. And then we will actually marry the airplanes up with the troops who will embark on them at Tres Esquinas as we push to the south.

We have already invested $600,000 well-spent on improving force protection at Tres Esquinas, which is——

Senator BIDEN. That was going to be my next question.

General WILHELM. Yes, sir. That is the branch furthest out on the tree. Just a "gee whiz" number, 15,000 rolls of concertina wire alone. I have troops on the ground right now, and have since January, conducting not only an assessment of the security conditions on the ground at Tres Esquinas, but fixing the broken things just as rapidly as they find them. We have a dedicated air base ground defense force drawn from the Colombian Air Force. They are receiving blue-ribbon training from a special forces A team.

So, sir, it could go on and on, but I think you can see there are a collection of activities which involve, I think, an intelligent appreciation of the geography, attention to force protection. And I would add in conclusion I have proposed—this is not anything that is in the bag right now, but I would very much suggest that it would be appropriate for us to increase the throw-weight of our MIL group commander in Colombia from a colonel to a general officer, and I am pursuing that with the joint staff in the embassy right now.

Senator BIDEN. Well, let me just say I have been a champion—that sounds like the wrong word; it sounds like there is some value to it. I have been a strong, strong supporter of the State Department, but I hope the hell they get out of your way here. Once the policy is made, once the judgment is made, I hope everybody understands they don't know any more than this committee knows about how to do what has to be done, and you do.

Once the policy has been made, once the judgment has been made that this is a basing arrangement and this is how many helicopters are going to do it, this is the training, this is the way in which it is going to be done, I hope to goodness that we don't get into any bureaucratic malarkey here.

Once we have agreed on an objective, once we have agreed on the strategy and the tactics as to where the deployments will take place, and how, and how many people, et cetera, I for one want to make it real clear that if I, one Senator with diminishing influence in the minority here, find out that you all are running into any difficulty, I will do all I can to make it hell for whoever gave you any trouble because this is serious logistical stuff that only gets done with guys with those shiny little stars who have spent their whole careers figuring out how to do it, not anybody like me who allegedly knows something about foreign policy and makes the larger judgment of whether we should or shouldn't be there. I don't anticipate that difficulty, but we have been down this road before over the last 20 years or so, never with this concentration of hardware, and it is a big deal.

The last question I have—I don't know whether that light is out for me or not; I think it is still green—is that you have had remarkable success, General, or the Ecuadorans and the Peruvians have had remarkable success, and Ambassador Pickering has been,

as I understand it, kind of the quarterback for what has been going on here.

But my question is it seems to me the remarkable success relates not in small part to the fact that there is no significantly well-organized, well-armed counter-insurgency in those other two countries. The reason why there has been such movement to cultivation in Colombia is the existence of this insurgency, well-armed and well-entrenched.

And it is not merely the fact that the ground is more suitable and it is out of the Andes and it is in lower areas that it can be cultivated, but it is not an accident that it is where the guns are, it is where the guerrillas are. So I want to know whether or not I am making too much of a leap here in assuming that there is an absolute, direct correlation between the ability to increase production in Colombia and the decrease in production in the other two neighboring countries and the existence of this counter-insurgency.

And if that is true, then don't we get to the point where we aren't going to have significant success until there is success against the FARC and the counter-insurgency movements? That is a mouthful, but could you respond to it, General, since you are going to be the one leaving shortly, and anyone else the chairman permits to respond?

Mr. MCCAFFREY. Well, I think I would certainly agree the three countries are all enormously different. They don't face the same political, economic, counter-insurgency and drug-related threats at all, although it is equally clear that the Sendero Lumiroso, MRTA, and other insurgent groups in Peru were devastating in their savagery, and also clearly involved in coca production in Peru.

It is quite different in Bolivia. Bolivia certainly makes an interesting contrast with Colombia. Bolivia accomplished much of what it has done through a national dialogue implemented by the Banzer administration in which they convinced the people in the country that it was David versus Goliath, and David was the people and Goliath was the drug cartels. There has been much less violence there. There have been 9-some-odd people killed. There has been sniping, but there wasn't a huge mass of insurgents.

In Colombia, clearly the Colombians faced 25,000 people with machine guns, mortars, planes, helicopters, wiretap equipment, huge amounts of corrupting money targeted on their journalists, their legislature, and their mayors. It is a very different thing.

I don't believe there is any chance that the FARC, the ELN, and the paramilitaries will walk away from the millions of dollars they generate out of drug production unless there is a reward and a punishment that forces them to do that. I see no way for these brave Colombian policemen to intervene in the south and cut down cocaine and heroin-producing areas that threaten their own children and ours unless the military intervenes and provides security for them. So to some extent, I think you are quite correct.

Senator GRASSLEY. General McCaffrey, can you accommodate Senator Graham and Senators Sessions yet or do you have to go?

Mr. MCCAFFREY. Yes, sir.

Senator GRASSLEY. Senator Graham.

Senator GRAHAM. Was that a yes to the first or the second question?

Mr. MCCAFFREY. I am trying to make a 1:00 plane out of National and it would be terrible if I missed it, but I would be glad to respond to your questions, Senator.

Senator GRAHAM. In light of that, General, I will restrict myself to one area of questioning and that is during a recent visit to Mexico, you were reported as stating that drug traffickers were returning to the Caribbean and their old traditional routes of getting drugs into the United States. I assume that in part that is due to some of the difficulties that the new Colombian drug cartels, as outlined by Senator Biden, are having dealing with the Mexicans, as well as the softness that has occurred in some areas of the Caribbean, specifically Haiti.

I would like your thoughts as to how Plan Colombia relates to the next phase of the strategy, and that is the interdiction in the routes between Colombia and the United States, with specific concern about the allegations that Haiti has become a major transport center within the Caribbean.

Mr. MCCAFFREY. Senator, I spent three days in Mexico and was enormously impressed by the growing, deliberate momentum of the Mexican efforts in the south. I think it is going to work over time. They have just begun. It is a $520 million equipment acquisition, it is $1 billion in operating money, it is 15,000 people. And I was looking at real machinery, some first-rate deep-water Mexican Navy efforts that have resulted in three gigantic drug seizures, in cooperation with the U.S. Coast Guard; a pretty good amphibious commando effort by the Ganfi forces in the Mexican Army; new counter-drug x-ray technology.

It is going to pay off, and these drug criminals are watching what is happening in front of their eyes. They have not stopped. They are still out in the eastern Pacific as the principal drug threat to America, but we are seeing some response. We also saw the Coast Guard with a brilliant air-sea interdiction effort that has started to work against fast boats.

So I think what we are seeing now is the beginnings of a change in drug criminal smuggling. They are going to Haiti, they are going to the Dominican Republic, they are going to Jamaica. They are using now direct air landing strips in drugs in Haiti, among other things, and we are going to have to follow them.

The entire Colombian package, though, again—and I think CINC's notes had an interesting statement. When you look at the interdiction piece, the Caribbean-Eastern Pacific-Central American is an area the size of the United States. This is huge, hundreds of miles of empty ocean out there in the eastern Pacific.

The interdiction effort in Colombia is a fairly definable place. We take satellite photographs of coca fields. We know where they are, and this riverine-army-police effort will directly interdict those drugs. So I think it is going to help south Florida, the Gulf Coast States, the four border States, quite directly in the coming years.

Senator GRAHAM. Could you comment about the issue of Haiti and its increasing use as a transport center?

Mr. MCCAFFREY. Senator, it is a disastrous situation and I am not sure we have a grand idea of what to do. We have upped our DEA presence substantially. We are doing first-rate work with the Dominican Republic to try and seal that border.

We need to stand behind U.S. Coast Guard efforts to interdict at sea. There has been first-rate work by the U.S. Customs Service in south Florida, the Port of Miami, trying to get at these tramp steamers coming out of Haiti. But it looks to me as if the Haitian law enforcement, judicial system, political system in terms of confronting the drug cartels is in a state of rapid collapse, and they have become a preferred target which we will have to deal with really externally to Haiti. I think that is where it is headed.

Senator GRAHAM. Thank you.

Senator GRASSLEY. Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman.

General MCCAFFREY. General Wilhelm said, I believe, in 1998 that the Colombian armed forces were incapable of defeating the guerrillas, which are Marxist-dominated and funding themselves in large part from narcotics trafficking.

What percentage of Colombia is now held by guerrilla forces, the land mass, the land area?

Mr. MCCAFFREY. Senator, it is probably a deceptive statement. The figure we use is that the FARC, ELN, and paramilitaries may have enormous influence over as much as 40, 50 percent of the country. I think there are probably 200-or-so communities where their presence, according to Colombian published reports, is omnipresent. But they don't control anything but the despeje. The Colombian police and the Colombian armed forces have not conceded or written off anything in the country.

Senator SESSIONS. Well, you have a great record of combat and experience in the armed forces. If Colombia gets its act together and acts with determination and a full commitment, is there any doubt in your mind they could defeat the guerrilla forces and take that country back?

Mr. MCCAFFREY. Senator, the key question is political will. Does the Colombian leadership, the Colombian people, want to turn their future over to these ferociously well-armed and savage insurgent forces, fueled by drug money and production? The answer is they don't. The political will is there.

I agree with the CINC's assessment. Both their political and their military leadership and the police leadership now gives us an unusual opportunity for them to defend themselves. So our collective view is that this program we are advocating will work and protect not only the United States but regional partners.

Senator SESSIONS. Well, you just said it, though. The question is political will. Lincoln had it. He faced a more formidable situation, I suppose, than the country of Colombia faces today. He recognized the future of his nation was at stake and he led with relentless commitment to a goal to taking back that country.

Don't you think that those of us who have the money here to support Colombia ought to ask whether or not the Colombian government is sufficiently committed to this enterprise before we continue to pour money into an operation? Shouldn't we insist that the Colombian leadership state unequivocally that they intend to end this occupation and to defeat the drug dealers and Marxist guerrillas?

Mr. MCCAFFREY. Well, I would suggest that Plan Colombia, the product of the collective leadership of Colombian democratic insti-

tutions, does represent a collective will to confront this problem. I find it very credible.

Senator SESSIONS. Well, what is the story about if you have a high school degree, you can't go into combat? Would you explain that to me? Is that consistent with a nation that is committed to victory?

Mr. MCCAFFREY. I think the Colombians recognize that that is a product of inadequate political will. I think it is a disastrous statement to their own people. They have to face up to that. They said they will. They are going increasingly, as General Wilhelm can talk to, to a professional military, 30 to 40,000 people and a rapid reaction force. They had an old system that doesn't suit the new threat to their stability.

Ambassador PICKERING. Barry, could I just make a point? I talked to the Colombian defense minister on Friday about that. He made it very clear that they were going to change that, and that was something they hoped to do very shortly.

Senator SESSIONS. Well, I think that is a beginning signal. Ambassador Pickering, is it the position of the State Department that we are neutral in this war, this effort, this guerrilla fight in Colombia?

Ambassador PICKERING. It is our position, Senator, that we should do everything we can to fight this nexus between narcotics trafficking and insurgency. The focus is on the narcotics trafficking. That is what affects us.

Senator SESSIONS. Well, all right.

Ambassador PICKERING. That is the centerpiece of our effort. The interesting thing is you go down to Colombia and you find that that nexus is increasing. It is hard to find places, frankly, where the FARC, the ELN, and the paramilitaries, I have to emphasize, in all the briefings I received, in all of the areas of highest production of narcotics, are not all intimately involved.

Senator SESSIONS. Well, what I am concerned about is these guerrillas are not democrats, they are not believers in democracy. They are Marxists, they are connected to the drug industry, and we have got one of the oldest democracies and one of the finest countries in the world in Colombia that is on the ropes. We don't have a choice on whose side we are on?

Mr. MCCAFFREY. With your permission, Mr. Chairman, may I withdraw?

Senator GRASSLEY. Yes. Thank you, General, for coming. Good luck.

Mr. MCCAFFREY. Yes, sir.

Senator SESSIONS. Whose side are we on, or do we have a side?

Ambassador PICKERING. We have a side. We are clearly on the side of the government in their fight against narcotics trafficking and everything at all that contributes to that.

Senator SESSIONS. Then are we publicly committed, or are we not, to the Colombian democratic government defeating the guerrilla forces in Colombia? Do we support that effort?

Ambassador PICKERING. We are, insofar as those guerrilla forces are involved in narcotics trafficking. That is the centerpiece of our effort. It is the centerpiece of the Colombian government's effort in Plan Colombia.

Senator SESSIONS. Well, I think you have just answered the question that you don't have confidence in the integrity of the Colombian government sufficient to support it, and now we are asked to spend over $1 billion on drug trafficking fighting, which to me sounds pretty hopeless if we can't take back that territory from the Marxist drug traffickers.

Ambassador PICKERING. I think that the focus is on the drug traffickers, whether they are Marxists, republicans, democrats, anarchists, whoever they might be. That is the focus we are putting on it.

Senator SESSIONS. Well, it may not make a difference to you, but it makes a difference to me whether a Marxist group takes over Colombia or not. Does it not make a difference to the State Department?

Ambassador PICKERING. It certainly makes a difference to all of us, and it makes even more difference because they are intimately involved in the drug trafficking, and that is the focal point of the Plan. It is the focal point of our support mechanism for the Plan.

Senator SESSIONS. Well, it just seems to me, Mr. Chairman, that I have a strong belief that Colombia is a nation of good people and it has a great democratic tradition. I remember distinctly when I was prosecuting a major drug smuggling case in Mobile, Alabama, when I was United States Attorney and we had a young policeman who came and testified against them. And I remember asking him about his personal safety and how he was willing to come to the United States and testify against these people, when so many people have been assassinated who do so. And he was just courageous and he was a believer in his country's government, and I remember that.

I just don't know how we can proceed with a policy that doesn't understand fundamentally who we ought to be supporting. I think this government of Colombia has not gotten its act together. I do not believe that they have committed with sufficient will, as General McCaffrey said, to win this war. And if they have the will, they can win this war. And if they have the will, we ought to support them. But just to pour more money in an attempt to reduce drug trafficking while we don't deal with the fundamental political insurgency that is going on, I think is doomed to failure and I am very dubious.

I thank you for having this hearing and raising these issues.

Senator GRASSLEY. We will go to a second round of questioning. I have just one question for Ambassador Fisher, and also one for Ambassador Pickering—well, I have two questions for Ambassador Fisher. Let me pick up something that came up since you testified.

Your testimony mentions that you will examine proposals to extend ATPA in consultation with the U.S. Congress. Will the administration do more than just examine proposals and actually send a specific proposal to extend ATPA to Congress?

Ambassador FISHER. Senator, ATPA expires in December of 2001, as I mentioned earlier. We are eager to find ways to deal with the uncertainty that that creates. That is a major concern that Colombia and the other Andean countries have.

We had some consultations last year with the Senate Finance Committee staff. I consulted with a couple of the members of this

committee just informally. There didn't seem to be an appetite to put something ahead of the road early before that year. It seems to me that some of this interest has now intensified, in part, around these hearings and also around the Plan Colombia. And we would be willing to contemplate this if indeed we have a sense that the Congress, the Senate, are interested in the subject matter.

The key to ATPA, it seems to me, is to provide certainty. It is interesting. If you look at these countries, they also have a choice of GSP treatment. That is on-again, off-again program, and they prefer to go down the ATPA route because there is a longer period of certainty for investors, and in this case it was a 10-year program.

I would just make one other comment, Senator, on this subject. We are in the midst of preparing the negotiations of a Free Trade Area of the Americas. The reason I referenced it in my testimony is because if we look to an extension, whether it is early or upon maturity in 2001, of the ATPA program, it seems to me we want to structure it so that we incentivize particularly the Andean countries to participate actively in the Free Trade Area of the Americas effort which leads to a broad liberalization throughout the hemisphere and that they have a vested equity in that process.

Senator GRASSLEY. There is some sensitivity because of the concern that Congress is giving to the Caribbean Basin Initiative and whether or not in one sense we are concerned about the economic development there and not enough concerned about the economic development of the Andean nations. You don't have to comment on that. I guess I just need to express that to you.

Ambassador FISHER. We have been working very hard on trying to get the CBI and ATPA initiative through.

Senator GRASSLEY. And it is not exactly easy, I know.

Ambassador FISHER. Yes, sir.

Senator GRASSLEY. I know, I know.

In regard to the International Trade Commission study about ATPA—and this was September of 1998, and I quote, "It has been important in promoting diversification in Colombia's economy since the early 1900s." We are putting together a 3-year, $15 million program to focus on alternative economic development, and this obviously is to reduce public participation in illicit drug production and moving workers into alternate jobs.

What is the administration's plan to implement the issue of this development as an alternative to the production of drugs?

Ambassador PICKERING. Maybe I should answer that. I think that is more in the area that I deal with, Mr. Chairman. I think that you have to look at this in two particular phases. Phase number one or part number one has to do, frankly, with the very close linkage between the government's regaining control and dealing with the people protecting the narcotics trafficking, whether they are guerrillas or paramilitaries, and the laboratory structures, and the ability to eradicate the crops.

Once you begin to eradicate the crops, the Bolivian model is a very germane one, and the Bolivian model has an intensified effort. $15 million may be the money for this year, but it will be larger in the supplemental, as explained in the presentation documents, and it will require a very significant effort to find alternative crops.

There are some important ideas to locate the areas where those crops can be grown and to aid the individuals who will agree under the Plan, or if they don't agree their cocaine will be fumigated, to go into the alternative crop activities. Those who are on land that cannot be used in alternative crops are a more complicated situation. We will have to find alternative land for them elsewhere in Colombia and move it ahead.

Could I make just one other point? Senator Biden raised an important question about the military focus of this activity. And there is; there is a huge military focus. And I can tell you, Senator, having been involved now for the last 8 or 9 months, there is no daylight between the Department of State and the military in making that happen.

I have to tell you, however, this is a team effort covering a wide range of activities. If you look at overall Plan Colombia, the $7.5 billion program, less than 50 percent, in my view, will end up being military and the rest will be developmental, justice reform, human rights. It is an area where we all have to play on one team and where that team has to work together and where, happily, in my experience over the last six months, we have a strong team and that team can work together.

If one piece of this falls out, the whole thing can go to hell. If, in fact, we don't have the alternative development activities engaged as the military regains control of the countryside and the planted areas in the south, we will have a bust. We will not have a success, and those people will move off into other areas of Colombia or Ecuador or Peru and start moving again back into this particular area, and we will see the balloon phenomenon.

So I am in Colombia and here preaching a strategy of cooperation and integration. It has got to be political, it has got to be military, it has got to be police, it has got to be development, it has got to be justice, it has got to be civilians and the uniformed people all in the same room working on the same plan and carrying out the same sort of effort, each doing their part, or it won't work.

That is why it was successful in Bolivia and Peru, and I think that is why it can be successful in Colombia. But I wanted to make that set of points both in connection with your question, Senator Biden, and with the chairman's question because I think it is germane.

Senator GRASSLEY. Ambassador Pickering, you mentioned that the plan deals with guerrillas—and I think these are your words—insofar as they do drugs. But the plan suggests major escalations and the potential for confrontation with narco-trafficking guerrillas and paramilitaries. Where is the discussion for dealing with this potential and what are the possibilities? For instance, what if the paramilitaries and their involvement in drugs—what is the plan for dealing with those?

Ambassador PICKERING. Precisely the same as it is for the guerrillas. I was in Colombia last week. I was briefed on the presence of growing numbers of paramilitaries in the southern departments of Colombia. The government has an obligation to take back control of its own country. Those people on both sides, guerrillas and paramilitaries, are clearly involved in protecting, fostering, and sometimes actively engaged in drug trafficking, taking taxes, set-

ting prices, making sure that individuals deliver, fostering the increase in the cropping of coca. All of those things go on.

The government will have to take back control in order to eliminate those crops. Whoever they have to take control from, they are, under Plan Colombia, obligated to do that and they are committed to do that in the discussions I have had down there. And I believe that there is no distinction in Plan Colombia between dealing with whoever, left, right, or the middle, protects or fosters or carries out narcotics trafficking or production.

Senator GRASSLEY. A last question and then I will go to my colleagues. There was a story today in the Boston Globe saying that there has been 50,000 acres cleared for coca in northern Colombia. Does this support package have anything to address that or the potential spread of coca cultivation?

Ambassador PICKERING. This support package has as its first and primary endeavor on dealing with activity in the south because that is the area where we have seen the greatest expansion. We have had a 65-percent success rate in two departments of the south in aerial eradication. The real problem is that the growth in planting and production has exceeded the capacity now of the Colombians to take back control of their own country and to protect the aircraft and the ground-based eradication efforts that have to go on. So the next piece will be to go where the production and the increase has been greatest.

But I can assure you that all of us have very much in mind in other areas of Colombia, as General McCaffrey said, the $400 million-plus support in the package and previously for the Colombian National Police is to be effective all over their country, wherever that is necessary, and to be backed up by the military if it is necessary for the military to deal with well-armed, heavy-weaponed, if I could put it this way, guerrilla or paramilitary forces when the police run up against it.

It is a combined and, I think, very significant set of activities to deal with it. The strategy is to go where the growth in production has been greatest most recently, but then to go on from there into the other areas.

Senator GRASSLEY. Thank you, Ambassador Pickering.

Senator Biden.

Senator BIDEN. Thanks very much.

Mr. Ambassador, thank you for illuminating more your view of the coordination, but let me make clear what I mean. You are not going to have anybody from CINC working on justice. You are not going to have anybody from CINC working on development. No one from you guys should be working on helicopters. That is all I am saying. Let's stop this State Department-speak.

Ambassador PICKERING. Well, we fund helicopters and we obviously have an obligation to the Congress to make sure that that money is well-spent. We do it in coordination with the military.

Senator BIDEN. We trust these guys.

Ambassador PICKERING. Actually, the military sets the production guidelines for when we can get the helicopters off the line.

Senator BIDEN. That is right.

Ambassador PICKERING. So we are very dependent on the military and the full cooperation.

Senator BIDEN. That is not the point I am talking about. I am talking about when they get in-country, not off the line. We trust them more than we trust you—not you personally, the State Department—about whether or not these helicopters are being used in an efficacious way, okay?

Ambassador PICKERING. Wherever they are used in a military function, Senator, of course, we have to have that.

Senator BIDEN. Well, that is the only function they are going to be used in. They are not for tourism.

Ambassador PICKERING. Some are for police and some are for eradication purposes.

Senator BIDEN. And you mean you guys are going to be running that show?

Ambassador PICKERING. The police are going to run it.

Senator BIDEN. And who is going to be coordinating that, you?

Ambassador PICKERING. No. The coordination in-country, in my view, has to be a combined effort. If the military and the police and the civilians in Colombia cannot sit down and do this themselves and make it happen, with each one doing their mission in conjunction with the others, it won't work.

Senator BIDEN. I guarantee you they can't; absolutely, positively guarantee you they can't. They do not have the capacity now to absorb this kind of materiel and know what to do with it and how to use it for the next couple of years. You know it and I know it. That is the only point I am making. So these guys are the guys who are going to make that work. They don't even know how to fly the suckers yet. I mean, come on.

Ambassador PICKERING. Well, Senator, they already have a large number of Blackhawks and there will be more coming. There is, in my view, no argument between us on the role of the military and how they should play it. I think we are a hundred percent agreed on that. I don't want to pick a fight, respectfully, on an issue that I think is all understood between us. The point I was making only is that if it isn't coordinated and integrated, it isn't going to work.

Senator BIDEN. I agree with that, by the way. The way this is going to come undone real quickly is not when the next minister of justice is shot, not when the court system continues to be riddled with problems. It is when you lose four Blackhawks.

Ambassador PICKERING. Yes, I agree.

Senator BIDEN. That is when it is going to come undone. You have been around this town long enough.

Ambassador PICKERING. And when we lose troops, and we all see that, and police.

Senator BIDEN. That is when it happens, that is when it happens.

Ambassador PICKERING. Yes.

Senator BIDEN. And on the point raised by my friend from Alabama, who is quoting Lincoln, which I found interesting——

Senator SESSIONS. Killed my great granddaddy at Antietam.

Senator BIDEN. Well, no. I am amazed.

Senator SESSIONS. And got the country back together in the course of it, however.

Senator BIDEN. I have been here 28 years. This is the first time I have ever heard a Senator from Alabama talking about Lincoln

pulling the country back together again. I thought that was a war of Northern aggression that was fought, but anyway I won't get into that.

Senator SESSIONS. Victors write the description of the war. We need to have a victory in Colombia is what we need.

Senator BIDEN. A la Lincoln. You heard that, General.

General WILHELM. Yes, sir.

Senator BIDEN. I want you to know that. I don't know where the hell you are from, but don't tell me. I don't want to know.

Senator SESSIONS. Southern Command.

Senator BIDEN. All kidding aside, there is a distinction with a difference, in my view, between whether or not we say we are engaging U.S. military trainers, men and women in uniform and military contract personnel, in another country for what purpose. If we state that the purpose is to defeat the guerrillas, in my view, big nations can't bluff.

It is not sufficient to put ourselves in the position that we are going to put ourselves in with as little U.S. military force in-country and say we are doing this to defeat the guerrillas. It arguably is sufficient in terms of material and personnel to train Colombian personnel to defeat the drug trafficking.

And this is fungible, in a sense. If they have a couple of battalions who are focusing on this, as I said in my opening statement, there is no question that they are going to be engaged in—I can't imagine there being a circumstance where the commanding officer for the Colombian military a year from now is on an eradication mission in the high Andes going after the opium crop and hearing that there is a large concentration of the FARC in a particular place that if they moved right away they could get—I can't imagine the drug eradication not becoming the second priority at that moment, at that day, with that person.

So the idea that we think we are going to be able to parse out controlling the Colombian military, these battalions you are training, and the use of those helicopters only for the purpose of interdicting and eradicating drug trafficking, I think is not reasonable. They are going to be used interchangeably at some point once they are trained.

But I do think it does make a difference whether or not—and this is where I do agree with Ambassador Pickering's description of our role. Words matter here, and in this case to suggest that our purpose in providing this military equipment and this aid is to deal with the narco-trafficking in these areas—and incidentally, to the extent that it takes out any, all, or part of the counter-insurgency, that is fine, but that is not our first purpose.

If that is our first purpose, we are making a commitment in terms of our credibility that far exceeds the commitment we are making relative to attempting to deal with drugs. If we wish to do that, then I think the Senator from Alabama and others should so move, should move on the floor of the Senate to suggest that. And we should debate whether or not we want to do all that need be done militarily to aid the Colombians in regaining control of their country from Marxist insurgents.

But I think it is a distinction with a difference that needs to be made here as to what our purpose is. And if we wish to go further,

General, I am going to want you to have a whole hell of a lot more than 60 more helicopters that you are not going to be flying. I want you to have a whole hell of a lot more in terms of us going down to aid the Colombians.

Now, that does not mean that we could not in a separate package unrelated to this provide military aid to the Colombians for purposes of going after the guerrillas, if you want to do that. But that is not the function here, although incidentally it has to be part of the solution. But I do think it matters how we say it, and that is the only point that I wish to make.

I have no further questions.

Senator GRASSLEY. Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

I would like to talk some about the international aspects of Plan Colombia beyond the United States. I understand that President Pastrana has been in Europe recently discussing the prospects of European cooperation both financially and in the peace process. I know that there will be a meeting in Madrid shortly of potential friends of Colombia.

Ambassador Pickering, could you outline where that process is? Specifically, how close is Colombia to getting the balance of the funding package committed? And, second, what will be the role of other countries besides the United States in attempting to move the peace process forward?

Ambassador PICKERING. First, Senator Graham, essentially what you have said is a good resume of what has been going on. Let me just recapitulate a little bit. The plan is estimated at $7.5 billion for 3 years. $4 billion coming from Colombia is a very important contribution. That will be probably more predominantly non-military, but there will be a very significant military and police component to that.

There will be, in addition to that, already committed probably $750 million to $1 billion from the international financial institutions, the IBRD, the IMF, and the various regional banks in Latin America. That will be to cover the very significant share of the civilian component.

Senator GRAHAM. Is that part of the $4 billion that Colombia——

Ambassador PICKERING. No. That is part of an add-on to the $4 billion. There will be, in addition to that, of course, depending on the will of Congress and your decision, the money proposed from the U.S. side. There will be, in my view, because both President Pastrana, then his foreign minister, then now his foreign minister and the coordinator of the plan are currently in Europe talking to the Europeans—the idea is to have, as you said, a meeting in the summer, I hope early summer, in Madrid. The Spanish have agreed to host that.

There is a target to fill in a very considerable amount; I would say less than $1 billion, but more than $500 million, we would hope, as a good target for the Europeans. That will cover, I think, the bulk of the financing for the plan, depending, of course, on what we do in the third year which is not yet, I think, a reality by any means, but something that we would clearly want to follow up the present package with.

There is, in addition to all of that, a commitment beyond Plan Colombia for development and macroeconomic currency stabilization and other financing. Recognizing the general good health of the Colombian economy and recognizing that it is a country with lots of resources, that can, as a backdrop to the plan but not focused on the plan, provide an enormous amount of support essentially in the economic, the non-military area.

And this, I understand, has attracted up to perhaps as much as $7 billion in international support, outside of Plan Colombia. Some of it may be in Plan Colombia. Let's say $6 billion outside of Plan Colombia, at least, which will be enormously important for the future of that country. You can't obviously separate everything in Colombia to Plan Colombia and non-Plan Colombia. There will be a symbiotic and mutually-reinforcing relationship for those, and that is the commitment of those institutions over, I think, the next three to five years. So we have to keep that in perspective.

As a result, I think that we are optimistic, given President Pastrana's determination and commitment, given the support that he has begun to receive and the work that he and his people are putting in to deal with not only Europe, but I would expect that we will see some of the wealthier countries in other parts of the world in Asia, in particular, to round out the funding commitments that are now still outstanding.

And we will, I hope, by the summertime be able to give you a lot clearer view as to are there gaps still and where should they come and how does that feature or fit into our thinking as we come into the 2002 budget year. We are working obviously now on the current supplemental and 2001.

Senator GRAHAM. The second part of the question had to do with the internationalization of the peace process. I know that some of the guerrilla organizations in Colombia, the FARC specifically, have had longtime relationships with European countries in Scandinavia and elsewhere. Has there been an effort to try to get some of those nations engaged in the peace process to encourage a more conciliatory attitude by the FARC?

Ambassador PICKERING. Yes, there has been, and that is really now beginning to show up, if I could put it that way, on the scope. There are several things that should be mentioned. One that is very important is that with the help of the Swedes, with the help of the Norwegians, and now of other countries in Europe, including Italy and the Vatican and Spain and others, there is a joint delegation of FARC and government and non-government people going through those countries to give the FARC, I think, something they need very badly—they have been 40 years in the bush and they are clinging to doctrinal and other ideas that now have been discarded almost everywhere else in the world—and they have very little understanding of how the world at the beginning of the 21st century is working—to give them a real sense of the fact that they have been in many ways passed by by time and by circumstances and that there is a significant imperative for them to engage in a clear way and in an accurate way in a process of ending the conflict and bringing peace to the region, obviously, on terms and conditions which will preserve democracy in Colombia and on terms and conditions which will not in any way at all allow any opportunity for

permission to engage in drug production or drug trafficking. Those are absolutely sine qua nons.

The government of Colombia is also cooperating very closely with the Venezuelan government. They had a recent meeting on Friday on the frontier involving all the military, all of their intelligence people, and all of their senior foreign affairs people to coordinate strategy. And I believe from my conversations with the Colombian government they have found Venezuelans have been cooperative and helpful not only in reestablishing control over the border which, as you point out, is a place where there have been incursions back and forth to the detriment of the interests of both countries, but also helpful in promoting meetings in the context of making progress bilaterally between the government and their guerrilla opponents. The Venezuelan government can be useful and helpful, and I believe has been in the eyes of the Colombian government, whose judgment on this I think we have to respect.

Senator GRAHAM. A final question on the alternative development plan. Based on the Bolivian experience, there seem to be some principles that are important to effective alternative development. It has to be part of a dual structure or strategy—law enforcement pressure, economic development. One won't work without the other.

There is a tendency to think of alternative development as if it has to be agriculture. In fact, some of the most significant job opportunities in economic development are outside of agriculture.

There has to be a focus on labor intensity even within agriculture. Fresh flowers in Colombia employ ten people per hectare. Cattle-raising might employ one person per ten hectares. So it is important to keep the focus on providing employment opportunities that will be of a sufficient level that they will attract people away from illicit coca production.

My question is how refined is our alternative development strategy and what proportion of those persons who are going to be displaced from their current illicit activity will it provide economic opportunities for?

Ambassador PICKERING. These are extremely important questions, and another criterion obviously is the people doing it have to make a living. They have to be in a position, if not competing with the high rates of return they made on coca, they have to be able to feed their families, see a future for themselves and move ahead, which means that the choice of alternative crops also has to be wise. The Colombians have begun looking at things that have a market value not in Colombia but as export crops that will be important because those can generate higher returns to the individuals.

The effort is first to obviously base ourselves on the lessons that we have all learned in Peru and Bolivia and then try to apply those. In Colombia, they have an alternative development agency called PLANTE which has begun already in Colombia to design the programs, to work on Colombian experience. And we consulted with them last week in our planning meetings in Colombia and they clearly, as you have, distinguished between places in Colombia where people could actually go into alternative development and

places where the soil conditions are so poor, the future is so sparse that those places probably ought to return to forest land.

In fact, the Colombians have also thought about the environmental consequences of what they are engaged in as ways to protect that and find alternative employment in those kinds of activities, as well as, I would hope, moving people to areas where there is good land available, some of it confiscated from drug cartels, that could be exploited and developed by people to either move into agriculture or into light manufacturing, whatever can be done in terms of investment in the country.

These are hugh problems for Colombia, one of the reasons why we have moved from 5 percent of our assistance to 20 percent of our assistance is to take into account the fact that they will require resources, planning, and additional support to be able to do it. I think the raw material is there and I think the principles are there and I think there are the right people working on it. The coordination is what I am most concerned about and that has to be put in place.

Senator GRASSLEY. Senator Sessions.

Senator SESSIONS. You know, I think the Colombians' argument they made 20 years ago that the problem is more an American consumption problem than a production problem for drugs is, as time has gone by, more plausible to me than it used to be as a Federal prosecutor.

I think the way for the United States to defeat drug use in America is to reemphasize what we do within this country with a strong will, which at one time we had which I sense is now being undermined. I was a part of the effort. I prosecuted hundreds of cases, many involving Colombian importation cases. I have read about the underground empire and all the books at that time about that. I chaired a committee in the Department of Justice on narcotics.

But I do not believe we are going to solve America's drug problem by stopping production in South America. We have been trying to do that, and we have heard testimony and this committee has heard testimony for over 25 years, probably, that somehow we are going to solve the problem by getting the Peruvians, the Bolivians and the Colombians to stop producing it. So from that point of view, I have real doubts about the overall effectiveness of this effort. It would have some positive impact, but not much, in my opinion.

As soon as the source gets shut down in one area, it pops up in another country. We have seen that over and over and over again. Now, I wish it weren't so. I wish we could do it that way. It just has not worked, so I have serious doubts about that.

I believe fundamentally, though, that we will never have a major reduction in drug production in Colombia until the nation is in charge of its territory. As General McCaffrey said, 40 to 50 percent of the country is controlled by the guerrilla forces who are providing protection to drug dealers and making money off the drug trade. Not only that, but they are totalitarian Marxists who want to destroy Colombian democracy. So I don't know what to say about it. I am stunned that we continue to push the peace process.

Ambassador Pickering, isn't it fair to say that in these matters if you don't make progress on the battlefield, you can't make very

much progress when the State Department starts the negotiation process? Aren't you troubled by the fact that the United States is encouraging Colombia to negotiate with these insurgents? Isn't that the wrong thing for us to do as a Nation? Shouldn't we encourage them to fight for their nation and their democracy?

Ambassador PICKERING. Let me address a couple of the problems. First, General McCaffrey ought to address the domestic issue and the demand reduction, but I have to do it because when I go to Latin America or elsewhere to talk to people about their part in the program, I have to keep pointing out to them that only 3 percent of the many multi-billion-dollar national budget of the United States goes to foreign supply reduction. The other 97 percent—and this is in the multiple billions, tens of billions of dollars—goes to deal with all of the aspects of the problem in the United States that you as a prosecutor are so familiar with.

Senator SESSIONS. You are counting State and local law enforcement, I guess.

Ambassador PICKERING. Yes, including demand reduction.

Senator SESSIONS. That is a fair analysis.

Ambassador PICKERING. And I believe, and General McCaffrey has the figures, that we can see serious impacts in a positive way in demand reduction at least in some of these areas. Unfortunately, I understand in synthetic drugs it is not nearly as successful as it has been in cocaine and heroin use in the United States. I am not the expert on that, but I have to talk about it, so——

Senator SESSIONS. I know the numbers on that. I can share them with you.

Ambassador PICKERING. You know the numbers on that.

Senator SESSIONS. They are not quite as good as you suggest.

Ambassador PICKERING. Well, I think they are a lot better than many of us thought five years ago we would see, and I think that we can continue to do better in that area and it proves that it isn't hopeless.

Secondly, I think that you yourselves have answered the question you keep asking me because on every occasion when you raise the question of helping Colombia, you mention the drug problem and I mention the drug problem, and that is the central focus of the reason why we are helping Colombia.

Now, the third point is the question of bringing an end to the insurgency. I agree with you a hundred percent, and I have told this to President Pastrana and so have all of the senior American officials who have met with him, that you cannot end the insurgency through a negotiating process that is not backed up with all of the effort of the Colombian government in whatever area to pursue that particular effort against a position of strength and a position of continuing to make it clear to the guerrillas that you are not going to permit them to engage in this huge amount of money production for themselves which just feeds the insurgency by continuing to engage in narco-trafficking, and that the government is not going to gird itself up in every area, in better human rights performance, in judicial reform, in all those things that strike at the heart of what it is these people, deeply engaged as they are in narco-trafficking, are in a sense looking for.

Secondly, I don't believe the negotiating process is at all a bad idea. I was associated with it in El Salvador. I watched it in Guatemala. It ended up ending for all intents and purposes the armed insurgencies in both of those countries, but it only proceeded under the conditions that you have set out and that I fully agree with that the government has to make a major effort.

In this particular case, the nexus between all of these organizations that wish to see the end of the government, whether they are paramilitaries for their own purposes or straight-out criminals or guerrillas who are engaged in narco-trafficking—the unifying theme for the United States is their engagement in the narcotics effort, and that is the central focus of the supplemental that we are providing and that is the reason why we have this support package for Plan Colombia.

Senator SESSIONS. Well, I believe the nation is not going to prevail until there is more national will on the battlefield. And if they start prevailing on the battlefield, they will be in a position to negotiate some sort of settlement perhaps in the future, but I don't see that now.

The Scandinavians and Swedes and Italians—if they want to go down there and preside over an international peace process right now, I would say let them put their money in it, not ours. I do not believe we are ready to do that, and I think we ought not to be having our policy with Colombia substantially affected by that kind of thinking, just because other nations may have an interest. I just have serious doubts.

General Wilhelm, with regard to the status of the military there, has there been any success of significance in the military battle between the guerrillas and the government in the last year, six months?

General WILHELM. Senator Sessions, I would say that absolutely there have been some significant successes. I think we only have to go back as far as the nationwide offensive that occurred in July of last year. I have been to Colombia and visited with the military leaders. I have viewed the intelligence analysis and I have viewed the photographs of the aftermaths of the contacts which were nationwide.

Sir, I can tell you as a matter of certainty the Colombian armed forces emerged with the upper hand, and this was the first occasion after a series by my count of ten of what I have referred to as stinging tactical defeats. This then carried forward into the month of November, when again both the FARC and the ELN embarked on widespread engagements where they attacked isolated garrisons, both national police and military. Once again, at the end of the day the Colombian armed forces, in my judgment, emerged with the upper hand. And that is more than wishful thinking on my part. Again, I looked at the evidence. I looked at the hard evidence, to include the aerial photography of the battlefields.

What has changed? Answer: a number of things. One, the military is behaving much more professionally on the battlefield. We are seeing levels of air-ground integration that we haven't seen before. In General Velasco, the Colombian Air Force has a first-class tactical commander who spends his time on flight-related and target engagement business, which is awfully important.

We are seeing much better integration between the Colombian National Police and the armed forces. Small garrisons are no longer being left on the limb where they can wither and die. There is, in fact, a reinforcement plan. Quick-reaction forces have been formed. Quick-reaction forces have been provided some mobility means. This will improve markedly if we execute our support plan for Plan Colombia as it is framed right now.

Intelligence preparation of the battlefield was woefully lacking when I went to Southern Command two-and-a-half years ago. The most fundamental assessments of terrain and weather weren't being made. It shouldn't come as any great surprise if your main advantage is air power that your adversary is going to take you on during periods of low visibility, rain, and other inclement weather. These things are all being thought through now.

So, sir, the answer to your question is, yes, we have seen a change in the military's fortunes, and it has nothing to do with luck. They created their own luck by good leadership, thoughtful intelligence preparation of the battlefield, and thoughtful integration of combat systems.

Senator SESSIONS. Well, that is good to hear, and I have heard some things to that effect previously, but we have got a good way to go. Two things trouble me. If we are beginning to get our military act together and they are beginning to be effective, are we assisting them effectively if we are encouraging peace negotiations in the middle of military success? I have doubts about that.

To me, I am not sure we would have served Lincoln well if we tried to get him to negotiate a peace settlement while the war was going on. There were plenty of opportunities and people wanted to do that. He saw that a nation can't compromise away its territory. Victory is in this circumstance essential, it seems to me, and I am just not sure we are in the right frame.

I want to help Colombia. I do not want to be involved in a civil war in Colombia. I think what we ought to do is tell the Colombian government, and the President of the United States needs to tell him, you show leadership, you go out there and start showing that you can effectively prevail against these insurgents and we will try to assist you, both because we have a special interest in drugs and because we believe in democracy in the world. And we would like to see you prevail and bring a united nation together again in Colombia.

Mr. Chairman, I am just real troubled about a proposal that has got international peace process members who want to cut deals while we give billions of dollars in an area, in my view, that has just got to be won on the battlefield.

Senator GRASSLEY. Ambassador Pickering.

Ambassador PICKERING. The difference, Senator Sessions, with respect, is that I believe President Pastrana is committed to principles, that he is not going to close off the opportunity for the guerrillas to come and accept his principles and to push them very hard on both fronts, on the struggle front particularly focused on the counter-narcotics struggle which affects them directly because it is their livelihood—that is where they are getting all the money, that is where they are getting the new uniforms and the radios, and that is how they are paying for the arms. All of that has to obvi-

ously be part of the effort, and I agree with you fully on that. I don't think we disagree on that.

I think the opportunity to work on the guerrillas' heads in a negotiating process to come back into Colombia's life in the mainstream, to accept democracy, to accept where the country is going to go, to be part of the future, is also something that is extremely important. Psychologically, it helps to build the strength of his own country, and I don't think he ought to be afraid of the negotiating process and I don't believe he is.

I think he can manage that with clear command. That is the direction in which he wants to go, and I believe that those are all part of the same effort of getting these guys out of the narcotics business, out of the anti-democracy business, whatever you want to call it, and having an option of becoming part of the future of the new Colombia or being made irrelevant.

Senator SESSIONS. Well, I know General Wilhelm knows nobody wants to be the last guy to die on a battlefield before the commander-in-chief cuts a deal. To me, President Pastrana needs to make clear that he has certain standards he will accept. He would be glad to welcome these people back into his government under certain terms, and then he is prepared to wage war until he gets those terms and be fair and generous about it.

But these negotiations have the ability to undermine the strength of the domestic support, the will of the people of Colombia, and these negotiations strengthen the will of the guerrillas. When the Scandinavians and the United States are saying negotiate with these people, it encourages them and discourages the people in Colombia.

Isn't that true, Ambassador Pickering?

Ambassador PICKERING. I want to be very careful and I want to be very clear. The United States is supporting President Pastrana's initiative to negotiate on the terms and conditions that President Pastrana has made clear to his own people and to the guerrillas themselves.

Senator SESSIONS. We have encouraged that, have we not?

Ambassador PICKERING. No. We have adopted a policy of supporting President Pastrana's initiative. He was the one who during the political campaign leading up to his election as president found, in fact, that this was what the public wanted him to do. And he agreed to go ahead and do it and he was elected on that basis and he has promised to carry it out. But he hasn't promised to carry it out on the basis that you assume that every negotiation is going to mean a defeat for the government involved in the negotiation.

Quite the contrary, he assumes, in fact, that he can pursue his efforts to bring about change, reform, permanent democracy, and end drug trafficking by both methods, and that he can find a way to articulate those as others have successfully in the past to the advantage of the future he sees for Colombia.

I don't believe that it is right for the United States to undermine that, and I believe President Pastrana—I have talked to him many times—is fully committed along those lines, and that our support for that effort, but it was his initiative, is important to keep that process moving.

Senator GRASSLEY. Can I ask one question and then we will quit, and that is some update on the black market peso exchange, the extent to which U.S. companies are being used as conduits for money laundering, what we are doing to encourage our companies to cooperate with that effort, and what assistance are we doing, if anything, with the Colombian police on that matter.

Ambassador PICKERING. I would like, because it goes into a range of detail that I am not personally familiar with, to provide you a written answer to that for the record.

Senator GRASSLEY. Yes, okay.

[The information referred to follows:]

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Lines 12-15
February 22, 2000
Thomas Pickering, Under Secretary of State
Political Affairs

The Black Market Peso Exchange (BMPE) is arguably the largest continuing drug proceeds money laundering system in the Western Hemisphere. It is estimated that nearly $5 billion is laundered through the BMPE annually.

We do not know to what extent U.S. companies are conduits for money laundering. The U.S. Customs Service has been reaching out to U.S. companies who may be unwittingly involved in this problem. Customs has been talking to trade groups and manufacturing groups, specifically those that produce major household appliances and electronics, as these are the primary goods traded in the BMPE. I understand that the Department of Justice is also inviting 16 companies (which deal with these appliances and electronics) to a meeting at the end of May asking for assistance on this very issue. The U.S. Customs Service will also be holding a meeting in Miami with a number of trade groups and companies to address this issue in the near future.

The U.S. Customs Service has signed bilateral agreements with the Colombian Customs Department to address

this problem. We are also working with the Colombian National Police. I would refer you to the Departments of Justice and Treasury for more details.

Senator GRASSLEY. Let me close with one final comment, then, and this is based on what I have heard today and what I kind of surmised before we opened our hearing. It would seem that we do have an outline for a strategy, but that an outline is not a strategy, and that is especially true when we are talking about more than $1 billion we are going to spend. That is real money.

I think it is something that really commits Colombia and the United States to a very major new engagement both in depth and in breadth. And so I caution us that this requires that we be very thoughtful in our efforts. The Colombians have a planning document. I am concerned that we don't have one, and I hope that we can see one before we are asked to vote on it. And I think maybe a place to give us more detail and more in writing is maybe when this issue is brought before the Foreign Relations Committee later on this week.

I thank you all very much for your cooperation. The hearing is adjourned.

[Whereupon, at 12:36 p.m., the caucus and subcommittee were adjourned.]

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

1. AS WE HAVE INCREASED OUR EFFORTS IN INTERDICTION AND ERADICATION IN THE ANDES, A NEW, TROUBLING TREND HAS DEVELOPED IN THESE COUNTRIES. DRUG USE, ONCE THOUGHT TO BE PRIMARILY A PROBLEM IN THE U.S. AND EUROPE, HAS BECOME A PROBLEM IN THESE SOURCE COUNTRIES AS WELL.

DOES THE UNITED STATES PLAN TO OFFER ANY ASSISTANCE TO ANDEAN COUNTRIES ON HOW TO ADDRESS DOMESTIC DRUG USE? HAVE ANY OF THE ANDEAN COUNTRIES REQUESTED ASSISTANCE IN ADDRESSING DOMESTIC DRUG USE?

ANSWER:

The problem of increased drug abuse is shared by many nations including ones that are considered "source" and "transit" countries. In Colombia, the most recent official national survey showed lifetime drug use rates increased from .6 percent of the population in 1992 to 6.5 percent in 1996. In Mexico, lifetime use of illegal drugs increased from 3.9 percent of the population in 1993 to 5.3 percent in 1998.

Recognizing that no government can reduce drug use and its consequences alone, the United States works closely with individual countries and regional organizations on demand reduction. The United States and Mexico hold annual bi-national demand reduction conferences. In 1999, the US participated in a demand reduction symposium in Barbados and a demand reduction summit in Guatemala. The United States also encourages private sector initiatives in drug prevention education. The United States has provided funding to help establish national demand reduction organizations in Argentina, Brazil, Peru, Uruguay and Venezuela. In addition, the United States State Department supports public diplomacy campaigns that publicize the threat drugs pose to societies throughout the region. The Administration believes education and public awareness are essential tools in the fight against illicit drug use and plans to continue this support for the foreseeable future.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

2. THE GAO REPORT CITES HOST NATIONS (PANAMA AND NICARAGUA FOR EXAMPLE) ANTI-DRUG EFFORTS ARE IMPROVING THEIR COORDINATION IN PLANNING AND CONDUCTING REGIONAL COUNTER-DRUG OPERATIONS.

- WHAT IS YOUR OPINION OF THESE HOST NATION EFFORTS?
- NOW THAT HOWARD AFB HAS CLOSED, WHAT ASSISTANCE, IF ANY, HAVE THE PANAMANIANS PROVIDED?

ANSWER:

The Central American countries are presently engaged with the U.S. in a number of drug interdiction initiatives - on a multilateral and bilateral basis. The countries are also involved with the OAS/CICAD in the Multilateral Evaluation Mechanism process and working toward fulfilling commitments made at the April 1998 Summit of the Americas. Several Central American nations have signed a new maritime interdiction agreement with the U.S.

On March 20, 2000 the Salvadoran Air Force intercepted an aircraft with a shipment of 214 kilograms of cocaine. This effort was extremely efficient and professional. It shows the results that can be obtained by host nation's interagency and regional cooperation to fight drug trafficking and confirms that our strategy of institution building is working. We look forward to strengthening the already close cooperative drug interdiction relationship with Central America by the signing of a third Forward Operating Location agreement.

Guatemala has also made great strides in combating illicit drug trafficking and opium cultivation within the last decade. Since 1995, cocaine seizures by Guatemalan police have increase by over 900 percent to 10.1 MT in 1999. Heroin seizures have also increased during the same time period. During the late 1980's and early 1990's, Guatemala was a significant producer of opium poppy. During the last decade, aerial eradication reduced the crop to a few isolated patches of less than 5 hectares. The government took major steps in passing a new asset seizure law and implementing recently passed legislation dealing with precursor chemicals in 1999.

Although seizures in Nicaragua, Honduras, and Costa Rica decreased in 1999, all three countries have made significant strides in developing law enforcement programs to combat drug related corruption, money laundering, and trafficking. In addition, interdiction efforts within Nicaragua and Honduras have been stymied by lack of budgetary resources and costly natural disasters in recent years.

The Government of Panama (GOP) continues to demonstrate its willingness to combat transnational drug trafficking. The GOP seized significant amounts of illicit drugs in 1999, despite apparent changes in trafficking routes. The new Mireya Moscoso Administration has demonstrated its commitment to combat money laundering, corruption, drug trafficking and other transnational crimes.

Immediately after taking office, the new GOP Administration set up an anti-corruption unit in the Ministry of Economy and Finance. Talks on a full maritime agreement moved forward (a draft agreement is under review by the Ministry of Foreign Affairs). Panama's law enforcement agencies continue to maintain excellent relations with their U.S. counterparts.

The GOP cooperates with U.S. requests to board and search Panamanian-flagged vessels suspected of drug smuggling in international waters. In 1999, the U.S. and Panama carried out four joint operations. The Technical Judicial Police (PTJ) and the Panamanian National Police (PNP), with support from the U.S. Immigration Service, U.S. Customs and DEA, executed three major joint interdiction operations along the Costa Rican border against alien smuggling and drug trafficking.

The Moscoso Administration requested U.S. assistance in developing Panama's law enforcement/national security strategy. The U.S. and Panama held the first bilateral meeting with the new Administration in November 1999 to address U.S. support for strategy development. The Law Enforcement Working Group exchanged information and presented recommendations on counternarcotics, extradition, asset forfeiture, justice reform, alien smuggling, and money laundering. These meetings demonstrated the new Administration's determination to build successful law enforcement and justice institutions and enhance bilateral cooperation.

The Panamanian drug prosecutor's office participated in a bilateral investigation to target a Panamanian export company involved in the seizure of 432 kgs of cocaine in June 1999 in New York and obtained evidence in the U.S. case for prosecution in Panama. The drug prosecutor authorized the initial arrest of individuals in Panama believed to be integral members of the cocaine distribution network.

The Moscoso Administration's demonstrated willingness to build strong law enforcement institutions, combat money laundering, and ensure security of the canal should develop into closer and more effective U.S.- Panama cooperation in these areas and strengthen joint counternarcotics efforts.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

3. HUMAN RIGHTS CONCERNS HAVE LIMITED DOD'S COUNTER DRUG ASSISTANCE TO FOREIGN GOVERNMENTS. THE GAO MENTIONED "U.S. EMBASSY PERSONNEL IN COLOMBIA TOLD US (THE GAO) IT WOULD BE DIFFICULT TO PROVIDE SUPPORT FOR COUNTERDRUG EFFORTS TO THE COLOMBIAN MILITARY UNLESS ITS UNITS PASS STATE DEPARTMENT SCREENING FOR HUMAN RIGHTS ABUSES."

- WHAT IS THE STATUS OF THE COUNTER NARCOTICS BRIGADES OPERATING IN COLOMBIA?
- HOW DO WE KNOW THAT THE TRAINING THEY ARE RECEIVING HAS PROVEN EFFECTIVE?

ANSWER:

The first of three planned Colombian Army Counter Narcotics Battalions (which will form the Counter Narcotics Brigade) has been trained and is currently deployed and operating out of the Tres Esquinas base in the Caqueta department. The Colombian Army has selected the members of the second Counter Narcotics Battalion, and their training should begin in May 2000. Members of the third Counter Narcotics Battalion will be selected and trained later in the year. All the members of the Counter Narcotics Battalions are thoroughly vetted for compliance with the Leahy statute. Additionally, there is a substantial human rights component to the training received by the Counter Narcotics Battalions.

The Counter Narcotics Battalion at Tres Esquinas has already conducted several successful counterdrug operations. They will continue their operations and training. The other two Counter Narcotics Battalions will be integrated into operations as they come on line.

We believe that the human rights training has been useful and effective because there have not been any human rights-related allegations against the existing Counter Narcotics Battalion.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

4. PRESIDENT PASTRANA'S "PLAN DE COLOMBIA" CALLS FOR LONG-TERM SUPPORT TOWARDS COUNTER NARCOTICS EFFORTS IN COLOMBIA.

- WON'T THE COLOMBIANS STRETCH THEMSELVES TOO THIN AS FAR AS MANPOWER AND EQUIPMENT FOR COUNTER-NARCOTICS IF THEY HAVE TO FIGHT A TWO FRONT BATTLE BETWEEN THE DRUG TRAFFICKERS AND THE INSURGENTS?
- HOW CAN THE COLOMBIANS USE THEIR RESOURCES MOST EFFECTIVELY AND EFFICIENTLY?

ANSWER:

In the last four years there has been a regional shift of coca production. Colombia, particularly southern Colombia, has become the source for most of the coca leaf used to produce cocaine. The principal coca growing departments of Putumayo and Caqueta have little or no Colombian government presence but are home to various illegal armed groups which depend on the drug trade for much of their income. Plan Colombia calls for the Government to take control of those drug producing areas in order to conduct aerial coca eradication and otherwise disrupt the coca economy and establish the rule of law and a sustainable legitimate economic base. Thus, much of the manpower and equipment needed to disrupt the drug trade in Colombia will be concentrated in the same coca-producing region where the illegal armed groups are found. To that extent, Colombia is not fighting a two front battle.

Plan Colombia represents a well thought-out concept to address the root causes of Colombia's crisis. Those include poverty, lack of foreign investment, violence by illegal armed groups, corruption, and drug production. One of the foundations of the Plan is that all these problems must be addressed simultaneously if they are to be effectively and efficiently handled. It will be crucial, since various aspects of the Plan are interrelated, that operations be undertaken in the right sequence and that the foundation for success in a first step is established before a second step is undertaken. The broad concept described in Plan Colombia is a good guide for the most efficient and effective use of resources.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

5. VARIOUS REPORTS NOW INDICATE A SIGNIFICANT AMOUNT OF SMALL ARMS AND DRUG SMUGGLING BETWEEN THE COLOMBIAN AND VENEZUELAN BORDER.

- HAS THE ADMINISTRATION FOCUSED ANY ATTENTION IN THAT PARTICULAR REGION?
- WHAT DOES THE U.S. AND THE COLOMBIAN GOVERNMENT PLAN TO DO ABOUT IT?
- WHAT HAS THE REACTION BEEN FROM THE VENEZUELANS?
- WHAT COOPERATION HAS THE U.S. RECEIVED IN COUNTERDRUG OVERFLIGHTS OF VENEZUELA?

ANSWER:

Yes, the Administration has focused attention on the border region between Colombia and Venezeuela. There are many and conflicting reports about illegal arms for drugs smuggling into Colombia through Venezuelan territory. We are concerned about the reports and are continuously evaluating the situation. At your request, the Administration could provide further information in a classified briefing.

Venezuela has held firmly to the position announced by President Chavez in May 1999 with regard to U.S. counter-drug overflights. Venezuela has attempted to intercept suspect drug trafficking planes using its F-16s and other platforms, but has generally been unsuccessful in handing off a suspect track to the Colombian Air Force or pursuing successful endgames with its own resources. There was a report of a successful forcedown March 1, 2000 of a suspect aircraft by the Colombian Air Force in Colombian territory after a hand-off from the Venezuelans, but that claim has not been fully verified.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

6. WHAT ARE THE PRIMARY AND SECOND PRIORITIES OF THE UNITED STATES IN ITS RELATIONS WITH COLOMBIA AND THE OTHER NATIONS IN THE REGION THAT ARE THE SOURCE OF MOST OF THE ILLICIT NARCOTICS ENTERING THE UNITED STATES?

ANSWER:

The priorities of the United States in its relations with Colombia and the other nations in the region are counternarcotics and reinforcing second stage democratic reforms. U.S. assistance has gone to supporting counternarcotics efforts, strengthening democratic institutions, and promoting economic and social development in Colombia, Venezuela, Peru, Ecuador, and Bolivia. In Colombia, our priorities also include supporting President Pastrana's efforts to bring about a peaceful resolution to the country's longstanding civil conflict, promoting respect for human rights, and working with the Colombians – along with other regional partners - on fighting illicit drugs.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

7. WHAT ARE THE ACTIONS REQUIRED OF THE UNITED STATES TO SUPPORT AND PROMOTE SUCH PRIORITIES?

ANSWER:

To support and promote these priorities the Clinton Administration has proposed a two-year, $1.6 billion request to Congress for additional funding to enhance our bilateral assistance programs for Colombia. The increased assistance would be directed to counter-drug efforts and other critical programs to help President Pastrana deepen democracy and promote peace and prosperity.

The Administration's proposal for support for Plan Colombia addresses the breadth of Colombia's challenges and will help Colombia in its efforts to fight the drug trade, foster peace, strengthen the rule of law, improve human rights, expand economic development, and institute judicial reform. This includes committing $240 million to alternative development, enhancing good governance, anti-corruption and human rights.

Our proposed assistance package also includes $76 million for regional interdiction efforts and development in Peru, Bolivia and Ecuador. This will discourage narcotics traffickers and growers from moving into neighboring countries.

We have already seen a great deal of success in our counternarcotics efforts in Peru and Bolivia, which have resulted in 66% and 55% reductions of coca production, respectively, in each of these countries. As this success demonstrates, it is possible to combat narcotics production in the Andean region.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles E. Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

8. CAN YOU PLEASE PROVIDE THE CAUCUS WITH A SCHEDULE FOR IMPLEMENTING ACTIONS IN ORDER TO MEET SUCH PRIORITIES?

ANSWER:

We are currently in discussion with the Government of Colombia to develop operational plans to implement U.S. support to Plan Colombia. The timeline for implementing actions will not be final until the both Governments finalize their operational planning. Of course, the schedule for implementation will also depend upon how quickly Congress is able to act on the Administration proposal for supplemental funding for Colombia. The USG should be able to support expanded Government of Colombia counterdrug efforts soon after Congressional action on supplemental funding.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

9. WHAT IS THE ROLE OF THE UNITED STATES IN THE EFFORTS OF THE GOVERNMENT OF COLOMBIA TO DEAL WITH ILLEGAL DRUG PRODUCTION IN COLOMBIA?

ANSWER:

The U.S. Government assists the Government of Colombia with equipment, training, fuel, crop eradication supplies, technical expertise and information in an effort to reduce the production of drugs in Colombia and stop their transport to the United States. Colombia and the United States also cooperate on police investigations and judicial matters. In 1999 President Clinton proposed that U.S. assistance be increased from a $300 million two-year program, to $1.6 billion over two years. The bulk of the new assistance would go for a mobility package to enable the Colombian armed forces to provide security for the initiation of illegal drug crop control programs, law enforcement, and government assistance programs in the major coca producing regions of Colombia, primarily the departments of Putumayo and Caqueta.

The Colombian National Police (CNP) will continue to be the primary responsible agency for drug law enforcement operations including eradication, lab destruction, chemical and drug shipment interdiction, and dismantling trafficking organizations. The CNP's crop control efforts are currently severely limited by the danger posed to eradication aircraft and personnel by the efforts of the guerrillas and paramilitary forces to protect the main source of their income. Military support will be required to provide a sufficient level of security for the CNP to perform their law enforcement mission. The proposed assistance package would enable the Colombian Army to operate jointly with the CNP as they move into the dangerous drug production sanctuaries in southern Colombian by providing funds to stand up two additional Army Counternarcotics Battalions.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

10. WHAT IS THE ROLE OF THE UNITED STATES IN THE EFFORTS OF THE GOVERNMENT OF COLOMBIA TO DEAL WITH THE INSURGENCY IN COLOMBIA?

ANSWER:

The primary focus of the Plan Colombia initiative is to provide support for Colombia's intensifying counterdrug effort. As a matter of Administration policy, we will not support Colombian counterinsurgency efforts. We will, however, provide indirect support to the Government of Colombia for force protection and for security related to counterdrug efforts, regardless of the source of the threat. This administration remains convinced that the ultimate solution to Colombia's long-standing civil conflict is through a successful peace process. Counterdrug progress will also advance the peace process.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

11. WHAT IS THE ROLE OF THE UNITED STATES IN THE EFFORTS OF THE GOVERNMENT OF COLOMBIA TO DEAL WITH IRREGULAR FORCES IN COLOMBIA?

ANSWER:

Because of credible allegations of ties that existed between irregular forces and the security forces of Colombia, the U.S. has pressed the Government of Colombia to break any such ties of which it is aware, to make it the policy of the Government of Colombia to shun any interaction with irregular forces in the future. Further, we articulated clearly our conviction that the Government of Colombia should appropriately punish military officers who maintain ties with irregular forces.

The U.S. government has no further role in the efforts of the Government of Colombia to deal with irregular forces except as those efforts are related to implementing counter-drug elements of Plan Colombia. The U.S. Government would provide training, equipment, and intelligence helpful to the Government of insofar as it is necessary for the Government of Colombia to conduct operations against irregular forces to assure security for the implementation of counter-drug elements of Plan Colombia. Counter-drug elements include implementation of the rule of law in drug producing regions, administration of alternative development projects, and administration of programs for the resettlement of displaced persons.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

12. HOW DOES THIS STRATEGY WITH RESPECT TO COLOMBIA RELATE TO THE UNITED STATES STRATEGY FOR THE COUNTRIES WHICH BORDER COLOMBIA?

ANSWER:

The U.S. strategy is based on an assessment that the drug problem is a regional one, with Colombia as the center of gravity. The U.S. proposal for emergency supplemental funding to support Plan Colombia includes $15M for alternative development in Peru, $12M for alternative development in Bolivia, and $3M for alternative development in Ecuador. It also includes $22M for interdiction in Peru, $6M for interdiction in Ecuador, and $6M for interdiction in Bolivia. Those funds are included to maintain pressure on drug transportation routes through alternative producing countries, and to maintain support for income alternatives, particularly in Peru and Bolivia, which have demonstrated such success in reducing coca production over the last four years.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

13. HOW DOES THE STRATEGY WITH RESPECT TO COLOMBIA RELATE TO THE UNITED STATES FOR FULFILLING GLOBAL COUNTER-NARCOTICS GOALS?

ANSWER:

The Administration's support for President Pastrana and "Plan Colombia" is clearly in line with the National Drug Control Strategy (NDCS) and other Administration decision documents. As articulated in Goal 5 of the NDCS, the U.S. supply reduction strategy seeks to "(1) eliminate illegal drug cultivation and production, (2) destroy drug trafficking organizations, (3) interdict drug shipments (4) encourage international cooperation and (5) safeguard democracy and human rights." As the largest producer of cocaine in the world and the foremost supplier of heroin to the United States, Colombia must be a focal point of this global strategy.

The administration supports "Plan Colombia," because it sets forth far-reaching, interlocking policies designed to promote peace, strengthen democracy, combat drug trafficking, and improve the human rights climate. More specifically, Plan Colombia's goal to reduce coca cultivation by 50% by 2005 will substantially further implementation of U.S. NDCS Goal 5.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

14. WHAT IS THE STRATEGY AND SCHEDULE FOR PROVIDING URGENT MATERIAL, TECHNICAL, AND LOGISTICAL SUPPORT TO COLOMBIA AND THE FRONT LINE STATES IN ORDER TO DEFEND THE RULE OF LAW AND TO MORE EFFECTIVELY IMPEDE THE CULTIVATION, PRODUCTION, TRANSIT, AND SALE OF ILLICIT NARCOTICS?

ANSWER:

As part of this Administration's support to Plan Colombia, an interagency mechanism has already been established to develop a detailed, thoroughly coordinated plan for effectively and efficiently distributing much needed support to Colombia and other partners in the Andean Region once the Administration's asssistance package is approved by Congress. Led by Under Secretary of State Thomas Pickering, this group is tasked with developing a comprehensive, fully integrated Colombia Initiative Implementation Plan, to include goals, objectives, performance standards, timelines, resource requirements and detailed agency tasking.

**Question for the Record Submitted to**
**General Barry McCaffrey**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

QUESTION:

15. WHAT IS THE SCHEDULE FOR MAKING FORWARD OPERATING LOCATIONS (FOL) FULLY OPERATIONAL, INCLUDING COST ESTIMATES AND A DESCRIPTION OF THE POTENTIAL CAPABILITIES FOR EACH PROPOSED LOCATION AND AN EXPLANATION OF HOW THE FOL ARCHITECTURE FITS INTO THE OVERALL US STRATEGY FOR THE ANDEAN REGION?

ANSWER:

With the closure of Howard AB in Panama, the establishment of Forward Operating Locations (FOLs) in the region is critical to our ability to implement the National Drug Control Strategy. The FOLs are not bases. They are existing airfields, that with some modifications, will allow US detection and monitoring aircraft consistent access into the region. Agreements are already in place in Manta, Ecuador; Aruba and Curacao in the Netherlands Antilles. Another FOL agreement is awaiting approval in the Salvadoran legislature. US D&M aircraft are already flying day and night missions out of Manta and Aruba and Curacao.

FOL sites still require significant modifications to support the full range of US D&M aircraft conducting day/night all-weather operations. The schedule for increasing FOL capabilities is, of course dependent upon prompt Congressional support of the Administration request of addition counterdrug funding. When fully operational (in FY01 if Congress acts promptly), these FOL's will allow increased coverage of key Eastern Pacific and Caribbean transit zones and full coverage of the Southern Colombia cocaine growing areas. The Colombia initiative would provide $38.6 million in emergency spending toward modifying the Forward Operating Locations in the region to enable the US to continue its robust regional interdiction initiatives. In addition, the Department of Defense has assumed responsibility for out-year funding of these locations.

**United States Department of State**

*Washington, D.C. 20520*
*www.state.gov*

June 8, 2000

Dear Mr. Chairman:

Following the February 22, 2000 hearing at which Under Secretary of State Thomas R. Pickering testified, additional questions were submitted for the record. Please find enclosed the responses to those questions.

If we can be of further assistance to you, please do not hesitate to contact us.

Sincerely,

Barbara Larkin

Barbara Larkin
Assistant Secretary
Legislative Affairs

Enclosure:
As stated.

The Honorable
Charles E. Grassley, Chairman,
Caucus on International Narcotics Control,
United States Senate.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

In the past, the Colombian military has been guilty of committing civil rights abuses of the Colombian people. On the other hand, the Colombian National Police have a much cleaner record. Although the Colombian military has done a lot in recent years to clean up its human rights record, the amount of assistance that is currently proposed for the Colombian military has raised some serious concerns.

- What steps does or will the United States take to insure any assistance provided to the Colombian armed forces are not used in human rights violations?
- How does the State Department respond to accusations of human rights violations by Colombian forces using U.S. equipment?
- Is there any concern that accusations of human rights violations will be used to suspend U.S. assistance to the Colombian military?
- There has also been some discussion of holding the military responsible for violations committed by paramilitary organizations. How will such restrictions affect the U.S. ability to provide assistance to Colombia?

**Answer:**

U.S. assistance to Colombian military and police forces is provided strictly in accordance with Section 564 of the FY 2000 Foreign Operations Appropriations Act and with Section 8098 of FY 2000 Department of Defense Appropriations Act. No assistance is provided to any unit of the security forces for which the USG

has credible evidence of commission of gross violations of human rights, only the Secretary is able to certify that the Government of Colombia has taken effective measures to bring those responsible to justice. We are firmly committed to this in spirit and in practice, and have a rigorous process in place to screen those units being considered for assistance.

Similarly, once the equipment is provided, it continues to be subject to End-Use monitoring to ensure that it is being used for counternarcotics purposes.

We believe these provisions of law provide an effective mechanism to ensure that U.S. assistance goes only to units against whom there are no credible allegations of gross human rights violations. In fact, we believe these provisions have served as an incentive for the Colombian Government and military to deal with problems in security force units against which there have been credible allegations of gross human rights violations.

President Pastrana has made a firm commitment to improving the protection of human rights in Colombia. He has demonstrated his Government's commitment to human rights by the dismissal of four generals and numerous mid-level officers and NCOs for collaboration with paramilitaries or for failure to confront them aggressively.

There is concern that some parties may make false allegations of human rights abuses by government forces in order to suspend or halt U.S. assistance. That is why allegations are investigated to determine if they are credible. Furthermore, because any linkages that exist between the military and paramilitary forces are personal rather than institutional, it would be inappropriate to assign blanket responsibility for paramilitary conduct to the Colombian military. Such restrictions would prove disastrous to the assistance program by conditioning U.S. assistance to Colombia upon the actions of a third party.

We remain committed, as a matter of highest priority, to working with the Government of Colombia to improve the human rights environment.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

It has become increasingly obvious that the insurgent forces are operating hand in hand with the drug traffickers.

- How can the U.S. maintain an effective counter narcotics policy if we fail to realize such and treat them accordingly?

**Answer:**

All of our assistance to the Colombian military is intended for counternarcotics, not counterinsurgency. However, we fully recognize that both the guerrillas and paramilitaries are heavily involved in many aspects of the narcotics trade. To the extent that they are involved in that trade, or that they attempt to hinder counternarcotics operations, U.S. assistance may be used appropriately to oppose them.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

Various reports now indicate a significant amount of small arms and drug smuggling between the Colombian and Venezuelan border.

- Has the Administration focused any attention in that particular region?
- What does the U.S. and the Colombian government plan to do about it?
- What has the reaction been from the Venezuelans?

**Answer:**

The Venezuelan border is exceptionally long, and largely undeveloped. It is only lightly defended on either side, and has traditionally been a haven for criminal elements of all sorts, including smugglers of small arms, precursor chemicals and narcotics. We have seen reports of organized smuggling of weapons from Venezuela to guerrilla and paramilitary movements in Colombia, but cannot confirm the extent of the problem at this time. We note that criminals, including Colombian guerrillas and paramilitaries, cross the border virtually at will.

The USG is very concerned with the lack of control of this region and has called on both Colombia and Venezuela to increase cooperation and improve efforts to control the border region. Both countries have acknowledged the need to do so. Due to the

considerable requirements of fighting both an active counterinsurgency campaign and its world-renowned drug trade, Colombia has been unable to devote adequate resources to controlling its border with Venezuela.

We will continue to work with Colombia and Venezuela to address the full range of their counternarcotics needs.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

Colombia is the largest source of cocaine in the world. The DEA estimates that over 70 percent of the heroin consumed in the United States is of Colombian origin. These drugs kill thousands of U.S. citizens every year. They destroy families and communities. We have lost far too many of our children - our country's future - to this scourge. Yet this threat, these numbers, unfortunately, none of this is new.

- What is the top priority of the United States in this region?
- What are the signs of success that the US is moving towards this objective?
- How will the full funding of the President's ES proposal affect our progress?

**Answer:**

Counternarcotics remains our top priority in the region. Some 90 percent of the world's supply of cocaine is grown, processed, or transported through Colombia. The U.S. Drug Enforcement Agency estimates that up to 75 percent of the heroin consumed on the East Coast of the United States comes from Colombia - although Colombia produces less than 3 percent of the world's heroin.

We have already seen a great deal of success in our counternarcotics efforts in Peru and Bolivia, which have resulted in 66-73% reductions of coca production in each country.

While it is true that production in Colombia has increased at an explosive rate (with a 20 percent increase last year alone), those increases have, as a general rule, occurred outside of the areas of our focused efforts. The aerial eradication program, for example, treated more than 50 million hectares of coca and opium poppy in 1999. Although an increase from the 1997 total, this number represents a decrease in the amount of coca treated in 1998. This was largely due to the transfer of spray resources to combat poppy. That transfer resulted in a 270 percent increase in treated poppy hectarage and underscores the importance of the proposed assistance package. This package will enable these and other programs to continue.

A funding delay, however, would limit Colombia's response to anticipated increases in coca cultivation and narcotrafficking, increases we expect to be over 20% on an annual basis. It would allow the traffickers to further entrench themselves in southern Colombia and to attempt further efforts to corrupt the Colombian government and society. The delay would also further undercut political support for our steadfast allies in the Colombian government, specifically President Pastrana.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

What are the primary and second priorities of the United States in its relations with Colombia and the other nations in the region that are the source of most of the illicit narcotics entering the United States?

**Answer:**

The priorities of the United States in its relations with Colombia and the other nations in the region are counternarcotics and reinforcing second stage democratic reforms. U.S. assistance has gone to supporting counternarcotics efforts, strengthening democratic institutions, and promoting economic and social development in Colombia, Venezuela, Peru, Ecuador, and Bolivia. In Colombia, our priorities also include supporting President Pastrana's efforts to bring about a peaceful resolution to the country's longstanding civil conflict, promoting respect for human rights, and working with the Colombians - along with other regional partners - on fighting illicit drugs.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

What are the actions required of the United States to support and promote such priorities?

**Answer:**

To support and promote these priorities the Clinton Administration has proposed a two-year, $1.6 billion request to Congress for additional funding to enhance our bilateral assistance programs for Colombia. The increased assistance would be directed to counter-drug efforts and other critical programs to help President Pastrana deepen democracy and promote peace and prosperity.

The Administration's proposal for support for Plan Colombia addresses the breadth of Colombia's challenges and will help Colombia in its efforts to fight the drug trade, foster peace, strengthen the rule of law, improve human rights, expand economic development, and institute justice reform. This includes committing $240 million to alternative development, enhancing good governance, anti-corruption and human rights.

Our proposed assistance package also includes $137 million for regional interdiction efforts and development in Peru, Bolivia and Ecuador. This will prevent narcotics traffickers and growers from moving into neighboring countries.

We have already seen a great deal of success in our counternarcotics efforts in Peru and Bolivia, which have resulted in 66-73% reductions of coca production in each country.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

What is the role of the United States in the efforts of the Government of Colombia to deal with illegal drug production in Colombia?

**Answer:**

The U.S. Government strongly supports the efforts of the Colombian Government to deal with illegal drug production. Our proposed $1.6 billion assistance package includes funding to support and build upon our existing programs of drug eradication and interdiction. This includes expansion of counternarcotics operations into southern Colombia, more aggressive interdiction, and increased assistance for the Colombian National Police (CNP) in order to enhance their ability to eradicate coca and poppy fields.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

What is the role of the United States in the efforts of the Government of Colombia to deal with the insurgency in Colombia?

**Answer:**

The United States does not provide counterinsurgency support to the Government of Colombia. As President Clinton has stated clearly, our policy in Colombia is to support President Pastrana's efforts to find a peaceful resolution to the country's longstanding civil conflict and to work with the Colombians - along with our regional partners - on fighting illicit drugs.

The United States Government strongly supports President Pastrana's efforts to broker a negotiated settlement to end Colombia's internal conflict. We remain convinced that the peace process is integral to long-run prospects for fighting drug trafficking, reducing kidnappings, and restoring respect for human rights.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

What is the role of the United States in the efforts of the Government of Colombia to deal with irregular forces in Colombia?

**Answer:**

The United States Government strongly supports President Pastrana's efforts to broker a negotiated settlement to end Colombia's internal conflict. We remain convinced that the peace process is integral to long-run prospects for fighting drug trafficking, reducing kidnappings, and restoring respect for human rights.

We continue to call on all combatants to move immediately to humanize the conflict by stopping all kidnapping and murders of civilians, ending the practice of recruiting child soldiers, and by abandoning attacks in situations where the lives of innocent civilians are put at risk.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Charles Grassley**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

How does this strategy with respect to Colombia relate to the United States strategy for the countries which border Colombia?

**Answer:**

Our counternarcotics package for Colombia was designed with the benefit of knowing what has worked in Bolivia and Peru. With USG assistance, both countries have been able to dramatically reduce coca production. This was achieved through successful efforts to re-establish government control and bring government services to former drug producing safe havens. Both Bolivia and Peru combined vigorous eradication and interdiction efforts and with incentives for small farmers to switch to legal crops. We aim to help Colombia accomplish a similar record of success.

In doing this, we cannot, and will not, abandon our allies in Bolivia and Peru. Their successes are real and inspired with 66-73% reductions of coca production in each country. But they are also tenuous against the seductive dangers of the narcotics trade. Therefore, our proposed assistance package also includes $137 million for regional interdiction efforts and development in Peru, Bolivia and Ecuador. We are not content to allow the

cultivation and production of narcotics to be simply displaced from one Andean country to another.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Jeff Sessions**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

Per our discussion during the hearing, it is my understanding that the U.S. government has not publicly endorsed the Colombian government's effort to defeat the Marxist guerillas, except those specific efforts that are meant to defeat the guerrillas that are involved in drug trafficking? Is this a proper characterization? If not, then could you explain the Administrations position on Colombia's counter-insurgent efforts?

**Answer:**

The Government of Colombia itself has no policy to "defeat the Marxist guerrillas" militarily. President Pastrana has made bringing an end to Colombia's civil strife through a peace agreement with the various insurgent groups a central goal of his Administration. Pastrana believes, and the United States Government agrees, that ending the civil conflict and eliminating all of that conflict's harmful side effects is central to solving Colombia's multi-faceted problems. A military solution is simply not possible for Colombia.

The U.S. Government continues to call on all combatants to move immediately to humanize the conflict by stopping all kidnapping and murders of civilians, ending the practice of recruiting child soldiers, and by abandoning attacks in

situations where the lives of innocent civilians are put at risk.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Jeff Sessions**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

It is also my understanding that "Plan Colombia" has some weaknesses that must be addressed before the plan can be successful. Specifically, the plan calls for limited action in the areas that the Colombian government has turned over to the guerillas that reportedly are major drug trafficking staging areas and home to drug production? How can any plan be successful that does not include action in these areas? If efforts will be undertaken in these areas, could you please outline these efforts?

**Answer:**

We are also concerned with reports that there has been an increase in coca production in the demilitarized zone granted to the FARC by the Government of Colombia. We have discussed our concerns about this with the Colombian government.

**Question for the Record Submitted to**
**Ambassador Thomas R. Pickering**
**By Senator Jeff Sessions**
**Senate Caucus on International Narcotics Control**
**February 22, 2000**

**Question:**

During the hearing you stated that you had spoken to the Colombian defense minister regarding the regulations (high school degrees etc) for Colombian military troops to serve in combat situations and that they hoped to change the policy? Could you provide an explanation of this policy and the changes that are being proposed and/or initiated?

**Answer:**

Colombian Law 48 of 1993 (the Law on Army Drafting and Recruitment) continued the previous Colombian law (since 1975) that has prohibited the sending of drafted high school graduates ("Bachilleres") to combat or "public order" units. Instead, they are assigned to Service Battalions or to Brigade, Division or military command headquarters, where they can fulfill administrative or installation security roles. The law was originally sponsored as an incentive for youths to finish high school as well as to focus the (then scarce) educated draftees on civic action, administrative and engineering roles.

With the intensification of the internal armed conflict, the need for increased professionalization of the Army, and the desire to do away with the resulting social discrimination and unequal burden sharing within the society, the Pastrana

government immediately began to radically reduce the number of drafted "bachilleres" in service, while also seeking longer term reform of the military draft law. Under "Plan 10,000", the number of drafted "bachilleres" in Army service has already been reduced (from 42,700 in 1998, to 21,600 in 1999 to 10,500 in 2000 - this is in an Army of some 107,000 men). The goal is to eliminate "bachiller" intake entirely in 2001, replacing them with volunteers as part of the move towards an all-professional force. Volunteer soldiers (and professionals) are not affected by the "bachiller" roles.

The Pastrana government has also developed a draft bill to overhaul the recruitment system, standardizing the length and terms of service for all draftees, regardless of education. The text of the draft bill appears to have been completed, and Military Forces Commanding General Tapias has announced his intention for quick Congressional approval of the draft bill. The U.S. Embassy, however, has been unable to confirm whether it has yet been presented to the Congress.

**Question from Senator Charles E. Grassley**
**As Follow-up to U/S Pickering's**
**Testimony on Colombia on 2/22/00**

**FORWARD OPERATING LOCATIONS**

**Question:**

What is the schedule for making Forward Operating Locations (FOL) fully operational, including cost estimates and a description of the potential capabilities for each proposed location and an explanation of how the FOL architecture fits into the overall U.S. strategy for the Andean region?"

**Answer:**

With the closure of Howard Air Force Base in Panama in May 1999, the U.S. sought to obtain other sites in the region from which to maintain our active program of aerial detection, monitoring and tracking of drug traffickers both in the source zones of Colombia and Peru, as well as in the Caribbean and Pacific Corridors.

It was determined that a composite of three forward operating locations (FOLs) would be required to provide the necessary aerial coverage. We signed FOL accords with Ecuador (for use of the airport at Manta) on November 12, 1999 and with the Netherlands (for use of portions of existing airports on Aruba and Curacao) on March 2, 2000. On March 31, 2000, we signed the third and final FOL agreement with the Government of El Salvador for access to and use of a section of the international airport located at Comalapa. These are 10-year agreements, with the possibility of additional extensions in five-year periods. The accords are focused narrowly and exclusively on the use of aerial assets to counter drug trafficking.

Operationally, FOLs allow us to remain fully engaged in the multilateral effort to combat narcotrafficking as host nations provide access and use of existing facilities, without incurring the expense of maintaining a base. In addition, appropriate third country officers are permitted to fly on board our surveillance aircraft to serve as communication channels with their law enforcement authorities to effect interdiction actions. And, officers of all nations hosting an FOL have or will soon have representatives at the international task force command center at Key West, Florida, joining officers from a number of

other hemisphere countries, including Colombia, Peru, and Venezuela. The FOLs are truly international efforts in all aspects from tactical planning to execution.

Our goal is for the FOLs to eventually be capable of supporting continuous aerial operations 24 hours a day, 7 days a week once infrastructure improvements are accomplished. Until FOLs become fully operational, the Department of Defense is relying on a combination of interim sites in Puerto Rico and the continental U.S., as well as the FOL sites mentioned above, from which to run its counter-drug missions. The initial, but minimal degradation in our baseline counter-drug aerial interdiction coverage will gradually improve as FOLs become fully operational.

With the conclusion of long-term FOL agreements at all three sites, the Administration hopes to receive the authority and budget to carry out necessary overseas military construction/upgrades that will allow us to maintain the continuous commitment of U.S. air assets and personnel in the counter-drug effort.

With regard to your specific request for information concerning the phase completion schedules for FOLs, to include operational capabilities and cost estimates, we respectfully refer you to the Department of Defense for those details.

**Ambassador Richard Fisher**
**Senate Caucus on International Caucus and the**
**Subcommittee on International Trade of the Finance Committee**
**on U.S. Assistance Options for the Andes**
**February 22, 2000**

**Questions Submitted for the Record By**
**Senator Charles Grassley**

**1) Historically, developing countries that have been the most open to trade have had the fastest economic growth. Those least integrated into global markets have remained among the world's poorest countries. You only have to look at many of the African countries, where a legacy of war, corruption and bad economic policy have relegated many of Africa's people to starvation and extreme poverty. We're trying to help set a path for Africa now with the African Growth and Opportunity Act, which also uses trade preferences to encourage development.**

**There has been groundswell of support for the Africa bill in Congress, in the Administration, and among many private sector groups in consideration of adding the Andean Countries to CBI. ATPA expires in 2001.**

- **Do you believe we should offer the same benefits to the Andean Countries that were offered to the Caribbean nations in CBI?**
- **Are there other actions the United States could pursue that would strengthen the economy of the Andean region?**
- **What actions can the United States pursue to strengthen the economy of the Andean region, while insuring that the economic benefit is not concentrated in the hands of a few?**
- **What plans does the Administration have for renewing ATPA? What is the timeline for any planned action?**

**Questions Submitted for the Record By**
**Senator Bob Graham**

**1) I recently traveled to both Colombia and Bolivia to get a first hand look at their counter drug and economic recovery programs. I have also discussed the Administration's Colombian aid package with representatives from both the Colombian and Bolivian governments, and with representatives from the business Community. It is clear from my visits to the region, and from these discussions, that an effective and comprehensive aid package must include a trade component that benefits the entire Andean region.**

- **It has been suggested that early renewal of the Andean Trade Preferences Act, and the expansion of CBI trade preferences to the Andean region, are two alternatives that will promote economic growth, create jobs, and provide access to the legitimate economy for workers who are displaced by our counter drug initiatives.**

- **What specific action is the administration prepared to take to expand trade in the Andean region and to build both public and congressional support for the inclusion of a trade component in a Colombian aid package?**

**Answer:**

The Administration believes that the economic health of the Andean countries is of great importance to the United States. We have worked through a number of means, including ATPA, to create investor confidence and foster growth and economic advancement in the Andean region. One of the more significant tools in this regard has been the ATPA. According to our latest analysis, the ATPA program is proving beneficial to the region by offering increased opportunities for licit production and export.

The ATPA is a ten year program, which went into effect in December 1991 and expires in December 2001. Last year we consulted with Congress regarding the appropriate time to consider the future of the program and at that point the consensus was to take the matter up closer to the end point of the current program. However, we appreciate your interest in the program and stand ready to work with you on these important questions at any time. In December 2000 USTR will submit its Third Report to the Congress on the Operation of the Andean Trade Preferences Act. That report can provide a vehicle for the Administration to both share its updated analysis of the program and consult with Congress as to its future.

Beyond the ATPA, we are also engaged in negotiations with the Andean Community countries and the other countries of the Hemisphere to create the Free Trade Area of the Americas, or FTAA. Those negotiations, which are slated to conclude in December 2004, will open up vast economic opportunities for the Andean countries, both in their trade and investment relationship with the United States but also in their relationship with the other countries of the Hemisphere.

On the issue of the distribution of economic benefits, our initiatives have been geared to enhancing the rule of law, promoting governmental transparency and opening markets. These initiatives are benefitting both large and small businesses. Even our efforts on behalf of a flourishing electronic commerce marketplace are geared to empowering all entrepreneurs to take advantage of the new technologies.

The CBI enhancement bill is an important Administration initiative with sufficient support in Congress that it is now in conference. It has been a long road to get there – it has taken over five years. It is not clear that there would be sufficient support in Congress to include the Andean

countries among the beneficiary countries and still pass the bill. However, we would defer to you and your Congressional colleagues on that question.

What we can state for certain is that: (1) we strongly urge Congress to pass the CBI enhancement legislation as soon as possible due to its importance to the Caribbean and Central American countries; and (2) should that legislation not include the Andean countries, we would be prepared to work on an expeditious basis with Congress on the most appropriate means to address those countries' concerns in this area.

Beyond trade preference programs, the Administration has also included a significant economic component in its Plan Colombia proposal, in such areas as alternative economic development. We also believe the Free Trade Area of the Americas (FTAA) will provide a tremendous boost to the economies of the region, and we encourage the Andean countries to continue their active participation in the ongoing FTAA negotiations in Miami.

UNCLASSIFIED

**QUESTION FOR THE RECORD**
SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL
AND SUBCOMMITTEE ON INTERNATIONAL TRADE, COMMITTEE ON FINANCE
JOINT HEARING ON: U.S. ASSISTANCE OPTIONS FOR THE ANDES
22 FEBRUARY 2000
WITNESS: GENERAL WILHELM
SENATOR GRASSLEY Q.1



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AIR INTERDICTION

Senator Grassley: According to GAO testimony before the House Subcommittee on Criminal Justice and Drug Policy, U.S. officials in Peru stated "since 1997 there has been little to no aerial support to the air interdiction operation between Peru and Colombia."

If air interdiction has been identified as one of the primary methods for traffickers to move their shipments, and with viewing the success of the Peruvian's own air interdiction why hasn't there been more of an effort from the U.S. to monitor the skies?

General Wilhelm: We are not satisfied with the level of support to air interdiction operations between Colombia and Peru. Since 1998, three Department of Defense (DoD) Citations have flown [DELETED]. This number is inadequate for effective interdiction. The closing of Howard Air Force Base also affected the level of support to air interdiction. Currently, only the Curacao FOL is capable of supporting the AWACS which geographically precludes consistent coverage of the deep Source Zone and most of Peru. Once additional improvements (i.e., runway, taxiway, parking ramp, and safety) are made, we will be able to operate the AWACS out of Manta FOL and effectively extend consistent Detection and Monitoring (D&M) coverage into the Source Zone. The funding request for the Manta improvements is before Congress at this time. Additionally, USSOUTHCOM is working several initiatives:

a. Forward Operating Sites (FOS). We are surveying airfields in Colombia and Peru (April 4-19, 2000) to identify possible forward operating sites. These sites will allow D&M aircraft to deploy for short expeditionary operations with minimum personnel and equipment footprints.

b. USCS Deployments. Since August 1999, USCS has deployed P-3 AEW aircraft three times to Peru in support of air interdiction operations. [DELETED].

Focused Air Interdiction Program. [DELETED]. This program is designed to work specifically with Partner Nation (PN) assets. We will review lessons learned in June and develop a sustained program to capitalize on the coordinated efforts of DoD, the Interagency, and our Partner Nations.

c. Ground Based Radars. TPS-43 radar systems at Iquitos, Peru and Leticia, Colombia transmit critical position and altitude information on suspected drug trafficking aircraft. However, these old systems have an availability rate of only 50 percent and should be replaced with more reliable TPS-70's. Additionally, the Relocatable Over the Horizon Radar (ROTHR) in Puerto Rico comes on line this spring and will complement the above systems in detecting and tracking suspicious aircraft.

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SENATOR GRASSLEY Q.2



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COUNTERDRUG SUPPORT

Senator Grassley: In GAO testimony on January 27th before the House Subcommittee, there was a distinct decline in the number of flight hours and ship days devoted to detection of illegal narcotics bound from the U.S. between 1992 and 1999. DOD stated it was due to the lower priority of this mission as compared to others such as peacekeeping, training and overall budget reductions.

Due to the reduction in peacekeeping missions abroad, has the number of flight hours and ship days and general counter narcotics operations resumed its pre-peace keeping levels?

What were those levels exactly before the Kosovo conflict?

Are there any particular additional assets that Southern Command needs to fulfill its mission requirements?

In your statement, Mr. McCaffrey's statement, and Ambassador Pickering's statement, the need for additional intelligence and intelligence sharing with the Colombian military is emphasized. Yet the President's request is rather light on asking for additional intelligence assets. Why weren't these assets included as part of the President's emergency supplemental request?

General Wilhelm: The number of AWACS flight hours has not returned to pre-Kosovo levels. Prior to operations in Kosovo, the Joint Chiefs of Staff (JCS) Counterdrug Execute Order (CD EXORD) tasked U.S. Pacific Command and U.S. Joint Forces Command to provide two E-3 AWACS aircraft and 23 sorties per month to USSOUTHCOM for CD missions. In January 1999, JCS reduced this requirement to one AWACS due to higher priority requirements in Europe and the Middle East, decreasing our average monthly sorties to eleven. AWACS was the only USSOUTHCOM CD asset directly affected by Kosovo. Department of Defense (DoD) has consistently provided USSOUTHCOM about 90 percent of the CD EXORD's ship day requirements.

[DELETED.]

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SHIP DAYS IN TRANSIT ZONE

Senator Grassley: General, in that same testimony, the GAO stated, "DOD officials state that the greater efficiency of its operations and other efforts have made up for the decline [in the number of flight hours and ship days]." (p. 6)

Given this statement, is it then accurate to say that the decline in the number of ship days in the transit zone have not resulted in a decrease in the amount of information the US has been able to gather about trafficking patterns in the region?

Is that statement true?

Has there been more efficiency? What are the "other efforts" that are making up for the decline?

General Wilhelm: The decline in the number of ship days in the Transit Zone has resulted in a decrease in the amount of information USSOUTHCOM is able to gather. Tactical forces at sea are an important source of information on trafficking patterns. Fewer ships equal less information. We are achieving some efficiencies in collecting intelligence for counterdrug (CD) operations. Improved sensors and more capable platforms (e.g., Aegis cruisers), combined with coordinated operations with our regional partners, have all contributed to an increase in efficiency. We are also able to partially compensate for insufficient Department of Defense aircraft and shipdays with the following support:

a. U.S. Customs, U.S. Coast Guard, and Partner Nation participation in CD operations.

b. Extend "on station" time of our collection assets from Forward Operating Locations (FOLs)in Curacao and Aruba, and Manta, Ecuador.

c. An additional Relocatable Over the Horizon Radar (ROTHR) site in Puerto Rico which will complement other systems in identifying trafficking patterns in the region. The Puerto Rico ROTHR site will reach Initial Operating Capability (IOC) on March 24, 2000 with a 60-90 day testing period to achieve Full Operating Capability (FOC).

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SENATOR GRASSLEY Q.4



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FLIGHT REQUESTS

Senator Grassley: According to the GAO testimony, "DOD could only meet 43 percent of U.S. Southern Command's requests for these flight requests in FY 1999."

What has been the attitude of DOD in fulfilling these requests? What excuses did they give you?

What actions have you taken to minimize the effect of this deficit?

Do you believe DOD will be able to fulfill more of Southern Command's requests in the future? If not, what steps will SOUTHCOM take to make up for this shortfall?

General Wilhelm: [DELETED] To satisfy our requirement, we need to either increase the national inventory of these high demand assets and/or adjust allocation priority for counterdrug (CD) requirements to a higher level. Currently, CD ranks #4, the lowest priority, trailing both exercises and training. USSOUTHCOM is unable to make up this shortfall within currently allocated assets. To mitigate the impact of extant deficiencies, we have pursued the following:

a. Contracted non-DoD assets such as the Southern Command Reconnaissance System (SRS) and the Airborne Sensor Platform (ASP). Both systems will achieve Initial Operating Capability (IOC) later this year.

b. Established the Relocatable Over the Horizon Radar (ROTHR) in Puerto Rico. Joins ROTHR Virginia and Texas to provide initial detection of Airborne Targets of Interest (ATOI). ROTHR Puerto Rico will achieve IOC in April of this year.

c. Established Forward Operating Locations (FOLs) at Aruba and Curacao and Manta, Ecuador to extend "on station" time of limited assets deployed to this theater.

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SENATOR GRASSLEY Q.5



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PLAN COLOMBIA

Senator Grassley: President Pastrana's Plan de Colombia calls for long-term support towards counter narcotics efforts in Colombia.

Won't the Colombian's stretch themselves too thin as far as manpower and equipment for counter narcotics if they have to fight a two-front battle between the drug traffickers and the insurgents?

How can the Colombians use their resources most effectively and efficiently?

General Wilhelm: I do not believe the Colombians will stretch themselves too thin in this effort if our aid and their internal capabilities are planned and implemented properly. Our support to Colombia will provide for an extensive build-up of the Colombian Army's counterdrug (CD) forces as specified in Plan Colombia. A major portion of this aid is to form a Counternarcotics (CN) Brigade that will move, using helicopter lift support, into the major coca producing areas to provide area security for the Colombian National Police (CNP) as they perform their law enforcement mission, and to assist the CNP in destroying illegal drug production. This focused mission will then permit the majority of Colombia's remaining military ground forces to concentrate on fighting the insurgents or drug traffickers as the situation requires.

In determining how to best use their resources, we feel that the Colombians can dedicate forces (i.e., the CNP and the CN Brigade) to destroying critical nodes of the cocaine industry, such as the important jungle laboratories, while the remainder of the Colombian military addresses other security challenges.

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SENATOR GRASSLEY Q.6



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VENEZUELA BORDER

Senator Grassley: With regards to the Venezuela border, what is your opinion on that particular region?

What assets, in particular, would be needed to maintain an effective watch over the border region?

General Wilhelm: The Revolutionary Armed Forces of Colombia (FARC), National Liberation Army (ELN), and Colombian paramilitary forces operate with relative impunity along the Colombian border with Venezuela. Criminal activity in the border region, to include arms and drug trafficking, kidnappings, extortion, hijackings, and murder, is a source of friction between Bogota and Caracas and inhibits cooperation against transnational threats. Despite deploying nearly 10,000 troops along the border, the Venezuelan military presently lacks the capability to prevent all incursions by drug traffickers, insurgents and paramilitary forces from Colombia. With recent cuts in Venezuelan military funding, the border is likely to remain porous for the immediate future.

Increased Intelligence, Surveillance, and Reconnaissance (ISR) assets and improved human intelligence collection will enable us to better focus our efforts on vulnerable areas such as the Venezuelan border region. Partner Nations will also need to increase the sophistication and scope of their intelligence collection.

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SENATOR GRASSLEY Q.7



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COUNTERNARCOTICS BATTALION

Senator Grassley: For the last year, the United States has been funding and training a counter-narcotics battalion in Colombia. My understanding is the battalion finished its training on December 15, 1999 - about two months ago. The President's Emergency Supplemental request asks for funding for 2 more battalions.

What counter-narcotics activities will these battalions be conducting?

What has the existing battalion actually done to demonstrate its effectiveness either as an operational unit or as proof of concept to justify the creation of more units?

General Wilhelm: The mission of the two additional Counternarcotics Battalions (CN BN) will be the same as the existing CN BN - to plan and conduct offensive ground and airmobile operations, in support of the Colombian National Police (CNP) to counter the activities of drug traffickers and the organizations that support them. The new battalions will be manned, trained, and equipped to conduct light infantry operations and will have integrated intelligence support provided by the Colombian Joint Intelligence Center (COJIC). With appropriate helicopter support, the CN BNs will be capable of rapid deployment throughout the Putumayo and Caqueta regions of southern Colombia. Since completing its training in December 1999, the existing CN BN has conducted two operations. These operations resulted in arrests, destruction of laboratories, confiscation of precursor chemicals, and identification of new cultivation sites.

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SENATOR GRASSLEY Q.8



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MANTA FORWARD OPERATING LOCATION

Senator Grassley: What is the status of the FOL in Manta?

General Wilhelm: The U.S. Government signed a ten-year access agreement with the Government of Ecuador in November 1999. We are currently flying multiple aircraft from Manta in support of counterdrug operations; however, we are limited to day/visual flight rules operations until additional safety improvements are completed this month, at which time, night and instrument flight rules operations will be possible. The proposed Colombia Supplemental includes $38.6M in fiscal year 2000 to upgrade the runway, taxi-way, and ramp to support multiple large aircraft such as the highly capable E-3 AWACS and KC-135 tanker. Manta is the only site from which we will be able to cover all of Colombia, Peru, and the coca producing regions of Bolivia. It is the linchpin for the crucial detection, monitoring, and tracking mission.

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MR. GRASSLEY Q.9



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TRES ESQUINAS UPGRADES

Mr. Grassley: Please describe the current upgrade program for Tres Esquinas. How is that going? When will it be completed?

General Wilhelm: The currently funded upgrade program is on schedule for completion by fall 2001. Some projects have been completed, and others are underway or planned as follows:

a. Completed:

(1) The Colombian Joint Intelligence Center (COJIC) was completed in December 1999. It includes a building with necessary utilities, data processing, and communications equipment. It also includes a personnel bunker and a perimeter fence fortified with a sandbag wall. Additionally, berthing has been constructed for COJIC personnel.

(2) Many force protection upgrades have been made to the base, including bunkers, fighting positions, and defensive barriers. Continuous improvements are being made to both the interior and exterior perimeter defenses.

b. Underway:

(1) We are developing a "Pioneer Camp" for the Counternarcotics Battalion. The construction contract is scheduled for award next month, with an expected completion date of July 2000.

(2) A C-130 parking ramp and three helicopter pads are under construction and scheduled for completion in December 2000.

(3) The 480-meter extension to the runway is progressing on schedule and should be completed in April 2001.

c. Planned:

Design is underway on a pair of infrastructure projects for the Colombian riverine unit at Tres Esquinas. One project develops piers, maintenance buildings, and other operational facilities. The second project concentrates on berthing, dining and personnel support facilities. Both designs will be complete by August 2000 and constructed as soon as funds are available.

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ADEQUACY OF CD SUPPLEMENTAL

Senator Grassley: What support is SOUTHCOM providing to the Colombian counter drug efforts through JTF-SOUTH?

What is your assessment of the adequacy of the proposed Counterdrug Supplemental to SOUTHCOM's support to the Colombian counter drug effort?

General Wilhelm: USSOUTHCOM does not provide any direct support to Joint Task Force-South (JTF-S), which is based at Tres Esquinas. JTF-S is an unvetted nine-man headquarters that has tasking authority over the Counternarcotics Battalion (CN BN), the Colombian Joint Intelligence Center (COJIC), Tres Esquinas-based riverine forces, and the 12th and 24th Colombian Army (COLAR) Brigades. These subordinate elements are vetted and have received support from USSOUTHCOM in the form of non-lethal equipment (uniforms, individual field equipment, fuel, etc.) and training (human rights, fire support, land navigation, patrolling, etc.).

The requested funding for DoD programs in the Fiscal Year 2000 Counterdrug Supplemental adequately supports the immediate requirements of the Colombian Military (COLMIL) to combat drug trafficking in the major coca producing regions of Putumayo and Caqueta. Specifically, it will provide the COLMIL enhanced and effective counterdrug (CD) capabilities in the following areas: fielding and training of two additional CN BNs and a Brigade headquarters; 15 additional UH-1N and 30 additional UH-60 helicopters and associated infrastructure; military aircraft (AC-47, OV-10, and Tucano) modifications and upgrades; installation and upgrade of Ground Based Radars (GBR); and Operations & Maintenance (O&M) funding for offensive operations in support of the Colombian National Police (CNP) against drug traffickers.

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SENATOR BIDEN Q.1



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COLOMBIAN JOINT INTELLIGENCE CENTER

Senator Biden: Please elaborate on the "three U.S. subject matter experts" that your opening statement says are "deployed to the COJIC (Colombian Joint Intelligence Center)."

From what department or military service are these experts?

How long have they been deployed to the COJIC?

What are the experts doing? In what manner are they "observing and assisting Colombian Army and Colombian National Police intelligence specialists" at the facility?

Will they be replaced when their deployment ends in June 2000?

Is the number of subject matter experts assigned to the COJIC expected to increase in Fiscal 2000?

General Wilhelm: [DELETED]

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SENATOR BIDEN Q.2



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U.S. MILITARY PERSONNEL IN COLOMBIA

Senator Biden: Please provide information on the number of U.S. military personnel present in Colombia, on average, during each of the last six months.

General Wilhelm: The number of U.S. military personnel in Colombia during each of the last six months was: September 1999 - 161 personnel; October 1999 - 152 personnel; November 1999 - 190 personnel; December 1999 - 124 personnel; January 2000 - 126 personnel; February 2000 - 166 personnel.

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SENATOR BIDEN Q.3



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COUNTERNARCOTICS BATTALION TRAINING

Senator Biden: Please describe the training conducted by U.S. military personnel for the counter-narcotics battalions, specifically -

The number of U.S. trainers;

The location of this training;

The length of the training courses;

The number of Colombian personnel participating in the training courses;

The curriculum of the training course;

The force protection measures in place or anticipated to be established;

The rules of engagement for U.S. trainers.

General Wilhelm: The number of U.S. trainers varied between 45 and 65 trainers. Training was conducted in three phases for all 931 personnel assigned to the Counternarcotics Battalion (CN BN). Each phase lasted approximately three months.

Phases One and Two, conducted at Tolemaida, focused on basic infantry skills for the three infantry companies, specialty unit training for the support platoons, and included human rights instruction.

Phase Three, conducted at Tres Esquinas, consisted of more advanced unit level training and exercises. A Colombian National Police platoon participated in this phase and provided training on basic law enforcement procedures.

U.S. forces have the right to act in self-defense, to include the use of deadly force, under Peacetime Standard Rules of Engagement (ROE). To reduce the risk to our personnel, we have ensured that extensive force protection measures are in place for our trainers at three locations: Tres Esquinas, Larandia, and Tolemaida. Approximately 1600 Colombian soldiers operate at or from Tres Esquinas where defense fortifications have been upgraded and include perimeter concertina wire, improved defensive fighting positions, a dedicated base security force, a command bunker, and combat aircraft on site. The second and third CN Battalions will receive training at Larandia and Tolemaida. Approximately 1500 Colombian soldiers occupy Larandia in addition to a detachment of the Colombian National Police manning six to eight helicopter gunships. Tolemaida has been called the "Fort Benning" of Colombia and is a well-fortified training center for many of Colombia's elite combat forces. Protection at Tolemaida includes two Colombian Special Forces Battalions and an Aviation Battalion. The Military Group Commander in Bogota conducts continuous coordination with Colombian forces to safeguard deployed U.S. personnel. Additionally, a Joint Staff Integrated Vulnerability Assessment (JSIVA) Team will conduct updated assessments of the three training sites in May to identify any additional force protection measures that may be needed and to validate those in place.

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SENATOR BIDEN Q.4



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MPRI ASSESSMENT

Senator Biden: In your testimony today and in testimony before the House last week, you stated that the Pentagon had engaged the firm of MPRI to perform an assessment of the Colombian military and recommend ways to professionalize and modernize the Colombian Armed Forces.

When is it expected that the assessment will be concluded?

Does the contract involve only an assessment, or does it also involve follow-on elements? If there is to be follow-on, what does the contract call for in that regard?

General Wilhelm: The Office of the Secretary of Defense (OSD) contracted MPRI to complete two phases of work. During the first phase, which was completed in December 1999, MPRI identified broad recommendations and developed a notional plan for implementation. During March 2000, MPRI will initiate Phase 2, which will implement the action items developed during Phase 1 for doctrine, operational concepts, and force structure. Phase 2 will be completed by March 2001. In July of this year, MPRI will submit to OSD, USSOUTHCOM, Department of State (DoS), and Colombian senior leadership their baseline requirements and cost estimates for systems and improvements in equipment, training and infrastructure, logistics, communications, and other areas that are required for a more relevant and effective Colombian military. MPRI has proposed a follow-on third phase to advise and assist the Colombian military in the implementation of new programs. The length and scope of a Phase 3 contract has not been determined and is largely contingent on the Government of Colombia's response to the recommendations of Phase 2.

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COUNTERNARCOTICS BATTALION PERSONNEL INCENTIVES

Senator Biden: I understand that it is not unusual for Colombian soldiers to leave the military and join the guerrillas where they will probably be better paid and better equipped.

Are there any incentives (such as higher pay) for members of the specially trained counter narcotics battalions to remain in the Colombian military?

General Wilhelm: There are no special monetary incentives for soldiers of the Counternarcotics Battalion (CN BN). However, since December 1999, soldiers who complete an 18-month tour and reenlist as professional soldiers receive 378,000 pesos ($200) per month. This is a significant increase over conscript pay which is about $20 per month. Soldiers of the CN BN who meet time in service requirements qualify for the increased pay. Although specific monetary incentives do not exist, the CN BN has other incentives to attract and retain skilled personnel. The Colombian CN BN is the best trained and best equipped unit in the Colombian military. Key retention incentives include excellent training and leadership coupled with a sense of pride, camaraderie, purpose, and patriotism.

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SENATOR GRAHAM Q.1



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PANAMA COUNTERDRUG

Senator Graham: The withdrawal of U.S. forces from Panama had been anticipated as part of the return of the Panama Canal to the government of Panama since the signing of the Panama Canal Treaty.

What actions has the Administration taken over the past five years to ensure that Panamanian and U.S. law enforcement agencies were prepared to respond to the threat of drug trafficking organizations who may attempt to use Panama as a money laundering haven, and a transit point for cocaine and heroin destined for the United States?

General Wilhelm: My comments are limited to USSOUTHCOM's assistance to Panama's security forces. During the past five years, despite the imminent withdrawal of all U.S. military forces from Panama, USSOUTHCOM remained constructively engaged with the Panamanian Public Forces (PPF) in an effort to develop and sustain Panamanian counterdrug (CD) capabilities. Joint U.S. and Panamanian CD efforts have included the following:

a. Operation Conjuntos. Conjuntos is a continuing U.S. and Panamanian operation to respond to detected drug smuggling events and assist in the arrest of traffickers and the seizure of contraband. The U.S. Navy, Coast Guard, and Interagency assist the Panamanian maritime and air services in developing CD capabilities. The goal of the operations is to prepare the Panamanians to unilaterally conduct CD operations.

b. Exercise United Counterdrug. This annual exercise, which began in 1996, has evolved into high-level concept development and information exchange to refine the CD operational approaches of Panama and its neighbors. Its charter includes identifying emerging narcotrafficking trends and establishing procedures for coordination and command and control of CD operations.

c. Small Scale Exercises. The U.S. Coast Guard and Special Operations Command-South (SOCSO) participate in joint CD training with the PPF. USCG cutters, U.S. Navy patrol coastal ships, and Navy Special Warfare Forces train alongside Panamanian vessels during U.S. sponsored CD exercises.

d. Policy Development. USSOUTHCOM recently assisted the Government of Panama in developing a draft National Security Strategy. The Strategy recognizes narcotrafficking as a significant threat to Panamanian security and makes specific proposals to modernize the PPF to address the illicit drug trade.

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SENATOR GRAHAM Q.2



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COUNTER DRUG INTELLIGENCE ASSETS

Senator Graham: This past September, the Senate Caucus on International Narcotics Control held a hearing to examine U.S. counter narcotics assistance to Colombia. During this hearing, you indicated that there was a critical need for additional intelligence assets to support counter drug operations in Colombia. In the past five months since that hearing, have you received additional intelligence assets dedicated to the counter drug mission in Colombia? If so, what additional intelligence assets have been provided?

Do you continue to have a need for an aerial intelligence collection asset to replace the ARL that crashed in Colombia during 1999?

Is the ARL the best-suited aircraft to perform this function, or are there other aircraft available that are just as capable of successfully performing this mission?

General Wilhelm: We have received one additional intelligence asset for the counterdrug (CD) mission -- a Navy P-3 for one month (November 1999). [DELETED] USSOUTHCOM has a critical need for an aerial intelligence collection asset to replace the crashed Airborne Reconnaissance Low-Imagery (ARL-I) aircraft. We believe the ARL is the best available aircraft to perform multidiscipline intelligence collection in the USSOUTHCOM Area of Responsibility. The ARL carries host nation riders, downlinks images in near-real time, and produces imagery releasable to host nation and law enforcement agencies. These unique capabilities are critical to our theater intelligence architecture.

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SENATOR GRAHAM Q.3



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NARCOTICS AND INSURGENT INTELLIGENCE SHARING WITH COLOMBIA

Senator Graham: Pursuant to current law and Administration policy, the United States makes a bright line distinction between counter drug and counter insurgency intelligence. As a result the United States provides only drug related intelligence information to the Colombian military and Colombian National Police (CNP).

Under this concept, U.S. intelligence officials withhold all non-drug related intelligence regarding the non drug related movements of rebel forces, and rebel lead operations that may potentially result in significant casualties on the part of the Colombian military and the CNP.

It is clear that the line between insurgent and drug trafficker has become somewhat indistinguishable. Is it reasonable for the United States to continue to make this distinction and to withhold critical intelligence information that may reduce the unnecessary loss of life, and assist the Colombian forces in reclaiming its national sovereignty, destroying rebel groups that are involved in drug trafficking, and restoring Colombian national security?

Do you believe that access to this additional intelligence information would assist Colombia in fulfilling the goals outlined in Plan Colombia?

Do you support the full disclosure of both drug related and non-drug related intelligence information to the Colombia military and the CNP?

General Wilhelm: I fully support sharing drug and non-drug related intelligence with the Government of Colombia to the maximum extent possible consistent with Director Central Intelligence and National Disclosure Policies. [DELETED] I believe this is the proper policy.

Access to timely and actionable intelligence will assist Colombia in fulfilling the counterdrug goals outlined in Plan Colombia. USSOUTHCOM Tactical Analysis Teams working for DEA in the Embassy, the Host Nation Rider Program and the Colombian Joint Intelligence Center (COJIC) provide us the means to readily share critical intelligence.

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