S. HRG. 108–399

CHALLENGES AND SUCCESSES FOR U.S. POLICY TOWARD COLOMBIA: IS PLAN COLOMBIA WORKING?

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

OCTOBER 29, 2003

Printed for the use of the Committee on Foreign Relations

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE

92–685 PDF WASHINGTON : 2004

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON FOREIGN RELATIONS

RICHARD G. LUGAR, Indiana, *Chairman*

CHUCK HAGEL, Nebraska	JOSEPH R. BIDEN, JR., Delaware
LINCOLN CHAFEE, Rhode Island	PAUL S. SARBANES, Maryland
GEORGE ALLEN, Virginia	CHRISTOPHER J. DODD, Connecticut
SAM BROWNBACK, Kansas	JOHN F. KERRY, Massachusetts
MICHAEL B. ENZI, Wyoming	RUSSELL D. FEINGOLD, Wisconsin
GEORGE V. VOINOVICH, Ohio	BARBARA BOXER, California
LAMAR ALEXANDER, Tennessee	BILL NELSON, Florida
NORM COLEMAN, Minnesota	JOHN D. ROCKEFELLER IV, West Virginia
JOHN E. SUNUNU, New Hampshire	JON S. CORZINE, New Jersey

KENNETH A. MYERS, JR., *Staff Director*
ANTONY J. BLINKEN, *Democratic Staff Director*

CONTENTS

CHALLENGES AND SUCCESSES FOR U.S. POLICY TOWARD COLOMBIA: IS PLAN COLOMBIA WORKING?

WEDNESDAY, OCTOBER 29, 2003

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met pursuant to notice at 2:34 p.m., in room SD–419, Dirksen Senate Office Building, Hon. Norm Coleman presiding.

Present: Senators Coleman, Biden, Dodd, Feingold, Bill Nelson and Corzine.

OPENING STATEMENT OF SENATOR NORM COLEMAN

Senator COLEMAN. This hearing of the Senate Foreign Relations Committee will come to order.

First, I would like to thank the full committee chairman for his attention to Colombia and for asking me to chair this full committee hearing on Plan Colombia. As chairman of the Subcommittee on Western Hemisphere, Peace Corps and Narcotics Affairs, I have a strong interest in Colombia. I had the opportunity to visit in Bogota back in June. I have met a number of times with President Uribe and members of his cabinet.

Many Americans, when we think about the war on terrorism, we think about countries like Afghanistan, Iraq, and other countries in the Middle East. But there is a battle going on in this hemisphere, a battle in Colombia, between an elected government and three narco-terrorist organizations, the FARC, the ELN, and the AUC; all three, are terrorist organizations. They use violence against civilians and against an elected government. Their tactics of extortion, kidnaping, and intimidation with few, if any, legitimate political objectives show just how criminal these groups are.

And their top fund-raising enterprise, drug trafficking, is a violent and self-serving endeavor associated with money laundering, weapons trade, and a whole range of dangerous and criminal behaviors. I believe that 90 percent of the cocaine that enters this country may come from Colombia.

Plan Colombia is a Colombian strategy to retake the country from the grips of narco-terrorist. U.S. support for Plan Colombia is predicated on a mutual understanding of what is at stake in Colombia and a belief that the United States and Colombians can work together to address the crisis.

Drug eradication and interdiction remain a central part of our support for Plan Colombia. Not only is it in the interest of the United States to keep drugs from flooding our communities but it is also essential to cut off this critical source of funding for all three terrorist groups. The U.S. is doing much more in support of Plan Colombia. We are training police and soldiers to reassert state presence throughout Colombia. The U.S. is supporting programs for internally displaced people; we are encouraging alternative crops.

And human rights is an essential part of this strategy. The Colombian people must be able to trust their government to be on their side. Three years into Plan Colombia, there are indications of great progress. The U.N. estimates that at current rates of spraying we could see a 50-percent drop in coca production in 2003 alone.

Kidnapings are down. Highway assaults have fallen. Murders in Bogota and Medellin have been reduced by two-thirds since 1994. Desertions from terrorist groups increased 80 percent this year with the demobilization of more than 2,400 illegal combatants. And with U.S. support, the Colombian Attorney General's office is moving ahead on more than 100 investigations of human rights abuses.

This progress, I believe, is a direct result of the leadership of President Uribe. In a very difficult and complex situation and fully aware of the personal risks to him and his family, President Uribe is addressing Colombia's problems head-on. In President Uribe, I would submit, the U.S. has a trustworthy partner in the war on terrorism.

The purpose of this hearing is to assess the achievements of the first three years of Plan Colombia. We will consider Colombia's current challenges and discuss ongoing U.S. assistance programs that help Colombia meet these challenges. We also look ahead to the next three years of Plan Colombia and explore ways to make U.S. assistance to Colombia even more effective.

We have with us, this afternoon, two distinguished panels of witnesses whose breadth of experience illustrates the scope of the U.S. involvement in Colombia. First, we will hear from Assistant Secretary of State for International Narcotics Affairs, Robert Charles, who will discuss INL's activities in Colombia.

The second witness will be General James Hill, who will give SOUTHCOM's assessment of the situation of Colombia and the work with the Colombian military.

Third, we will hear from Assistant Administrator Adolfo Franco, who will discuss the contributions of USAID to Plan Colombia.

In the second panel, we will hear from Mark Schneider of the International Crisis Group, Ms. Julia Sweig of the Council on Foreign Relations, and Phillip McLean from the Center for Strategic and International Studies.

I would like at this time to introduce the ranking member of our subcommittee, Senator Dodd, for any comments he may have.

Senator DODD. Well, thank you very much, Mr. Chairman.

Let me welcome all of our witnesses here today to the hearing. And thank you, Mr. Chairman, for holding this hearing on a very, very critical subject matter, the efforts in Colombia and the U.S. support for those efforts.

We are convened, obviously, to talk about that. The witnesses we are going to hear from this afternoon should give us a very thoughtful analysis of the progress that has been made thus far in dealing with the twin challenges of narco-trafficking and the civil conflict in the nation, and the challenges that lay ahead, obviously.

I would be remiss, Mr. Chairman, if I did not also take this opportunity to mention my deep concern, and I know you share this along with many others, for the fate of three Americans who are currently being held captive in Colombia. Mark Gonsalves and Keith Stansell and Tom Howes were captured by the FARC when their plane went down over Colombia, February 13 of this year. And I do not believe there is any higher priority than finding a way to bring these three Americans home safely. And I know that the prayers of all Americans remain with them and their families during these very, very difficult times.

On each occasion over the last eight months, when I have met with President Uribe or other Colombian officials, I have urged Colombian authorities to make every effort to gain their release. And the recent airing of a videotape showing them in captivity only further highlights the importance of ensuring their safe return. I might point out as well that President Uribe and others have indicated to me that they are doing everything they can to help secure their release.

I also hope that Ingrid Betancourt, a former Presidential candidate, and other Colombia citizens who are being held by the guerrilla organizations, will also gain their freedom. I have spoken with her husband. I know how painful it has been for him and for Ingrid's two children over these past many months of separation.

The plight of these individuals are painful reminders, of course, of the violence and unrest that have been the core of Colombian society for 40 years. Despite Colombia's rich cultural heritage and magnificent scenery, the Colombian people have lived under constant threat. However, they have also heroically managed to continue to live active and productive lives. And Colombia remains one of the most vibrant cultural centers in all of Latin American. I believe that is truly a testament to the strength of the Colombian culture and the fortitude of her people.

Over the past 15 years, the United States has provided Colombia with over $3.6 billion in assistance. More than $2.5 billion of this has been allocated since fiscal year 2000, when President Pastrana developed Plan Colombia, a strategy to end the conflict, eliminate drug trafficking, and promote economic and social progress in Colombia.

I have continued to support providing assistance to Plan Colombia. However, I strongly believe that the problems we see in Colombia are not solely Colombia's problems but part of a regional crisis that requires both a military and economic strategy by all of the countries in the region. To President Pastrana's credit, he attempted to fashion Plan Colombia as an integrated plan, aimed at renewing many different sectors of Colombian society to include not only strengthening the Colombian Armed Forces and going after narco-trafficking guerrilla organizations, but also improving the judiciary and respect for the rule of law, providing economic alternatives for coca growers, and undertaking meaningful land reform.

I continue to believe that President Pastrana was on the right path to addressing the serious problems confronting Colombian society. Clearly, the job was far from complete when he left office last year. His successor, President Uribe, now faces many of the same challenges: Popular resistance to aerial eradication of coca crops, human rights abuses by irregular forces, internally displaced people, unemployment, poverty, and civil conflict.

We are all aware that Plan Colombia has undergone changes in its name. Now, we talk about the Andean Counter-drug Initiative and the Andean Region Initiative. It remains to be seen whether the new name reflects a shift in focus from Colombia specific to a more comprehensive regional strategy. I certainly hope it does.

As I mentioned before, I strongly believe the United States assistance to Colombia and other Andean countries must support a regional game plan to include countries such as Venezuela, Ecuador, and Peru as full partners in destroying the drug cartels and the scourge of this hemisphere.

I welcome certainly comments from our witnesses on this point, because my impression is that there remains a lack of regional focus in our current policies. President Bush has requested $990 million for fiscal year 2004 for the Andean Regional Initiative, which includes $730 million for the Andean Counter-drug Initiative, a mix of military and economic assistance.

Some of our colleagues and outside experts have argued for a more balanced distribution of military and economic aid to Colombia. However, the four-to-one ratio in military to civic aid in Colombia, if we include Department of Defense programs, is not even close to being balanced. Clearly, we cannot ignore the significant unrest in the nation and the needs and problems faced by the Colombian Government. But neither can we ignore other needs of the Colombian people, both in cities and in the rural areas.

One possible path for nonmilitary initiatives includes negotiations and voluntary disarmament of rebel groups. Last July, President Uribe and an umbrella paramilitary organization, the United Self Defense Forces of Colombia, reached an agreement under which the AUC would demobilize its force of approximately 13,000 fighters by December, 2005; these negotiations were an important step.

Having said that, I am concerned about the President's legislative proposals to grant amnesties to paramilitary leaders as part of the deal with the AUC. Certainly negotiations will require concessions. However, paramilitary leaders involved in massacres, assassinations, and large-scale drug trafficking must be held accountable for their actions. The Bush administration should be doing more to strengthen respect for human rights in Colombia.

Secretary Powell's recent meeting with President Uribe, in which he stressed the importance of protecting human rights, is a good start. But given President Uribe's statements in early September about Colombian human rights organizations, I think it is imperative that the administration continue to impress on him the importance of democratic values, such as the respect for human rights and free speech.

I raised these issues with him, by the way, during his recent visit here. And President Uribe admitted that maybe some of those

statements could have been—better words could have been chosen, to put it mildly, in terms of how he characterized some of these human rights organizations.

Colombia's problems are complex and have a long and painful history. They are not going to be solved overnight. Today's hearing provides an important opportunity to assess whether we are at least on the right track to making Colombia and the entire region more secure and stable or whether other initiatives should be considered to make that possible.

Let me say at the conclusion, if I can, Mr. Chairman, as I have said on numerous occasions in addressing the issue of Colombia, my respect for the Colombian people and what they have been through over these past number of years is unlimited. It has been remarkable to me what they have withstood, what they are withstanding on an hourly, daily basis.

Still, the numbers of kidnapings that go on, the constant fear that people have to live with is something that very few people anywhere in the world are even remotely familiar with. And so I admire them immensely, for those who are hanging in there and making the good fight to get their country back. And I want them to know whatever questions I have and concerns and criticisms I may raise, I have done so in the spirit of trying to be cooperative and helpful on achieving what every single Colombian that I believe, the decent-minded ones, want; and that is, of course, return to the peace and stability in their country.

So, I want the record to reflect what I am sure is the sentiments, as well, of many others here. But I do admire immensely the Colombia people.

Senator COLEMAN. Thank you, Senator Dodd. Senator, I also want to thank you for your commitment to this area of the world and your focus and your efforts here. So when you speak about what you admire, you are speaking from a long-term perspective and a deep commitment to make sure that we do the right thing. So, it is an honor for me to serve with you.

I also appreciate mentioning the issue of the three Americans who are being held hostage and the two individuals who were executed, one being an American. That issue does hit particularly close to home for me. And I was going to ask, and will ask, General Hill about that after the testimony. One of the cousins of Randy Howes is a Minnesotan, has been in correspondence and contact with me. And I know this is an extraordinarily difficult issue, certainly for the families of those involved, but for all of us. So, I appreciate raising that and do look forward to addressing that issue during this hearing.

With that, we will start with Secretary Charles. Please note for all the witnesses that your full statements will be part of the record.

So, Secretary Charles.

STATEMENT OF HON. ROBERT B. CHARLES, ASSISTANT SECRETARY OF STATE, BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. CHARLES. Thank you, Mr. Chairman. And thank you, Senator Dodd. And I would just like to say, at the outset, that I share the concerns that you both raised in your openings very sincerely.

It is a pleasure for me to be here. And I want to thank you for my first chance to speak about the real progress that is being made in Colombia and in the Andean region toward a hemisphere, not only fighting but winning against the twin scourges of heroin and cocaine. I would like to share with you my views on the efforts to date, the threats that are afoot, and the administration's sense of optimism; but also the tempering realities that we face in Colombia and the region.

As time allows, I would like to share with you also a sense of the conceptual battle that I believe is going to call forth ever greater leadership in this area; one that is significant, I think, in historical context. The future is likely to stand in sharp contrast to the recent past. And it is appropriate that, at the first hearing that I have the opportunity to speak at here as an Assistant Secretary for INL, I should sit before some of the Nation's strongest supporters of counter-narcotics efforts in the Andes.

The administration's policies are bearing fruit, thanks to a bipartisan effort made real by your commitment to the future, to our kids, to our national and community stability, and to hemispheric neighbors. Looking south, I can assure you that the top levels of the Colombian Government are extremely grateful for the strong, sustained, and equally determined support of you, Mr. Chairman and Senator Dodd and the members of the committee, dedicated to Plan Colombia and the Andean Counter-drug Initiative or ACI.

President Uribe had broadened the aerial eradication program, enhanced the capabilities of all Colombian counter-narcotics forces, increased the effectiveness and coverage of drug interdiction programs, and enhanced refugee and alternative development programs. In turn, thanks to U.S. congressional support, we have exercised expanded legislative authority to selectively support high value Colombian counter-terrorism efforts without sacrificing our core counter-narcotics mission.

Under Plan Colombia, we have assisted the Colombian national police in re-establishing a police presence in 140 municipalities out of a total 158 that had no rule of law 10 months ago. This effort has a direct and important long-term impact on U.S. counter-narcotics policy, bringing the rule of law to more remote areas where drug crops are cultivated and where we have the greatest stake in keeping hitherto isolated populations from falling into the hands of drug and terrorist organizations, for lack of alternatives.

After three years, I am pleased to report that the Government of Colombia's implementation of Plan Colombia is beginning to reverse 30 years of large-scale coca and opium production in Colombia. Incredibly, this bureau, the INL Bureau's air wing, and the Colombians have virtually eliminated the coca crop in the Putumayo region, once home to the world's largest nucleus of illicit cultivation. The coca crop in Putumayo reached 47,400 hectares in 2002;

incidentally, view able, in part, here on the left.[1] In March, 2003, that same area was estimated to have only 1,500 hectares of coca, a 97-percent decline.

More broadly, coca cultivation in Colombia declined nationally, declined by 15 percent with an overall decline of 8 percent in the Andean region during 2002. So far in 2003, you and INL have supported the Colombian national police in spraying 118,000 hectares of coca. And we will probably achieve 140,000 hectares sprayed by the end of 2003. We have done it while adhering to strict and completely appropriate environmental guidelines.

One of Colombia's goals was to reduce coca cultivation by 50 percent by 2005. President Uribe's aggressive support for spraying and the professionalism and efficiency of the State Department contractors may well have put us ahead of that mark. If that trend line holds and we apply the right combination of management accountability and measurable results on the ground, we may get to a point in which we have reduced cultivation of coca and heroin poppy to levels not seen in two decades.

On opium poppy, I am, and I know you are, deeply concerned. South American heroin has made its way in ever greater quantities in recent years to U.S. cities and suburbs, places like Minnesota, Connecticut, Indiana, Delaware, even Maine. To combat this growing threat, we have initiated and maintained an aggressive spray program that has already covered 2,527 hectares in 2003 with an identifiable estimate of 4,900 hectares of poppy total. These poppies are identified through a range of means and virtually all cultivation lies in remote, difficult to navigate mountainous areas.

As we move into a new phase of spray aircraft deliveries, I am pressing for a three-tiered approach that will accelerate success. The three tiers are greater safety, more direct and measurable accountability, and higher and more measurable results on the ground as a result of methodical aerial eradication. While guarantees are not possible, we nevertheless expect a significant fall in total hectare-age of poppy cultivated, as repeated spraying of small fields in outlying areas discourages poppy cultivation by poppy farmers. We will be attacking heroin poppy cultivation through a number of means, including a new rewards program and an existing program.

Also a pivotal point for the committee, our combined effort, Congress's and ours at INL, to make permanent strides in Colombia goes well beyond crop reduction. For 3 years, a sizeable portion of INL's funding has gone to Colombian national police interdiction efforts and to training and deployment of a Colombian Army Counter-Narcotics Mobile Brigade. This effort has been animated by a need to press forward with counter-narcotics missions in terrorist-held areas of a beautiful but terrorist-ravaged country.

Specifically, our funding, your funding, implemented by INL has trained over 10,000 municipal and rural police and provided hardened police stations in key municipalities to prevent terrorist forces from overrunning them. Countless redeeming effects flow from that.

---

[1] In reference to charts that appear at the end of Assistant Secretary Charles's prepared statement on page 13.

The determination has effectively allowed the Colombian forces to strike deep into trafficker areas, and FARC-held areas, and AUC and ELN areas. As many of you know, that has called for a substantial commitment in helicopter airlift resources. But Congress has been there, again. For Plan Colombia, the combination of congressional and INL leadership has created a Colombian Army helicopter airlift capacity of 72 helicopters to support the brigade and an increased capacity of 66 helicopters of the Colombian national police.

Lest cynics try to bend your ear, so far in 2003, this counter-narcotics brigade has destroyed 15 cocaine hydrochloride and 278 base labs, seized over four tons of cocaine, and dismantled five FARC-base camps. In another sign of progress, the Colombian national police has destroyed 71 cocaine hydrochloride and 239 base labs. Further, on the strength of your commitment, they have seized 41 tons of drugs, mostly refined cocaine.

I would also like to note that they are not alone in supporting—that we are not alone in supporting these successes. Today, in 2003, the Colombian Government is spending 3.8 percent of GDP on security, with plans to spend 5.4 percent by 2006.

This measurable progress also shows up in other areas. Already, we have had the ability to—with the Air Bridge Denial Program agreement, we have been able to show again the Colombians' significant progress. The program has resulted in the destruction and capture of five aircraft, the seizure of one go-fast boat, and the seizure of approximately 5.6 metric tons of cocaine.

There is more to this comprehensive effort, however, than that. We have made significant progress in a range of areas which, again, are across-the-board programs to establish and maintain special human rights units to reform the country's criminal code, to improve money laundering and asset forfeiture regimes, and to provide for witness protection in key cases. There has been a 25-percent increase in money laundering prosecutions and a 42-percent increase in asset forfeiture cases.

In essence, what President Uribe is ushering in and what you and we, as implementors of your program, have been able to do is to establish a paradigm shift. We are in the midst right now of what I would—and I will roll this out further, if you ask me about it—I think is a tipping point in the history of the international drug war. It absolutely depends upon respect for human rights. It depends upon respect for alternative and effective alternative development. But it also, if I may briefly roll through these charts every so quickly, it shows that we are making significant results. And I believe we really are at a tipping point in what we are doing in the country.

The first one is just the 2002 high point in coca. The second one—and you have these, I believe, Senators, in front of you. The second one is the Colombian coca estimates, which you will see directly reflect progress based on our eradication in the years that we have eradicated, with approximately a one-year lag. It just took time for the Plan Colombia assets to kick in. You have seen a dramatic decrease in the coca hectare-age and an increase in coca eradication.

In the third instance, you see coca—you finally see potential cocaine production dropping, a direct result of Plan Colombia. In the fourth one, you see the poppy-growing areas, which were at a high point in 2002. I want to quickly, without overtaxing the folks that are helping me here—Colombia poppy estimates on the next one, you will see a direct correlation again between the money that you have invested in poppy eradication and the drop in hectare-age in 2001/2002, just as those resources have kicked in.

Again, that is illustrated in the following chart, showing that the opium gum production is dramatically down between 2001 and 2002.

And finally, a chart that you have only in your handouts illustrates—you have one for coca eradication and you have one for poppy eradication. And what they illustrate, I think, is one of the most powerful facts supporting Plan Colombia. Based on coca eradication, there has been a drop in the wholesale street value of cocaine getting into this country that was roughly 25 percent between 2001 and 2002. In other words, there has been a drop of roughly $5 billion worth of cocaine on our streets.

And while we still have a long way to go, and we will get there, that is a significant and, I think, measurable result of your efforts.

And finally, you see the same thing in heroin. Between 2001 and 2002, there has been a roughly $200-million drop in the heroin getting to our streets, the overall value of it.

So, I just thank you for your support. I welcome your questions. And again, it is a pleasure to be able to be here in front of you.

Senator COLEMAN. Thank you, Secretary Charles.

[The prepared statement of Mr. Charles follows:]

PREPARED STATEMENT OF HON. ROBERT B. CHARLES, ASSISTANT SECRETARY OF STATE, BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

Mr. Chairman and Members of the Committee, I want to thank you for this—my first chance to speak about real progress being made in Colombia and the Andean region, toward a hemisphere not only fighting, but winning, against the twin scourges of heroin and cocaine. I would like to share with you my views on the efforts to date, the threats that are afoot, the Administration's sense of optimism, but also the tempering realities that we face in Colombia and the region.

As time allows, I would also like to share with you a sense of the conceptual battle in which we find ourselves right now, one that calls forth and relies upon real leadership. One that is significant in historical context. The future is very likely to stand in sharp contrast to the recent past. As never before, hanging in the balance is our regional security, national security, community security and personal security. That, of course, is why I am here—to help describe how your investment of time, and money, personal conviction and long-term commitment is paying off.

It is appropriate that, in my first hearing as Assistant Secretary of INL, I should sit before some of the nation's strongest supporters of counternarcotics efforts in the Andes. The Administration's policies are bearing fruit, thanks to a bipartisan effort made real by your commitment to the future, to our kids, to our own national and community stability and to our hemispheric neighbors.

Looking South, I can assure you that the top levels the Colombian Government are extremely grateful for the strong, sustained and equally determined support of you, Mr. Chairman and the Members of this Committee dedicated to Plan Colombia and the Andean Counter-drug Initiative or ACI.

President Uribe has publicly and repeatedly emphasized his personal commitment to taking the war for Colombia's future—and against the ruthless Colombian drug traffickers and terrorists—into their own domain, onto their own turf. This is the essence of his plan, and it is—with U.S. help—showing results.

President Uribe has broadened the aerial eradication program, enhanced the capabilities of all Colombian counternarcotics forces, increased the effectiveness and coverage of drug interdiction programs, and enhanced refugee and alternative devel-

opment programs. In turn, thanks to U.S. Congressional support, we have exercised expanded legislative authority to selectively support high-value Colombian counterterrorism efforts—without sacrificing our core counternarcotics mission.

For the record, we shall never give up on the primacy of the CN mission in Colombia, and the protection of human rights in that mission. We have so far successfully used aviation assets against both targets effectively, and we will continue to do so.

Underlying these efforts has been a strong commitment by the Colombian government to bring increasing amounts of Colombian territory under its permanent control. Under Plan Colombia, we have assisted the Colombian National Police in reestablishing a police presence in 140 municipalities out of a total 158 that had no rule of law ten months ago.

This effort has a direct and important long-term impact on U.S. counternarcotics policy, by bringing the rule of law to remote areas where drug crops are cultivated, and where we have the greatest stake in keeping hitherto isolated populations from falling into the hands of drug and terrorist organizations for lack of alternatives.

After three short years, I am pleased to report that the Government of Colombia's implementation of Plan Colombia is beginning to reverse 30 years of large-scale coca and opium production in Colombia. Under President Uribe's "zero tolerance" policy toward coca cultivation, aerial eradication has become a reliable law enforcement tool and a successful deterrent to drug cultivation. Interviews with drug-cultivating farmers in key areas show that there is an increasing understanding that the Colombian National Police will eliminate any drug crop investment, and return to eliminate it again and again if it is replanted or moved elsewhere. With such a strong deterrent, farmer receptivity to alternative development program increases significantly.

Incredibly, this Bureau's Air Wing and the Colombians have virtually eliminated the coca crop in the Putumayo region, once home to the world's largest nucleus of illicit cultivation. The coca crop in Putumayo reached 47,400 hectares in 2002. In March 2003, that same area was estimated to have 1,500 hectares of coca—a 97% decline.

More broadly, coca cultivation in Colombia declined by 15%, with an overall decline of 8% in the Andean region during 2002. So far in 2003, you and INL have supported the Colombian National Police in spraying 118,000 hectares of coca, and we will probably achieve 140,000 hectares sprayed by the end of 2003. And we have done it while adhering to strict environmental guidelines and in accordance with Congressional certification requirements.

One of Plan Colombia's goals was to reduce coca cultivation by 50% by 2005. President Uribe's aggressive support for spraying, and the professionalism and efficiency of State Department contractors may well have put us ahead of that mark. If that trend line holds, and if we apply the right combination of management accountability and measurable results on the ground, we may get to a point soon in which we have reduced cultivation of both coca and heroin poppy to levels not seen in two decades.

On opium poppy, I am—and I know many of you are—deeply concerned. South American heroin has made its way in ever greater quantities in recent years to U.S. cities and suburbs, places like Minnesota and Connecticut, Indiana, Delaware, and even Maine. To combat this growing threat, we have initiated and maintained an aggressive spray program that has already covered 2,527 hectares in 2003, from an identifiable estimate of 4,900 hectares of poppy. These poppies are identified through a range of means and virtually all cultivation lies in remote, difficult-to-navigate mountainous areas, and this has hampered our efforts but we will continue to work to identify new areas.

As we move into a new phase of spray aircraft deliveries, I am pressing for a three-tiered approach that will accelerate success. The three tiers are greater safety, more direct and measurable accountability, and higher and more measurable results on the ground as a result of methodical aerial eradication.

While guarantees are not possible, we nevertheless expect a significant fall in total hectarage of poppy cultivated, as repeated spraying of small fields in outlying areas discourages poppy cultivation by poppy farmers. We are also attacking heroin poppy cultivation through rewards programs for information leading to well-hidden fields, as well as to organizations trafficking in heroin. Our funding has also increased the number of X-ray machines and search dogs at the international airports to detect swallowers and smugglers of heroin.

But I also wish to make a pivotal point for the committee. Our combined effort—Congress' and ours at INL—to make permanent strides in Colombia goes well beyond drug crop reduction.

For three years, a sizable portion of INL's funding has gone to Colombian National Police interdiction efforts and the training and deployment of a Colombian

Army Counternarcotics Mobile Brigade. This effort has been animated by a need to press forward with counternarcotics missions in terrorist-held regions of a beautiful but terrorist-ravaged country.

Specifically, our funding—your funding implemented by INL—has trained over 10,000 municipal and rural (Carabinero) police, and provided hardened police stations in key municipalities to prevent terrorist forces from overrunning them. This has had countless redeeming effects.

This determination has effectively allowed the Colombian forces to strike deep into trafficker and FARC/ELN/AUC-held areas. As many of you know, that has called for a substantial commitment in helicopter airlift resources. But Congress has been there. For Plan Colombia, the combination of congressional and INL leadership has created a Colombian Army helicopter airlift capability of 72 helicopters to support the Brigade, and has increased support for 66 helicopters of the Colombian National Police.

Lest cynics try to bend your ear, so far in 2003, this Counternarcotics Brigade has destroyed 15 cocaine hydrochloride and 278 base labs, seized over 4 tons of cocaine and dismantled five FARC base camps.

In another sign of progress, the Colombian National Police have destroyed 71 cocaine hydrochloride and 239 base labs. Further, on the strength of your commitment, they have seized over 41 tons of drugs, mostly refined cocaine.

I would like to note that we are not alone in supporting these Plan Colombia successes. In 2001 and 2002, the Colombian Government spent less than 3.5 percent of GDP on security. Today, in 2003, the Colombian Government is spending 3.8 percent of GDP on security, with plans to spend 5.8 percent by 2006.

There is also measurable progress—and a quantum leap in the potential for success—in other areas. In April 2003, the U.S. and Colombian Governments concluded a new Airbridge Denial Program Agreement. On August 18, following a thorough certification of procedures and interagency agreement, the President signed the Determination to allow the United States Government to resume assistance to the program.

Since then, the Colombian Air Force has worked with INL's contractors, DOD's Joint Interagency Task Force South (JIATF-South), and the Narcotics Affairs Section of the U.S. Embassy in Bogota to identify and intercept aircraft reasonably suspected of narcotics trafficking, using a tightly vetted checklist of safety procedures that are designed to ensure the safety of civilian aircraft and which are certified annually.

Already, the program has resulted in the destruction or capture of five aircraft, the seizure of one go-fast boat, and the seizure of approximately 5.6 metric tons (mt) of cocaine. Interestingly, these 5.6 mt of cocaine were seized in Guatemala as a result of the Colombian Air Force's handoff to JIATF-South of information on three suspect aircraft leaving Colombian airspace.

But there is more to this comprehensive effort to establish a stable, rural environment than merely eradicating crops, reinforcing police, stopping rogue aircraft from transiting drugs and stirring regional self-interest to life. Under Plan Colombia, there is new emphasis on long-term institution building. There is a new way of thinking about reinforcing the will of the Colombian People. We have supported, through your assistance and in cooperation with the Criminal Division of the Department of Justice, numerous programs, many of which are implemented by the United States Department of Justice, to establish and maintain special human rights units, to reform the country's criminal code, to improve money laundering and asset forfeiture regimes and to provide for witness protection in key cases. Already there has been a 25 percent increase in money-laundering prosecutions and a 42 percent increase in asset forfeiture cases.

In truth, I think the leadership of President Uribe has already begun a paradigm shift that follows from his own rethinking and re-prioritizing of Colombia's needs. He plainly sees a need to reestablish permanent central government control outside the urban areas of Colombia. He is encouraging us to support alternative development efforts that will set the stage for long-term development, and a sustainable, legal economy in regions now victimized by drug trafficking and terrorist-domination.

I defer to my colleague, Adolfo Franco, for the specific achievements and vision associated with our development efforts under Plan Colombia. But no one should argue that progress is not real and meaningful, and generating a sound return on the present investment. Without the leadership of the U.S. Congress, we would not be here now announcing real progress.

In doing all of this, we also must not ignore the rest of the region. Plan Colombia will only succeed if we can hold on to U.S.-supported counternarcotics successes in Bolivia, Peru and Ecuador.

As recent political events in Bolivia attest, those gains cannot be taken for granted, and we must buttress the efforts of these governments as we anticipate the "balloon effect"—whereby anti-narcotics efforts in one country may increase narcotics production in a different country—which will result from our successes in dismantling the narcotics and terrorism infrastructure in Colombia.

With U.S. assistance, both countries have been able to reduce coca production dramatically. Peru anticipates meeting its goal of eradicating 8,000 hectares of coca this year, and we must work with the new government in Bolivia to ensure that it understands the importance of sustaining its counternarcotics efforts in the face of trafficker pressures.

Ecuador's northern border remains under the shadow of Colombian traffickers and terrorists that could cross the Colombian border to establish drug trafficking at any time. Our funding is a critical bulwark to supporting Ecuadorian police and military efforts to maintain order along that border.

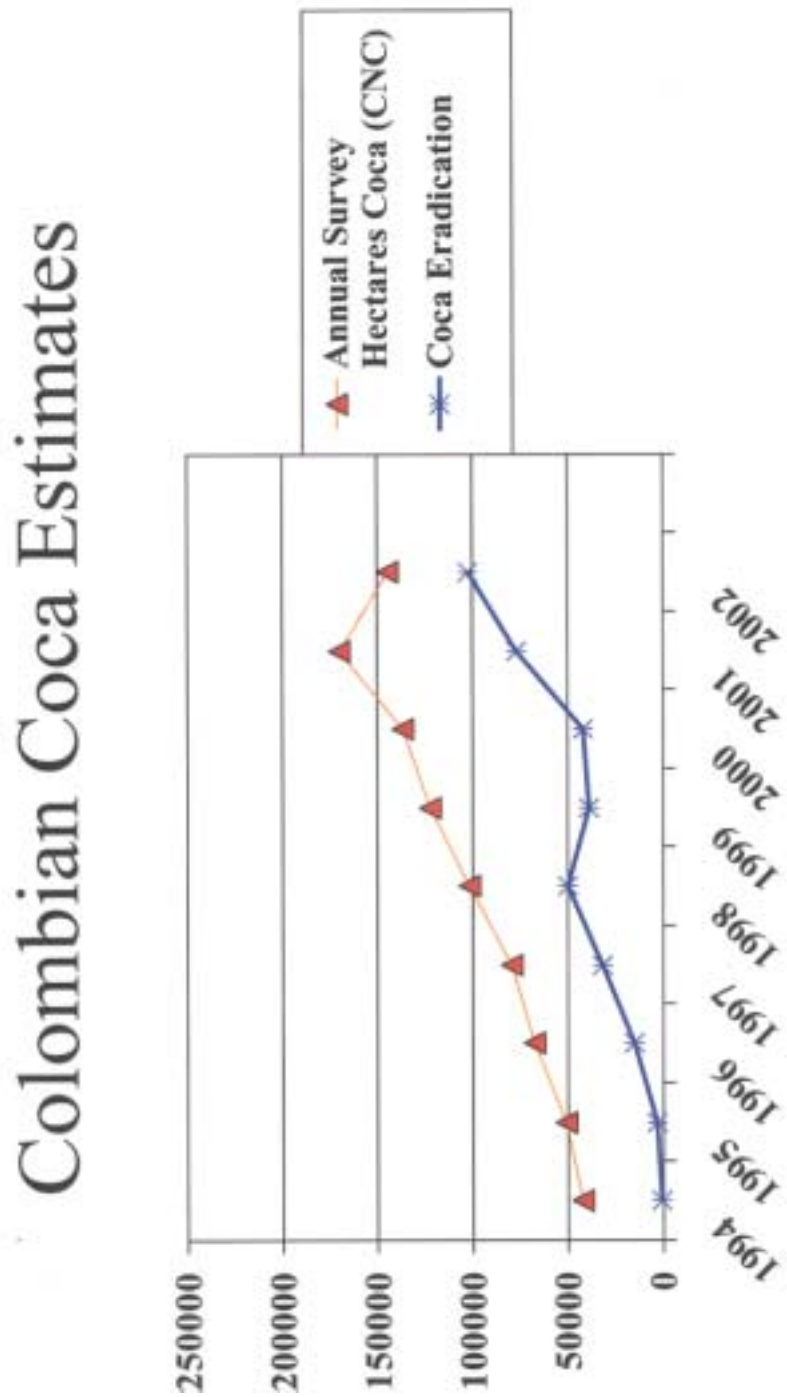
Ultimately, the intent of the Administration is to provide for a robust, self-sustaining regional counternarcotics effort, with Colombia's leadership a template for the future in the region.

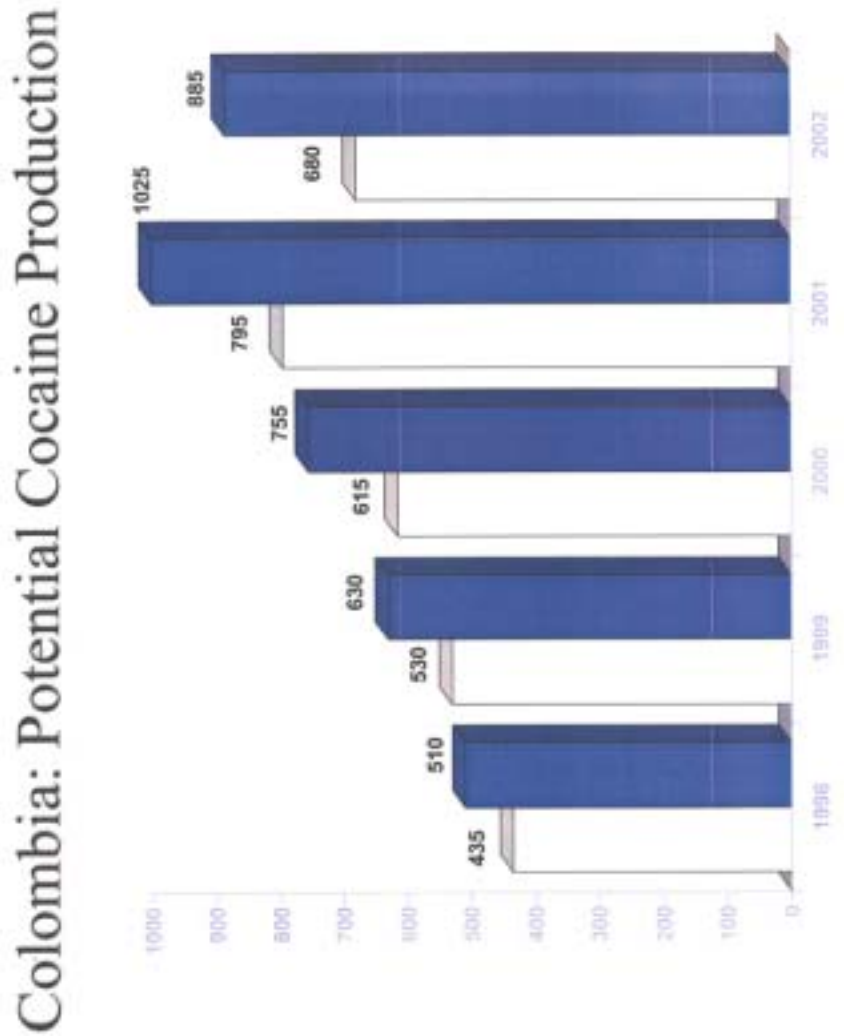
U.S. programs in Colombia represent a response to one of the most important challenges that we confront today. No more compelling argument for this exists than the 21,683 Americans who died this year at the hands of illegal and addictive drugs. The issues raised by Colombian narcotics trafficking and terrorism directly affect U.S. national security, the survival of Colombian democracy, and the stability of the entire Andean region.

In short, I believe the commitment already shown by President Uribe and consistently supported by the U.S. Congress represents a unique opportunity for both of our countries to make serious, significant, and enduring progress in combating drugs, and in turn, the terrorism that drug profits support. Thank you.

Coca
Growing Areas

169,800 Hectares
Max cultivation - 2002

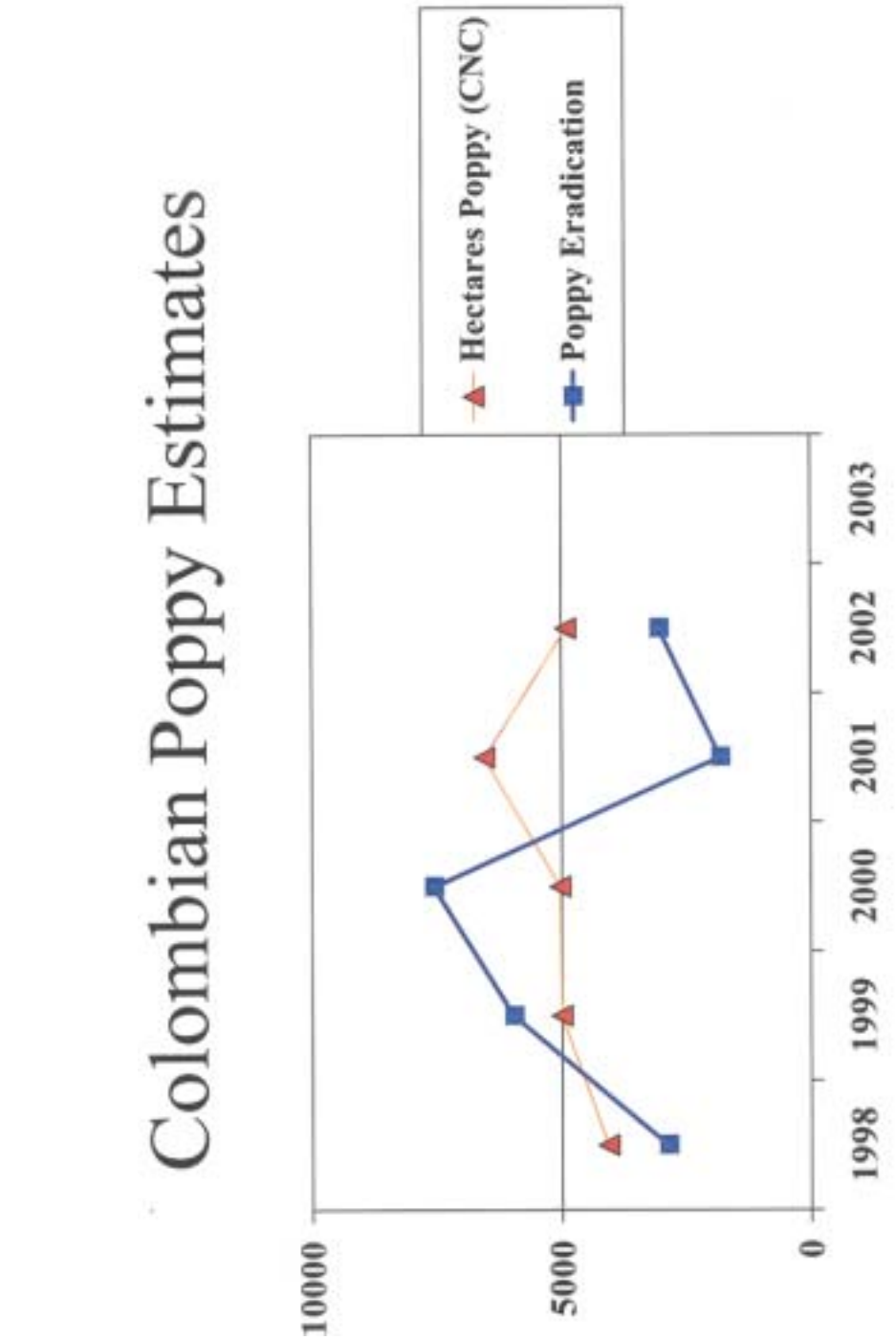

Colombian Coca Estimates
Annual Survey Hectares Coca (CNC)
Coca Eradication
250000
200000
150000
100000
50000
0
1994
1995
1996
1997
1998
1999
2000
2001
2002


Colombia: Potential Cocaine Production
1000
900
800
700
600
500
400
300
200
100
0
435
510
530
630
615
755
795
1025
680
885
1998
1999
2000
2001
2002

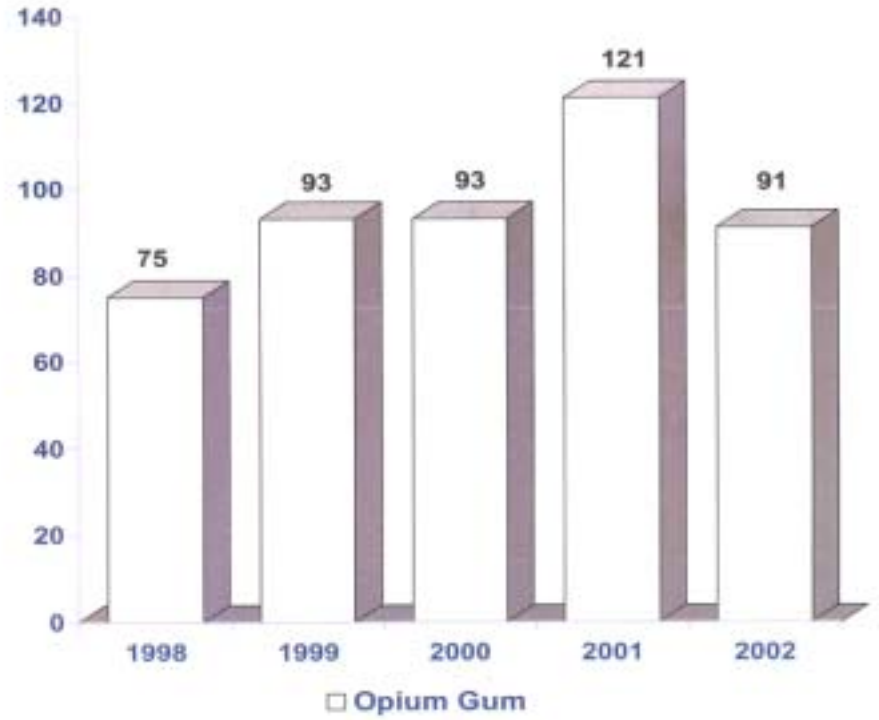
Poppy
Growing Areas

6,540 Hectares

Max cultivation - 2002


Colombian Poppy Estimates
Hectares Poppy (CNC)
Poppy Eradication
10000
5000
0
1998
1999
2000
2001
2002
2003

Colombia: Opium Gum Production (CNC)



Coca Eradication

Wholesale Street Value of Cocaine Eradicated

2002

$20,445,000,000

2001

$15,433,000,000

Since 1994

$91,321,000,000

Based on DEA production estimates of 2 kilos of cocaine per hectare of coca, @ 4 harvests/year and ONDCP estimated wholesale value of kilo of cocaine in the U.S.-$25,000

Poppy Eradication

Wholesale Street Value of Heroin Eradicated

2002

$456,906,000

2001

$273,123,000

Since 1998

$3,787,460,000

Based on DEA production estimates of 2.31 kilos of heroin per hectare of poppy and an estimated wholesale value of $65,000 per kilo in the U.S.

Senator COLEMAN. With that, General Hill.

STATEMENT OF GENERAL JAMES T. HILL, U.S. ARMY, COMMANDER, UNITED STATES SOUTHERN COMMAND

General HILL. Thank you, Mr. Chairman, Senator Biden, Senator Feingold. I am honored to have this opportunity to appear before you today, to provide my assessment of Plan Colombia.

I greatly appreciate the support of the committee for the United States Southern Command and for our soldiers, sailors, airmen, marines, Coast Guardsmen, and civilian personnel whom I am so privileged to command.

As I mentioned in my written statement, Colombia, as Mr. Charles just pointed out, is at a decisive point. Although there is much work to be done, our country's significant investment in Plan Colombia and the Andean region issue are beginning to show substantial results. The trends are generally positive. The Colombian economy is growing. Major categories of criminal activity are down. Narcotics production is down. Terrorist attacks have been cut almost in half. Desertions and demobilizations by the narco-terrorist organizations are increasing.

The military has grown into a professional and competent force that respects human rights, the rule of law and has gained the strategic initiative. I am, therefore, guardedly optimistic that President Uribe can bring security and stability to Colombia.

Over the past year, I have traveled to Colombia 17 times and will go again next week. I have worked closely with President Uribe, Minister of Defense Ramirez, and General Mora, the Chief of the Armed Forces. I have seen these strong and determined leaders in action. I have visited all parts of Colombia and witnessed the tremendous cooperation between our Armed Forces.

I have seen the professionalism and increased capabilities of the Colombian military. I have also been inspired by the dedication of the Colombian soldiers and their daily fight to defend Colombian democracy against vicious narco-terrorists. I have observed Colombia's leaders inculcate the government and the Armed Forces with an aggressive spirit.

The Colombian people believe they can win the war against narco-terrorists and end the violence. They have built and are executing a campaign plan to systematically break the will to fight of Colombia's narco- terrorists.

Fully understanding that the problems of Colombia do not have a simple military solution, President Uribe and his administration are building the political, social, and economic systems that will eventually return Colombia to the ranks of peaceful and prosperous nations.

However, President Uribe has only three more years in office, which coincidentally will mark the end of Plan Colombia. Consequently, it is important that we sustain the progress that has been made under Plan Colombia and that he gets our steady support to set his long-term initiatives firmly into place.

As one of the oldest democracies in this hemisphere, a key trading partner and supplier of oil, a staunch ally only three hours from Miami, a stable Colombia is important to our national security interests.

Thank you again for this opportunity to appear before you and I look forward to your questions.

Senator COLEMAN. Thank you, general.

[The prepared statement General Hill follows:]

PREPARED STATEMENT OF GENERAL JAMES T. HILL, U.S. ARMY, COMMANDER, UNITED STATES SOUTHERN COMMAND

Mr. Chairman, Senator Biden, distinguished Members of the Committee, it is a pleasure to appear before you today to discuss the United States Southern Command's role in assisting Colombia with its battle against narcoterrorism. Every day your soldiers, sailors, airmen, Marines, Coast Guardsmen, and civilians at Southern Command are working hard and employing their skills to accomplish our missions in this vital endeavor. We are shoring up our own national security by addressing this challenge at this time and in this place. Simultaneously we are laying the groundwork to promote and maintain future security and stability.

Colombia is at a decisive point in its fight. I have been to Colombia 17 times over the past year, and I am seeing significant progress. I am guardedly optimistic that President Uribe will bring security and stability to that country. Much of my optimism stems from what I've personally seen him do over the past year. President Uribe is a man of vision, principle, and substance. He is inculcating his government and his armed forces with an aggressive spirit and belief they can win the war against the narcoterrorists and end the violence. But the momentum he has built and the progress Colombia has shown is reversible. Consequently, we must maintain our steady, patient support in order to reinforce the successes we have seen and to guarantee a tangible return on the significant investment our country has made in our democratic neighbor.

To outline United States Southern Command's efforts in this endeavor, I will discuss the status of Southern Command's support of Plan Colombia, the progress we are seeing in Colombia, and the way ahead. Assisting Colombia in its fight continues to be in our own best interest. A secure Colombia will prosper under democracy, will prevent narcoterrorist spillover, and will serve as a beacon in the region. Conversely, a failed Colombia, serving as a safe haven for narcoterrorists and international terrorists, would undermine stability and pose a greater threat to U.S. security. Thus the future health of the region hinges upon what happens in Colombia. While this is primarily Colombia's fight to win, we have the opportunity to tip the balance by augmenting their efforts decisively with our unwavering support.

U.S. SOUTHERN COMMAND'S SUPPORT TO PLAN COLOMBIA

Plan Colombia is a six-year plan designed to defeat the threat the Colombians face. This threat continues to come from the three largest illegal armed groups in Colombia, all named on the State Department's list of foreign terrorist organizations and two named on the President's list of drug kingpins: the Revolutionary Armed Forces of Colombia or FARC, the National Liberation Army or ELN, and the United Self-Defense Forces or AUC. While these groups may retain fragments of their founding philosophies, they appear to have jettisoned ideology in favor of terrorist methods and narcotrafficking.

Narcoterrorism and its connection to the illicit drug industry in Colombia threaten that nation's stability and erode the very fabric of its democracy by spawning terrorism, corrupting public institutions, promoting criminal activity, undermining the legitimate economy, and disrupting social order. The violence and corruption not only threaten our neighbor, they pose a direct national security threat to our homeland. The latest statistics from the Centers for Disease Control and Prevention within the Department of Health and Human Services indicate that 21,683 Americans died in 2001 as a direct result of drug related causes. This staggering number does not take into account the second and third order effects on families, the lost productivity of those lives cut short, or the additional thousands of Americans we lose to indirect drug related causes. As a nation we simply cannot afford to give up on tens of thousands of our own citizens every year. Illicit drug abuse is certainly a multifaceted problem, but our support to Plan Colombia is effectively addressing one of its most critical components.

Our role at Southern Command is to support implementation of the military aspects of Plan Colombia. The plan addresses the entire depth of Colombia's complex problem, however; it is by no means envisioned as a simple military solution. As you know, various other U.S. Government agencies and departments received funding to support both military and non-military aspects of Plan Colombia.

Colombia is just completing the third year of this six-year plan. The first phase of three focused on the Putumayo and Caqueta Departments of Southern Colombia where approximately half of Colombia's coca cultivation took place and lasted from December 2000 until December 2002. Southern Command was responsible primarily for training and equipping a counter narcotics brigade, fielding Blackhawk and Huey II helicopters and also training pilots and crews. Secondary efforts provided for infrastructure upgrades, riverine training, and counterdrug intelligence support. In Phase II, the Colombians are expanding the size of the armed forces, working with neighboring countries for combined operations, planting forests where coca once grew, expanding eradication nationwide, and creating units comprised of campesino soldiers to help guard towns where government presence was formerly lacking. These initiatives support continued drug eradication and interdiction. Phase III of Plan Colombia culminates the entire plan by expanding the government presence and control nationwide. While it is still too early to predict the exact end state of Plan Colombia, the progress we are seeing is a positive development that promises to complete that plan and institutionalize its successes.

COUNTER NARCOTICS BRIGADE

The Counter Narcotics Brigade (CN Brigade) headquarters and its three battalions are the best-trained and equipped conventional units in the Colombian Army. U.S. military personnel conducted staff and light infantry training for almost 2,300 troops. In accordance with Plan Colombia, the CN Brigade was originally designed to operate in southern Colombia. The CN Brigade has had impressive results during drug interdiction operations in that part of the country by destroying coca processing labs, providing security to eradication operations, and seizing chemical precursors and coca leaf.

The Colombian military synchronized the deployments of the Counter Narcotics Brigade (CN Brigade) in Phase I with Colombian National Police and Department of State eradication efforts. The Office of National Drug Control Policy found that Colombia's coca cultivation decreased by 15 percent in 2002 from 2001. Additionally, as narcotraffickers began pushing cocaine labs away from southern Colombian cultivation areas, the Colombian police and military have found it easier in many cases to track and disrupt their illicit actions. Because of its success in the Putumayo and Caqueta Departments, this brigade is now also being used in other parts of the country, most notably the Nariño Department. We continue to provide sustainment training to the CN Brigade. This unit is currently transforming to become more flexible and rapidly deployable to plan and conduct offensive operations throughout the entire country.

HELICOPTERS

Since December 2000, the United States has provided air mobility to the CN Brigade using 28 UH-1Ns, 14 UH-60L Blackhawks, and 25 Huey IIs with a combination of Colombian and Department of State contracted pilots. The UH-1N aircraft are based in Tolemaida with the Colombian Army Aviation Battalion and are forward deployed to Larandia for operations. The current operational focus remains providing air mobility support for counterdrug operations. Delivery of the 25 Plan Colombia Huey IIs was completed in September 2002. These helicopters are also based at Tolemaida and currently focused on supporting pilot training and infrastructure security. The UH-60L Blackhawk helicopters procured under Plan Colombia for the Colombian military began operations in January 2003 after a thorough program of pilot training. These helicopters also support the 1st CN Brigade, pilot training, and infrastructure security. While the Department of State is responsible for program oversight and funding for operations and contract maintenance for all of these helicopters, quality control is provided by a U.S. Army Technical Assistance Field Team. The Department of Defense retains responsibility for training Colombian Army pilots, crew chiefs and aviation unit maintenance personnel to fly and maintain Blackhawk and Huey II helicopters. The maintenance programs are supplemented by a safety initiative that integrates risk management planning into air operations. Overall, these helicopters have given the Colombian military unprecedented mobility although they are still lacking sufficient lift assets. This mobility allows an increasingly well-trained Colombian Army to maneuver across a rugged landscape, in parts of the country they have not operated in for years, resulting in greater operational effectiveness against the narcoterrorists.

ENGINEER AND INFRASTRUCTURE SUPPORT

The Plan Colombia supplemental appropriation allowed us to complete large-scale infrastructure improvements that greatly accelerated the development of increased

operational capabilities for Colombia's forces. We have continued to provide necessary facilities to support our training and equipping programs. Among our more significant engineer projects were the expansion of both fixed-wing and helicopter facilities at Tres Esquinas, the establishment of a comprehensive helicopter pilot training school at Melgar and Tolemaida, improved port facilities at Buenaventura, development of riverine support and maintenance facilities at Tres Esquinas and La Tagua, and the development of helicopter operational and support facilities at Larandia. We are moving now to develop the logistics infrastructure needed to support Colombian forces as they move outward to re-establish government control throughout Colombia. We are currently completing a hangar that will directly improve the operational rate of the Colombian C-130 fleet by improving their maintenance program, and we have just awarded contracts to establish logistics support centers, motor pools and maintenance facilities. As a direct result of the completion of these facilities, Colombian forces will be better able to conduct and sustain forward operations.

PROFESSIONALISM AND HUMAN RIGHTS

Embedded within the training Southern Command and U.S. forces provide under Plan Colombia is the institutionalization of human rights and the respect for law by the Colombian military. In coordination with the Department of State, our military legal assistance projects in Colombia, which include developing a Judge Advocate General (JAG) school as well as legal and human rights reform, continue on track. The initial JAG school courses began in February 2002 in temporary facilities. The permanent JAG School opened on July 29, 2003, and provides courses on military justice, international law, and operational law. We have worked closely with the Colombian military to establish and build a Military Penal Justice Corps. 320 military, police, and civilian lawyers received continued professional legal education beyond that provided at the school. The Colombian military legal corps, similar to the method used by our armed forces, is also becoming embedded with the field units of the Army in order to provide legal advice to commanders during operations.

United States Southern Command has supported Colombian efforts to extend human rights training throughout its ranks. Colombia is fighting its illegal armed groups justly, in accordance with democratic values and human rights. This is instrumental in what we are collectively striving to achieve. The Colombian government is not resorting to rural concentration camps, peasant roundups, massacres, disappearances or other tactics used by their enemies. According to the Department of State's 2002 Colombian Human Rights Report, the vast majority of allegations of human rights abuses, over 98 percent are attributed to Colombia's illegal armed groups, primarily the three-narcoterrorist groups, and not to government forces. This report clearly demonstrates the institutionalization of human rights by the Colombian government, whose forces as recently as the mid-1990s were accused of 50-60 percent of human rights abuses.

The Human Rights report finds that, "the government has an extensive human rights apparatus coordinated by the office of the President's Advisor for Human Rights. That office coordinates with local human rights groups. Most notably, it established a special 'momentum' committee to advance judicial resolutions of 100 key human rights cases." Over 290,000 members of Colombia's security forces have received specialized human rights training since 1996, conducted by the International Committee of the Red Cross, the Colombian Red Cross, the Roman Catholic church, foreign governments, and other government offices and agencies. I am convinced the Colombian government is serious about human rights and will continue to promote them aggressively.

THE URIBE ADMINISTRATION'S PROGRESS

Plan Colombia predates President Uribe by two years and will end coincidentally when he leaves office in 2006. While he has firmly embraced the plan, he has also brought to office new initiatives and a long-term vision that extends well beyond that six-year plan. President Uribe won a landslide victory by running on a platform of security and asserting government control over national territory. After years of failed attempts to negotiate with illegal armed groups, to include a bold experiment that gave the FARC a safe haven in the southern part of the country, the people of Colombia finally had enough of terrorist groups, especially after seeing how the FARC used their safe haven to plot terrorist acts and establish drug base camps instead of developing their notional politics into a concrete reality.

President Uribe faces enormous challenges, but he is using his mandate to put deeds behind his words. He has only been in office for fourteen months, and turning

the government from a conciliatory posture to an aggressively focused one is not an easy task. We need to be steadfast in our support of him now to set the conditions for his longer-term success. The signs of his progress, which have built upon our support to Plan Colombia, are already becoming evident. Colombia developed a comprehensive national security strategy that directs all the tools at the government's disposal toward a common end of defeating the terrorists. The Colombians now spend more than 3.5 percent of their GDP on defense. President Uribe has levied a war tax on the country's wealthiest citizens. He is increasing police end-strength to supplement those already planned for the military. The government has developed a plan to protect travelers along the major roadways. He is pushing the military and the police to gain control of areas and neighborhoods dominated by the narcoterrorists. In those areas where the government is gaining control, they are taking governance to the people by providing more robust social services and the rule of law to support those who previously suffered most from their absence.

The military has had growing operational success against the narcoterrorist organizations across the country, particularly against the mid-level leadership, and all indications are that they will continue to take the fight to the illegal armed groups over the next year. The firm resolve of the Uribe administration, backed by aggressive military operations, has resulted in increased desertions by enemies of the state. These desertions are a real sign of progress, and the Colombian government seeks to increase desertions through a program under which those who leave the FARC voluntarily are put in protected housing and receive health care, education, and work training.

The Colombia Initiatives sponsored under the FY03 appropriations have tied into support of the new administration and Phase II of Plan Colombia. Our Special Forces have trained the staff and soldiers of Colombia's best units, giving these units an added edge of operational effectiveness that is paying dividends. The Colombians have established their own Special Operations Command to coordinate and oversee difficult and complex operations against the most sensitive targets. The establishment and training of a Commando Battalion, modeled on our own Ranger battalions, has given the Colombians a unit that can strike high-value targets including enemy leadership. The Colombians plan on establishing another commando battalion in Fiscal Year 2004. We have also trained the Colombian urban counterterrorist unit and continue to upgrade their capabilities and equipment. U.S. Special Forces also trained Colombian Armed Forces in Arauca to protect a portion of the 772-kilometer oil pipeline that had been a frequent target of FARC and ELN attacks. Pipeline attacks are down significantly. This training was just one part of a nationwide Infrastructure Security Strategy that protects critical facilities and reestablishes control in narcoterrorist influenced areas of the country.

We continue to train Colombia's helicopter pilots, providing their forces a growing ability to perform air assaults that are key in the battle against dispersed enemies. We deploy intelligence, surveillance, and reconnaissance assets in country that have provided timely, actionable intelligence to Colombian units. We are training their staffs with Planning Assistance Teams that increase their ability to plan and execute intelligence driven operations against illegal armed groups. We are working with Colombian Marines to establish two Mobile Training Teams that will work with the Riverine Brigade to raise proficiency for riverine interdiction. We contract logistics to help the Colombians maintain their own C-130 fleet. We are training the Colombian National Police Carabineros (Rural Police Units) with the goal of reestablishing governance throughout the country.

We are providing medical training and assistance to help the Colombians improve their casualty evacuation methods as well as implementing other safety programs to help them preserve their combat power. In civil-military operations, we are helping the Colombians to build a civil-affairs capability that will be implemented in the Arauca Rehabilitation Zone to bring humanitarian aid and functioning institutions to previously terrorized areas. This program will eventually be expanded across the country. Finally, we worked with the State Department to re-establish the Air Bridge Denial Program that is run by the Colombians with U.S. ground and air safety monitors.

Beyond our coordinated military efforts, President Uribe has sponsored political, economic, and judicial reforms. With the support of his Congress, the government is calling for political reforms. These reforms aim to reduce the government bureaucracy, cap pensions, and eliminate corruption. These measures will streamline the government and increase its ability to focus on the internal conflict. Economically, Uribe's stance and the promised reforms have buoyed the country's confidence. The government has raised over one billion dollars via bonds since the new administration took office, and its stock market has increased by 50 percent this year. Likewise, President Uribe has sought to stamp out corruption and bolster judicial re-

form. He issued Presidential Directive No. 10, which was his anti-corruption strategy, designed to halt the revenue lost from corruption and political cronyism. He established a mechanism to oversee state contracting that will save an estimated two billion dollars annually, and he has established merit-based hiring practices.

This list is just a partial highlight of the coordinated effort the Colombian government is making to solve its own problems. President Uribe has infused his government with energy, organization, and a sense of purpose. He is getting results now, and will continue to direct all his resources toward making Colombia a safe, prosperous, democratic nation.

He understands that this is primarily a Colombian problem, one which Colombia must solve, yet he still needs our help to make his efforts ever more effective. President Uribe stood by us as a member of the Coalition of the Willing in Operation Iraqi Freedom, a stance unpopular with the Colombian public. He is providing the strategic leadership that Colombia needs to move ahead. Recent polls show public confidence in him and the military increasing. Now, with initial progress early in his administration, is the time he most needs us to demonstrate to him, his government, and his people our continued resolve. There are already some indications that the FARC will exercise strategic patience and attempt to wait out President Uribe and Plan Colombia. Should we falter at this juncture, we could very well assist the FARC in their plan.

Under President Uribe, our country's significant investment in Plan Colombia and the Andean Ridge Initiative are beginning to show substantial results. He is fully adhering to Plan Colombia and already looking well beyond it. Most notably a subsidiary campaign plan provides a long-term strategy and has been coordinated across the Colombian services, the interagency and our military. This campaign plan details the systematic defeat of Colombia's narcoterrorists. He is building the systems that will eventually return Colombia to the ranks of peaceful and prosperous nations. President Uribe has only three more years in office. Consequently, it is critical—especially this year and next—that he gets our unwavering support to set all his long-term initiatives firmly into place.

WAY AHEAD

Recognizing that we are at a critical and decisive point in our support to Colombia, I have reorganized an element of my staff to focus exclusively on current operations and long term planning for Colombia. I have reorganized our personnel operating in Colombia to maximize the support we can provide and gain every possible efficiency while operating within the mandated cap on military and civilian personnel. We are actively involved in the interagency development of the Political Military Implementation Plan to support the near and long term progress being made in Colombia, to include reassessing the current military personnel limitation and dedicated resources.

As the lead Department of Defense agent for implementing military aspects of U.S. policy in Colombia, U.S. Southern Command will continue to maintain a priority effort against narcoterrorism. Key in most of our recent endeavors has been approval by the U.S. Congress of Expanded Authority legislation. This legislation has allowed us to use funds available for counterdrug activities to provide assistance to the Government of Colombia for a coordinated campaign against the terrorist activities of its illegal armed groups. The granting of Expanded Authority was an important recognition that no meaningful distinction can be made between the terrorists and drug traffickers in our region. The country's two largest terrorist groups—the FARC and AUC—are deep into the illicit narcotics business while the smaller ELN participates to a lesser extent. Trying to decide whether a mission against a FARC unit was a counterdrug or counterterrorist one was an exercise in futility and hampered operational effectiveness on the ground. Expanded Authority eliminated the time consuming step of first evaluating the mission based on its probable funding source and allowed us to bring to bear all our assets more rapidly. As just one example, it allowed assets controlled by Joint Interagency Task Force South (JIATF-S) to continue being used to their full potential to provide real-time, actionable intelligence that is key in conducting effective operations against the narcoterrorists. While our efforts are, for good reason, Colombia-centric, we are not letting others fall behind to become the next targets for terrorist groups. The cooperative counter narcoterrorist groundwork we are laying today will further our national security for decades to come.

The pendulum is swinging in Colombia, and we will continue all of our planned training and support as well as seeking new opportunities to increase that support at this critical moment. Colombia is the linchpin in the narcoterrorist battle, but we must be careful not to win the battle in Colombia and lose the war in the region.

As the Colombians make progress, their success will push narcoterrorists to seek safer areas in which to operate. Already, the FARC, ELN, and AUC operate across the porous borders of Colombia's neighbors, and the remote nature of many of these areas makes them ever more attractive as safe havens. While we are seeing increased coordination and cooperation among most of Colombia's neighbors, some of those countries also lack the resources to maintain territorial sovereignty in these ungoverned spaces. Thus, across the Andean Ridge, we are working with the bordering nations to increase cooperation further, fortify borders and strengthen capabilities.

In a recent multinational exercise, we trained with the Colombian Navy on littoral techniques in a combined operation with Panamanian, British, and Dutch participation. In Ecuador, we have supported their riverine capability and worked closely with them in completing the essential forward operating location at Manta. We are seeing a welcome acknowledgment of the Colombian border concern by their leadership, and we are studying the possibility of training their 19th Jungle Brigade along the same lines as the units we've trained in Colombia. In Bolivia, we have worked on their riverine capabilities as well and supported their eradication efforts. We will continue to monitor the *Cocalero* movement and recent turmoil, which poses a threat to regional stability. I am particularly encouraged by the bilateral talks President Lula of Brazil and President Uribe conducted in March during which they acknowledged the common interest their countries shared in controlling drug traffickers in the Amazon region. We have already seen the Brazilians take up active patrolling on their own border with Colombia. These regional activities are promising and will require our steady, continuous support.

CONCLUSION

The future security and stability of Colombia and the United States, indeed all of Latin America and the Caribbean as well, are now, more than ever, tied inextricably together. Latin America and the Caribbean are important to the United States strategically, economically, and culturally, and our ties will only grow stronger over time. Many of the region's countries are consolidating democracies, however, that will take time to mature. Meanwhile, these countries face uncertainty, whether from weak institutions that have yet to undergo multiple cycles of free elections or from disappointment that liberal market reforms have not yet produced sustained improvement. It is upon these inherent vulnerabilities that criminal organizations prey. Illegal armed groups foster corruption, greed and instability and undermine the best efforts of dedicated public servants and honest citizens. Corruption and instability create safe havens for not only narcoterrorists and drug traffickers but also for other international terrorists.

It will be up to those nations to demonstrate their ability to govern, enforce the rule of law, implement judicial reform, and develop a profound respect for human rights. These fundamentals provide the stable and secure environment necessary for economic growth—growth that will improve the quality of life for ordinary citizens. Southern Command plays a crucial role in assisting the development of security forces that help provide the ability to govern throughout the region, particularly in Colombia.

We are at a critical time in Colombia's history. The elected government of President Uribe enjoys unparalleled approval ratings approaching 70 percent. Under his leadership, the military and police are helping to regain control of areas long held by narcoterrorists. Colombia's citizens are taking a more active role in their nation's defense and providing actionable intelligence to the Colombian Armed Forces. There is a renewed sense of momentum, commitment, and hope as the Colombian people struggle to save their country, but there is also a finite window of opportunity beyond which public opinion and support will wane without significant progress.

I am optimistic about the progress we are seeing in Colombia, though there remains an enormous amount of work to be done. We are at a critical point where the progress in eliminating conflict, reducing tension, and establishing democracy throughout the region could be at risk if we are not steadfast in our efforts. While our attention is drawn to another region of the world, we must keep in mind that we live in this hemisphere, and its continued progress as a region of democracy and prosperity is paramount to our national security.

I would like to thank the Chairman and the Members of the Committee for this opportunity and for the tremendous support you have provided this command. I can assure you that the men and women of the United States Southern Command are working to their utmost to accomplish their missions for our great country.

Senator COLEMAN. Assistant Administrator Franco.

STATEMENT OF HON. ADOLFO A. FRANCO, ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. FRANCO. Thank you, Mr. Chairman. And thank you, Senators Dodd and Feingold for this opportunity to testify before the Senate Foreign Relations Committee.

Mr. Chairman, the United States Agency for International Development, USAID, is proud of its contributions and participation in U.S. Government efforts to promote democracy in Colombia, a country which President Bush has rightfully said urgently needs our help.

As the distinguished members of the committee know only too well, Colombia continues to struggle for its territory and future against three terrorist organizations known respectively by their Spanish acronyms as the FARC, ELN, and AUC. These terrorist groups threaten not only Colombia, as you have noted, Mr. Chairman, but also the stability of the Andean region as a whole; and represent a direct threat to U.S. security and economic interests.

Conducting development programs in conflicted countries such as Colombia is difficult and dangerous, however. Not surprisingly, USAID has encountered numerous obstacles during the implementation of its development programs. Nevertheless, I am pleased to report to you today that, with the strong support of our Administrator, Andrew Natsios, USAID has already met some targets originally planned for completion by 2005, while others remain on track.

Mr. Chairman, please permit me to outline USAID's strategy under Plan Colombia. USAID provides the social and economic development backing for the Government of Colombia's counter-narcotics efforts. With $123.5 million provided under Plan Colombia supplement funding in fiscal year 2000 and $230.7 million through the Andean Counter-narcotics Initiative in fiscal years 2002 and 2003, USAID is working toward the achievement of three broad and mutually supporting objectives.

First, USAID alternative development programs support the sustained reduction of drug crops and enhance economic prosperity by providing poor farmers in communities with profitable and licit productive activities.

Second, USAID works to strengthen democracy and human rights through support for programs that promote judicial reform and the rule of law.

And third, USAID addresses the needs of people displaced by violence by providing emergency relief and employment opportunities for these victims of Colombia's civil strife.

Despite the bold efforts of President Bush's friend and counterpart, Colombian President Alvaro Uribe to combat narco-trafficking, still 125,000 to 150,000 families are involved in illicit drug production. In response, USAID's alternative development programs seek to provide opportunities for licit income for small-scale producers of coca and opium poppy.

Since 2001, alternative development programs have benefitted approximately 33,000 families in support of the cultivation of over 30,000 hectares of licit crops, such as rubber, casava, specialty cof-

fee, and cacao. In addition to the introduction of new crops, alternative development programs include the construction of infrastructure, such as bridges, to provide short-term employment and improve long-term access to markets. As of June 2003, USAID has helped complete 410 such infrastructure projects. And this greatly exceeds our original target of 26 projects by the end of 2005.

Mr. Chairman, carrying out alternative development in an insecure and remote region is difficult, dangerous, and takes time. Delays can result from many factors, which include changes in the security situation; the need to identify, test, and develop useful farmer assistance packages adapted to conditions in the region; and, lastly, the need to identify, design, contract, and build appropriate infrastructure projects. Simple changes in weather patterns also limit some agricultural and construction activities in months of the year when the rainfall is heavy, as an example.

As you know, Mr. Chairman, the FARC recently conducted a "resign or die" campaign against all the country's mayors and local officials. As a result, 1,500 city council members and 300 mayors have stood down. This sort of intimidation obviously makes life very insecure for the general population in these areas and undermines democracy at the grass roots level.

Therefore, in addition to alternative development, USAID programs also seek to improve the administration of justice and protect human rights workers at the local level. To combat the pervasive sense of impunity before the law, USAID, in collaboration with the Colombian Ministry of Justice, has established 34 justice houses to increase access to judicial and dispute resolution services for low income and marginalized Colombians.

More than 1.8 million cases have been resolved since the first justice house opened in 1995. USAID is expanding this highly successful program and plans to establish an additional six justice houses by the end of fiscal year 2005. And one of these is included in the Putumayo region, where coca production has been extremely high.

In addition, USAID is assisting Colombia's transition to a modern accusatorial court system based on oral trials, rather than written procedures, and has so far trained 6,160 judges, lawyers, and public defenders.

Mr. Chairman, USAID's work also directly benefits the human rights community in Colombia. Working through the Ministry of Interior's protection program, USAID assistance in the past year helped approximately 3,000 human rights workers, labor activists, journalists, mayors, and others threatened with violence by providing them with help to relocate, protection for government and NGO offices, and, in some cases, with the protective equipment needed for armored vehicles.

The USAID-supported early warning system provides the Colombian military and national police with early warnings of situations that can result in massacres or forced displacements. To date, a total of 220 warnings have been issued, which resulted in 170 responses or interventions by Colombia Government authorities. USAID believes that the early warning system has saved lives and, in the process, has strengthened the link between communities and the government.

Senator COLEMAN. Mr. Franco, if you could summarize your testimony, and the full testimony will be entered in the record.

Mr. FRANCO. Thank you, Mr. Chairman.

Mr. Chairman, in answer to the salient question that you posed in organizing this hearing, we believe that Plan Colombia is working. But let me be frank. We still have very much more to do. Lessons from Bolivia, Peru, and Ecuador demonstrate that good governance is the key factor that determines whether or not the illicit coca and narco-trafficking industry will establish itself, grow, or decline.

Let me conclude, Mr. Chairman, by restating our commitment at USAID, as part of the larger U.S. Government responses to continuing our work in Colombia. As General Hill has stated, the Uribe administration is the ideal partner with which to work. And I know we can continue to count on the support of this committee and the Congress in overcoming the scourge of narcotics and terrorism.

I will be pleased to answer any questions that you might have, Mr. Chairman, or the members of the committee.

Senator COLEMAN. Thank you very much, Administrator Franco.

[The prepared statement of Mr. Franco follows:]

PREPARED STATEMENT OF HON. ADOLFO A. FRANCO, ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Thank you Mr. Chairman. I am pleased to appear before the Senate Committee on Foreign Relations. The U.S. Agency for International Development (USAID) is proud to contribute to broader U.S. Government (USG) objectives in Colombia—a country that urgently needs our help.

Colombia continues battling over its territory and future with three terrorist organizations: the Revolutionary Armed Forces of Colombia, the National Liberation Army, and the Unified Self-defense Forces of Colombia, known respectively for their Spanish acronyms as the FARC, ELN, and AUC. The country's two largest terrorist groups—the FARC and AUC—are deep into the illicit narcotics business; the smaller ELN also participates to a lesser extent. Earlier this month, suspected leftist guerrillas gunned down two candidates in Colombia's recently held state and mayoral elections after a campaign meeting in a lawless southwestern province. At least 23 mayoral candidates were killed, eight others kidnapped, and over 125 dropped out in the run-up to the elections. These groups threaten not only Colombia, but also the stability of the Andean region. This is a direct threat to U.S. security and economic interests.

Conducting development programs in conflicted areas like Colombia is difficult and dangerous. Not surprisingly, we have encountered numerous obstacles during the implementation of our programs; nevertheless, the experience and expertise of our staff have allowed us to make remarkable progress. I am pleased to report that USAID has already met some targets originally planned for 2005 while others are on track.

USAID'S STRATEGY UNDER PLAN COLOMBIA AND THE ANDEAN COUNTERDRUG INITIATIVE

In response to growing problems created by the illegal narcotics trade and the actions of the three terrorist organizations, the Government of Colombia (GOC) developed "Plan Colombia," a plan for achieving peace and economic prosperity in Colombia by the end of 2005 while strengthening the state. USAID's program strategy was designed to provide the social and economic development backing for GOC counternarcotics efforts, as well as critical support to the humanitarian crisis generated by the ongoing civil conflict.

With $123.5 million provided to USAID for work in Colombia under the Plan Colombia supplemental in FY 2000 and $230.7 million of Andean Counterdrug Initiative (ACI) funds appropriated in FY 2002 and FY 2003, USAID is working toward the achievement of three broad and mutually supporting objectives in Colombia:

- alternative development to support sustained reduction of drug crops and enhance economic prosperity;
- strengthening democracy and human rights; and
- addressing the needs of people displaced by violence.

While significant achievements have been made, the program continues to evolve in response to changing political, economic, and social conditions in Colombia. I would now like to describe USAID's program and the many accomplishments we have made in Colombia toward achieving USAID's objectives under Plan Colombia and the Andean Counterdrug Initiative.

ALTERNATIVE DEVELOPMENT

The scourge of illegal narcotics threatens the social and economic fabric of Colombian society, and poses a threat to the U.S. Despite the bold efforts of President Alvaro Uribe to combat narco-trafficking, lack of state presence in large portions of the country has allowed both illegal narcotics production and armed, drug-dealing terrorist organizations to continue to flourish. An estimated 125,000 to 150,000 families are involved in illicit crop production. While not directly responsible for the eradication of illicit crops, USAID's program focuses on making eradication of illicit crops sustainable in the eight departments with the highest concentration of coca and poppy.

In order to provide small-scale farmers with a means to abandon illicit crop production permanently, USAID's alternative development program in Colombia seeks to increase licit income opportunities for small-scale producers of coca and opium poppy. This program has benefited approximately 33,000 families and supported cultivation of over 30,000 hectares of licit crops such as rubber, cassava, specialty coffee, and cocoa since 2001 in regions under the influence of illicit agriculture. Nearly 18,000 hectares of coca and poppy have been voluntarily eradicated. More importantly, the program has helped the GOC gain credibility in areas that have traditionally lacked or have received very limited state support.

To increase private sector investment and productive employment generation in or near areas where illicit crops are produced, USAID has initiated new programs in agribusiness, commercial forestry, and small and medium enterprise development. Infrastructure initiatives are an important component of the program. Construction of roads and bridges provides short-term employment as families make the transition to licit crops, and provides communities with physical access to markets necessary to sustain a licit economy or develop the skills and acquire funds to pursue economic alternatives. As of June 2003, USAID has helped the GOC complete 410 social infrastructure projects including roads, bridges, schools, and water treatment facilities, greatly exceeding our original target of 26 projects by the end of 2005.

Carrying out alternative development in a remote region with little or no government presence is difficult, dangerous, and takes time. Delays can result from many factors including changes in the security situation; the need to identify, test, and develop useful farmer assistance packages adapted to conditions in the region; and the need to identify, design, contract, and build appropriate infrastructure projects. Simple changes in weather patterns also limit some agricultural and construction activities in months of the year when rainfall is heavy.

USAID continues to adjust its program based on security conditions and our evolving relationship with local communities. Greater emphasis has been placed on working more closely with individual communities to tailor the program to help these communities with the needs they identify. Larger infrastructure projects are undertaken to improve the economic potential of isolated regions and to provide temporary employment and income to rural residents making the transition from coca to legal crops and employment. USAID also expanded the geographic focus of the alternative development program to areas beyond southern Colombia, where conditions may be more favorable for alternative income generation.

DEMOCRACY AND HUMAN RIGHTS

In August 2003, the FARC and the smaller ELN issued a rare joint statement ruling out negotiations with President Uribe, whom they described as an enemy of peace. The stalled peace process translates to more violence and human rights violations. About 20 people die every day as a result of Colombia's armed conflict.

The FARC conducted a "resign or die" campaign against all the country's mayors and local officials. As a result, 1,500 city council members and 300 mayors have stood down, leaving 40% of the country's municipalities at the mercy of rebels and

with little or no state presence. This obviously makes life very insecure for the general population of these areas.

Impunity from arrest and prosecution is believed to be the basic problem that allows those responsible for human rights violations in Colombia to continue committing these crimes. It is also a strong tool to scare people to silence, as denouncing a violation might put the victim in an even worse situation, with threats, torture, forced disappearance, killing, and displacement as possible results.

Administration of Justice

Colombia suffers from an extraordinarily high homicide rate of 63 murders per 100,000 inhabitants each year. Surprisingly, most of these deaths are not related to the armed conflict with guerrillas. Rather, they are a result of drug-related violence, weak governmental institutions, and a pervasive sense of impunity before the law. The high homicide rate contributes significantly to general insecurity, lack of confidence in governmental institutions, and increasing numbers of people who resort to extra-official protection. Lack of access to legal adjudication of disputes is also one of the major contributing factors.

To address this problem, USAID, in collaboration with the Ministry of Justice, has established the "Justice Houses" program to increase access to judicial and dispute resolution services for low-income and marginalized Colombians. These centers provide a "one-stop-shop" where citizens can seek help and redress on a wide range of issues.

Thirty four of these Justice Houses have been established to date. Nearly 1.8 million cases have been resolved since the first Justice House was established in 1995, easing the burden on the over-taxed, inefficient judicial system. By providing an alternative to the use of violence, the Justice Houses are contributing directly to improving the sense of security as well as a sense of connection to the State for many Colombians. USAID is expanding this highly popular program and will establish an additional six Justice Houses by the end of FY 2005.

Meanwhile, the traditional court system is hampered by backlogs of unresolved cases and overcrowded detention centers with individuals waiting to be charged. By providing technical assistance and training, USAID is helping to improve efficiency and transparency of the formal court system by assisting Colombia's transition from the traditional "inquisitorial" system of justice to a modern accusatorial system based on oral trials rather than written procedures. In addition to being more transparent, and therefore less prone to corruption, oral trials are more cost effective and timely. Since 1998 when the GOC agreed to launch oral procedures, USAID has helped create 19 oral trial courtrooms and funded training for 6,160 judges, lawyers, and public defenders in oral trial techniques. In addition to this training, USAID provides broad support to law schools to adapt curricula to the new system. We also conduct activities designed to strengthen the Office of Public Defense to ensure a fair and timely defense for citizens. Continued, efforts to modernize the judicial system and improve oral procedures will result in Colombians having greater faith and confidence in their judicial system.

Human Rights

Working through the Ministry of Interior's Protection Program, USAID assistance has helped about 3,000 Colombians whose lives were threatened in the past year alone. This includes human rights workers, labor activists, journalists, mayors, and others. The Protection Program has given financial assistance to people to help them avoid danger, helped to relocate nationally or internationally those who are threatened, provided protection to government and NGO offices, and provided the use of armored vehicles, or other protective equipment to people being threatened by terrorist groups.

On a different track, USAID and the National Human Rights Ombudsman's Office have organized an Early Warning System (EWS) that provides the Colombian military, national police, and other state institutions with early warnings of situations that could result in massacres or forced displacements. The signs of impending mass violence include the arrival of unknown and armed men, graffiti, intimidation of individuals, and increased crime. The EWS is essentially an emergency telephone number where NGOs, municipal authorities, or individuals can call the National Human Rights Ombudsman's Office to report signs of potential violence. The validity and seriousness of the threat is evaluated and, when warranted, a formal warning is issued to the police, the military or other authority. Each warning from the National Human Rights Ombudsman's Office includes recommended actions, and the police and military are required to reply in writing to the threat and state what actions they have taken in response to the warning.

To date, a total of 220 warnings were issued which resulted in 170 responses or interventions by State authorities. A recent review indicated that the EWS was very effective in focusing attention on dangerous situations. USAID believes that the EWS has saved lives, and in the process, strengthened the link between communities and central state institutions.

Improved Local Governance

Transparent and effective local government is an essential aspect of building confidence in democracy and providing community cohesiveness to help counter the influence of illegal armed groups and narcotics traffickers. Working in close coordination with the alternative development program, USAID is strengthening the capacity of 44 municipal governments in areas where coca and opium poppy eradication activities are underway. Assistance is focused on increasing citizen participation in governmental decisions, strengthening municipal management, and reducing opportunities for corruption. As part of this component, 140 citizen oversight groups were created to improve management and delivery of municipal public services and track the use of public funds. Thirteen municipalities have reported increased revenue through improved application of fiscal systems, tax collections procedures, and cadastres. Funding is also provided for municipal infrastructure projects that benefit local communities while strengthening their ties to formal governmental structures. As of last July, 42 water and sewer systems, 56 schools, and 6 health centers were completed, providing jobs and improving infrastructure for nearly 60,000 citizens. The number of completed social infrastructure projects almost meets USAID's target of 115 by the end of 2005. These successes are helping to build citizen confidence in the ability of local government to provide services to the Colombia people.

Increased Transparency and Accountability

USAID is promoting the use of more transparent and accountable central government management procedures through programs with the Controller General, the National Auditor, and the Accountant General as well as internal control units in targeted GOC entities. Over the past two years, audit and monitoring regulations were standardized in 26 GOC bodies, meeting the target set for the end of 2005. Four hundred officials were trained in new audit procedures. Training in finances and ethics was also provided to 30 public accountants, 50 mayors, and 70 council members in four departments. USAID has trained almost 100 citizen groups who will share their training with others and use it to combat corruption utilizing constitutional mechanisms such as citizen oversight committees and public hearings. Additionally, USAID is working with the Colombian Attorney General's Office to establish a national database containing disciplinary and criminal records of elected officials and public servants and companies doing business with the GOC. This information will help keep people with questionable legal and disciplinary records from being elected to public office or named as public servants in Colombian government agencies. Finally, USAID has assisted in the creation and implementation of a merit-based, transparent recruitment program to hire 120 regional directors of the Ministry of Social Welfare and 100 chiefs of internal control offices. These efforts are leading to a government that is more transparent and accountable to its citizens.

Support for Peace Initiatives

USAID works with 18 Colombian private and public sector organizations to carry out activities that encourage or promote peace and conflict reduction. Approximately 150,000 people benefited through 43 grants to Non-Governmental Organizations (NGOs) implementing peace-related activities. USAID-funded activities included grants to support the participation of women in the peace process, NGO institutional assistance training, and the establishment of an information resource center within the Office of the High Commissioner for Peace. Each month, tens of thousands of children receive social skills training in remote areas of the country. USAID is currently working on strengthening peace negotiation mechanisms in the Office of the High Commission for Peace and helping the Government of Colombia to plan for a possible Unified Self-defense Forces of Colombia demobilization.

Support for the Peace Initiatives is broad-based, national in scope, and focused on building the effectiveness and credibility of governmental institutions. These programs directly contribute to USAID's alternative development goals. Colombia's democratic institutions in recent years have been almost overwhelmed by the corrupting influence of the enormous drug industry and the prolonged civil conflict. USAID assistance directly counters these negative influences and helps build a broader constituency for a democratic solution to Colombia's social and political challenges.

INTERNALLY DISPLACED PERSONS (IDPS)

Colombia has one of the largest populations of internally displaced people (IDP) in the world, estimated at between 2 million and 2.5 million people, and the only IDP population in the Western Hemisphere. USAID has provided relief to about 1,092,000 IDPs and demobilized child soldiers, targeting aid specifically at female heads of household. At the beginning of the IDP program, USAID planned to assist about 400,000 IDPs by this time. Thus far, approximately 42,900 IDPs are employed in new jobs and 14,000 have been given vocational and skills development training. Over 520,000 IDPs have received health care and almost 92,600 IDP children have been provided with improved and more specialized access to education.

LOOKING AHEAD IN COLOMBIA

Plan Colombia is working. Significant progress is being made on all fronts, but let me be frank—we still have much to do. Lessons from Bolivia, Peru, and Ecuador demonstrate that governance rather than income or poverty levels is the key underlying factor that determines whether or not the coca industry will establish itself, grow, or decline. Governance in this context includes a national government law enforcement presence, responsive local governments delivering public services and creating incentives against coca production, cohesive local communities, and a system of individual values or beliefs that reject drug production as a way of life. If local communities work together in a participatory manner and are supported by a visible national government presence with a strong commitment to the eradication of drug crops and a capable military presence, the illicit coca economy can be reduced significantly.

The objectives of President Uribe's *Democratic Security and Defense Policy,* issued earlier this year, converges with the sentiments of President Bush in his *National Security Strategy of the U.S.* which states: "We are working to help Colombia defend its democratic institutions and defeat illegal armed groups of both the left and right by extending effective sovereignty over the entire national territory and to provide basic security to the Colombian people." Our USAID program is directly supportive of the six objectives of President Uribe's *Democratic Security Policy:* (1) guarantee the security, freedom, and human rights of the population; (2) consolidate state control over national territory; (3) eradicate drug trafficking; (4) defend democratic order and the rule of law; (5) promote economic prosperity and social equity; and (6) reconstruct the social fabric.

As I just described, USAID's program seeks to strengthen weak state structures as a means of ensuring improved security for Colombian citizens, while simultaneously increasing their participation in political and economic decision-making. USAID continues to work in reforming the justice system and improving respect for human rights, while initiating new programs to strengthen local governance, combat corruption, broaden citizen participation in political decision-making and back initiatives in support of the peace process. Equally important, USAID continues to introduce economic alternatives for rural Colombians transitioning to the licit economy and helps to provide badly needed assistance to displaced persons.

Assuming that the objectives of Plan Colombia will have been met by 2005, a key issue confronting USAID, as well as the GOC, will be how to protect and consolidate those gains within the context of broader political and economic conditions and trends in Colombia. In particular, USAID will need to determine the critical intervention "pressure points" in both policy reform and institutional development terms that will facilitate the maintenance and consolidation of the progress now being made under Plan Colombia. To the greatest extent possible, USAID's efforts should be directed toward geographic regions of the country where public security has been regained and should concentrate on helping to establish legitimate state presence and providing people with access to health, education, justice, and economic opportunities. An effective strategy must entail the development and implementation of a regional economic development approach that promotes financially stable investment in critical infrastructure in targeted areas and the establishment of a stable and policy-friendly economic governance environment in these areas. Most importantly, it requires the development of core civil and fiscal governance institutions that (1) promote an improved allocation of scarce local government resources to critical social and physical infrastructure and social service needs and (2) strengthen the social bonds between the citizen and the state.

Recently, the Government of Colombia requested USAID support with the design of a demobilization and reinsertion program for ex-combatants which could be the first step toward a negotiated settlement of Colombia's prolonged civil conflict. If the Government is able to sign and implement demobilization agreements with irregular armed groups that have been fighting with Government forces and each other

for more than 40 years, then a demobilization and reinsertion program could eventually provide assistance to approximately 35,000 ex-combatants. The USG is currently analyzing its role in any future reintegration process. There are many legal and policy issues to be resolved before USG resources could support a reintegration program. Types of assistance being contemplated for adult ex-combatants include providing documentation, training and relocation support, education and counseling. All such assistance to excombatants would only occur after they have been demobilized and vetted for human rights abuses, narco-trafficking, or other criminal charges. USAID currently has a highly successful demobilization program for child soldiers which could be expanded to accommodate more child soldiers should a massive demobilization occur.

At this point in the process, there is no way to know with certainty exactly how many illegally armed combatants will demobilize in the near term or beyond. Demobilization and reintegration will provide critical support to President Uribe's new Democratic Security and Defense Policy and his significant commitment to enhanced security and expansion of state presence in conflictive areas. Without enhanced security it is unlikely that the U.S. and Colombia's shared goals of reducing drug production, improving the economy, strengthening democracy and increasing the presence of legitimate state institutions will ever be achieved.

CONCLUSION

Let me conclude by stating that while we have made significant progress in achieving our objectives under Plan Colombia, we must continue our efforts. Colombia's multiple interrelated problems are not amenable to a quick fix. For continued effectiveness, USAID's alternative development strategy must be dynamic and respond quickly to change to promote collaboration of local entities with coca reduction goals. Long-term income creation means that alternative development programs must be diversified beyond the coca field and employment stimulated where it is cost effective and sustainable. We need to capitalize on the Andean Trade Promotion and Drug Eradication Act in the next two-three years in order that Colombia can effectively participate in the opportunities presented under the Free Trade Act of the Americas. We must continue to support efforts in citizen rights, participation, and rule of law. The Uribe administration is the ideal partner with which to work, combining will, strategic and operational creativity, and resources to the difficult task ahead. I hope we can continue to count on the support of this Committee and the Congress in facing down the scourge of narcotics and narcoterrorists.

Thank you.

Senator COLEMAN. We're pleased to be joined by the distinguished ranking member of the Foreign Relations Committee. And at this time, Senator Biden, before I begin my questions, I would certainly, if you have any statement——

Senator BIDEN. No; you go right ahead. Thank you very much, though.

Senator COLEMAN. Thank you.

General Hill, let me follow up on the comments made by Senator Dodd concerning the three Americans. As I indicated, one of them, Randy Howes's cousin, is a Minnesotan, has been in contact with my office, and obviously deeply concerned about his fate, his status. Can you give me an update on where things are with these hostages and what are the prospects of their release?

General HILL. Yes, sir. Like you, Senator, and all the other Senators, I am also very concerned and worry about these three Americans held hostage by the FARC. We believe that we kept them in a pretty small box for a long period of time, anywhere from 45 to 75 days. We had some good intel on that. But eventually, they made their way out of that area where we thought we had them contained.

And since that time, the intelligence picture has, candidly, just dried up. We get very little intelligence for them, on them. We do not know exactly where they are. We have a belief of a generalized

area. They remain a focus of our intelligence effort. And we will continue to search for them until we can obtain their safe return to the United States.

Senator COLEMAN. Thank you, general. I think it is a shared belief by perhaps all of us, everyone on this panel, that in order to deal with the issues facing Colombia cannot be done in the abstract or in isolation but rather with a regional perspective. And I am trying to understand. Recently, we had, in Bolivia, a situation where it appeared that the coca growers, well-organized and well-represented, were effective in ousting an elected President.

I am wondering if—and this is just to all the panel members. Talk to me about how we work in a regional manner when we look at the problems we have with U.S.-Venezuelan relations. We have the turmoil in Bolivia. From each of you, can you talk a little bit about the opportunities and the challenges to approach these issues and from a regional perspective?

Secretary Charles.

Mr. CHARLES. Yes, sir. Yes. Thank you. Well, I share, to begin with, both the concern and the forward-leaning statements in the openings, including the outreach to countries that we have not reached out to yet, in depth. I am an optimist. I know the balloon argument. I know all the other arguments that are often thrown out as defeatist. I am of the view that regional self-interests, and perhaps hemispheric self-interests, are coming into their own; and, in fact, are probably one of the three or four top factors that will decide the future of that region and ultimately our ability to win in the drug war internationally.

Bolivia presents a special case. I have watched very carefully every day leading up to and after the reports that are coming out, closed and opened. And I remain of the view that while we have to be watching very closely, I have not seen any explicit backsliding yet, although I think we have to make it very clear that we have expectations. Those expectations are high. They are mutually self-supporting.

And I think that, you know, we have seen recently success up to that point. I think it is important not to over-draw conclusions from the Cocaleros involvement. My understanding is that, that was really a much more broad-based event. Not that the Cocaleros were not deeply involved but that there was, in fact, a combination of a pipeline, which was quite controversial. There are issues that actually brought out miners, teachers, just about everybody. And I think that we need to be attentive to reinforcing the answer, our expectations, which are that the Bolivians will stay the course and, if anything, continue to recognize self-interest in the area.

I will not elaborate too much more now. But I believe very strongly in the regional approach. And I think that there are other factors that will push us in our direction and that our success will ultimately be measured by whether or not we can get regional actors all to participate.

Senator COLEMAN. General Hill.

General HILL. Yes, Senator. I share your concerns. And as Senator Dodd and I discussed earlier this afternoon, the problem that is in Colombia is not Colombia's problem alone; it is, in fact, the region's problem and the region must address it.

As I began my travels throughout the region last year, after assuming command, and in my discussions both with military and political leaders, I constantly asked that question: What are you doing about control of your border with Colombia?

I have seen, over the course of a year, a growing understanding, as Mr. Charles just said, of a regional self-interest. There is an understanding that they must, in fact, begin working more closely with the Colombians in a military and political sense; it takes on varying degrees. But in point of fact, I think that they are moving ahead in this area.

Senator COLEMAN. Thank you very, very much, general.

Mr. Franco.

Mr. FRANCO. Well, I certainly share the statements of both Secretary Charles and General Hill. At the time of my first trip, Mr. Chairman, to Colombia I had, I think, been on the job 24 hours. I traveled with Secretary Grossman. And he said exactly what General Hill said in Colombia. Colombia's problems are the region's problems.

At USAID since before my tenure, so I cannot lay claim to it, we have been approaching this as a regional development problem, and we continue to do so. What that translates into is taking the lessons that we have learned and we have actually made a great deal of progress. I share Secretary Charles's testimony about Bolivia. The factors were multiple that caused the difficulties this year in February and that led to President Sanchez de Lozada's departure.

But we have actually greatly moved to reduce coca production in both Bolivia and Peru. We have had a lot of successes.

Senator COLEMAN. Can I ask, Mr. Franco, do you all doubt that there is a strong, powerful movement in Bolivia that seeks to reverse coca eradication, a movement that clearly has had political impact?

Mr. FRANCO. Well, I do not doubt that, that is one of many factors. I also think the economic downturn, the budget deficits in the country, certainly the gas production issue and whether it should be exported through Chile into the United States, caused all of this to come together. As you know, Mr. Chairman, in February there was a problem with police salaries.

So there are underlying, very serious development problems in Bolivia. It is the poorest country in South America. The Cocalero movement and so forth is one component of it, I do not doubt that. But I also know, and we can share with you, the great successes we have had in alternative development there and in Peru. We can identify lessons learned from those programs and we have applied some of these in Colombia.

So as to approach, the narco-traffickers certainly approach the region regionally. And I think we need to. And the host governments need to as well, certainly the Ecuador-Colombia border in another example, where we are enhancing that cooperation.

Senator COLEMAN. I just hope—and my time is up. But I hope that we take a look at what we are doing with alternative crop programs, that we do those things to make sure we are satisfied with what we are doing, that those who we are serving have a sense of satisfaction or the consequences could be very devastating.

Mr. FRANCO. Could I just add one point to that? We often focus in on crop production, because we are talking usually about small-scale, poor farmers. We think the right way is integrated development that addresses communities, infrastructure, and state presence, in addition to income alternatives. And we do approach it that way in a comprehensive manner to have that ownership.

Senator COLEMAN. Thank you, Mr. Franco.

Senator Dodd.

Senator DODD. Thank you again, Mr. Chairman. Let me thank our witnesses for their statements. And General Hill, let me thank you as well for spending a few minutes prior to the hearing. We had a chance to catch up on some of these questions.

One question I did not get a chance to ask you in our conversation, but it has been a source of concern to me over the years, and that is the issue of conscription and who is serving in the Colombian military. And an indication, because there have been some stories written as well about the so-called elite in a society, where a lot of their resources leave the country. There are vacations, family, education, so forth.

On the one hand, it is hard not to blame them, given the violence that occurs in the country, the targets of kidnapings and the like. But it is also a reflection to some degree of whether or not the commitment is to hang in there. And I mentioned earlier my admiration for the Colombian people. And I do not modify that statement in any way. But obviously, when you read about a lot of flight, capital flight, and people moving out, you leave only those who cannot afford to leave to stay and make the battle, if you will.

And the issue of who serves in the Colombian military has been a source of some discussion here in the past. Is it still the law of the land in Colombia that if you have a high school diploma or more, you do not serve in the military?

General HILL. Sir, you are talking about the Bachelero Program. That law exists. But in point of fact, it is all but gone away inside the Colombian military, as they have attrited those numbers down. And there is, in fact, a law in front of the Congress, the Colombian Congress, to do away with that provision in its entirety. That law——

Senator DODD. It has been there for some time, though, hasn't it? There has been a proposal for many years to do that.

General HILL. For many years. You are exactly right.

Senator DODD. And it has been——

General HILL. I was about to say that. It has been there for many years. It has not passed. I believe that there is, in fact, a determination upon the Uribe government to get it passed this year. I hope that it does get passed. It is a sore point.

Senator DODD. Yes. And it does raise the questions, obviously, when we are committing resources and obviously doing what we can here. And if you have people who can exclude from having to face the challenges of sustaining your country, it raises a lot of serious points.

General HILL. It does, indeed. Could I add two points to that, Senator?

Senator DODD. Certainly you may. Certainly.

General HILL. Two points, I think, that should be made. One is that right after the—I flew into Colombia the day after the El Nogal bombing, the bombing that took down the very expensive social club in downtown Bogota. The cynical approach, and I heard it said by several people, is, well, now we will see if the elites will hang around. What will happen with the Colombian people?

When I drove into the airport, the main road in from the airport into downtown Bogota they close off on Sunday. And it happened to be a Sunday. And there were signs over all the overpasses that—and it would have been a United States sign—we are going to see this through. This is not going to deter us. Victory. And there were thousands of people demonstrating their right and their lack of fear to walk on that street.

I think if you also had Ambassador Wood sitting here, he would tell you that we are still trying to put some numbers to this. But anecdotally, we are beginning to see income coming back into Colombia and people and visas from the United States, coming back from the United States into Colombia. And those numbers are up. And I think that phenomenon is changing.

Senator DODD. Glad to hear that. I would be interested in following those numbers, if that is the case.

General HILL. Yes.

Senator DODD. Mr. Charles, I am sure you are probably aware that a group of my colleagues and I sent a letter to Secretary Powell, concerning the Colombian draft amnesty law that I mentioned in my opening comments. And I want to raise with you a portion of the response received from the Department. Specifically in that letter, Mr. Fox states, "No U.S. Government official assisted in drafting this legislation, and indeed no U.S. Government official was consulted on it."

I wonder if I should conclude from that statement that the U.S. Embassy knew nothing about the draft law, no one had any opportunity to review it or to raise concerns about it. Is that the case?

Mr. CHARLES. The truth is, I do not know, sir. I will find out for you.

Senator DODD. Thank you.

Mr. CHARLES. And I can tell you that I certainly had no connection with it. And I have strong opinions about that, that are probably concurrent with your own. But I will find out.

[The following response was subsequently received:]

No one in the U.S. Embassy in Bogota or Department of State was consulted by the GOC on the contents of the Conditional Parole Bill prior to the bill's introduction to the Colombian Congress. We were aware of reports that such a bill would be introduced. When the Government of Colombia shared the contents of this bill with the Embassy, we quickly provided input (outlined in the response to Senator Biden's question on page 44).

Senator DODD. I appreciate that. That is very, very good. We talked about the hostages being held. And I should have pointed out that the mother of Mark Gonzales is a resident of mine in Connecticut. And I would be concerned anyway but, obviously, the chairman and I having family members of these people heightens the concerns. And we hear from them quite frequently. I appreciate your comments. And I mentioned Ingrid Betancourt, as well.

One of the things I am interested in, general, and maybe you can comment on this, is the Cessna 208, this aircraft, I gather it is being used rather widely in the area by these contractors. Can you give me some assessment of the wisdom of that? People have raised the issue with me, that this is not necessarily the wisest type of aircraft to be using in that area. And I certainly do not claim any expertise at all in answering that question. But I wonder if you might address it.

General HILL. The Cessna aircraft that you are referring to is a widely used airframe in the United States and throughout the world. And it is a very dependable aircraft. When it was selected under contract several years ago by the Navy, in support of the operations in Colombia, in support of the United States Southern Command, it was selected because of its ability to do short takeoffs and landings and because of its dependability. It is, in fact, a single-engine airplane; and that usually raises the issue: why a single engine airplane?

But it was and is a very dependable aircraft. We had experienced almost no problems with it up until the crash and we have no reason to doubt its reliability.

Senator DODD. So, we will stick with it as——

General HILL. No, sir. We have—in fact, those two aircraft, there were two of them, they have both now been destroyed. And we have replaced them with dual-engine aircraft.

But I would also point out to you, the F–16 is a single-engine aircraft. There are lots of single-engine aircraft running around the world.

Senator DODD. No, I was not, as I said, I was not claiming any expertise. It was just the issue was raised. And why are we not replacing it with a single-engine aircraft, then?

General HILL. We replaced it with a better aircraft. The other issue is that we have determined, as the program went along, that we did not need the ability—in the original scheme, as I understand it, was that the aircraft was going to be stationed at smaller airfields throughout Colombia. As the program evolved, it was not that way. We kept it in Bogota, and we flew it out of Bogota into other areas, not into the smaller airfields. So, it is not required at this point.

Senator DODD. OK. One last question with the yellow light on here.

We talked earlier, and you expressed, as you did in your opening comments, your confidence in how things are moving in the right direction, without using "light at the end of the tunnel" comments and so forth, that invariably come back to haunt people; but clearly the trend lines, as you see them, are positive and constructive midway through the Plan Colombia, as we are proceeding with it.

And I wonder if you might give us briefly here, obviously, how you characterize, in your view today, a candid assessment of the capabilities of the Colombian Armed Forces. And specifically, the question as to whether or not it is your assessment that the Colombian military, as it is constructed today with its training, background, and so forth, whether or not they are capable of defeating the FARC and the ELN militarily?

General HILL. Yes, sir. The Colombian military in the 14 months that I have watched it, has grown exponentially in professionalism and their capabilities. They have grown also, success breeds success, and they have grown a great deal in confidence. Much of that has to do with the aggressive spirit of President Uribe; who has, in fact, urged on the Colombian military leadership and that has taken on almost a life of its own, down in that organization.

The second thing is we have spent a lot of time and effort in training up units and in working with them in order to ensure that they can sustain themselves in combat operations. When the SRS aircraft crashed and the three American citizens were taken hostage, the Colombia military put about 7,000 people into an area of Colombia they had not been in 10 years; and they did it very rapidly.

With our planning assistance and operational assistance, they found that they could sustain operationally and logistically a large-scale operation in heavy enemy territory. In my mind, that gave them a great deal of confidence.

We have also trained up a special operations command, worked with them to train and form a special operations command. This gives them the capability that they have never had before in terms of realistically undertaking a military operation against the high value targets, i.e., the FARC, ELN, and AUC leadership.

Senator DODD. And have FARC and ELN, just lastly, have their tactics changed as the capabilities of the Colombian military increased?

General HILL. Oh, it has, indeed; it has, indeed. What they have done is broken down into smaller elements. And they no longer are prepared to confront the Colombian military in large numbers. That is both an advantage and a disadvantage. When the Colombian military find them, it is easier to fight them. It is also harder to find them. But it has to make them more aggressive. And it is that aggressive spirit of the Colombian military that, in fact, has prompted me to come in here and say I believe that they in fact have turned the corner.

Senator DODD. Thank you.

General HILL. Not very far but they have turned it.

Senator DODD. Thank you.

Thank you, Mr. Chairman.

Senator COLEMAN. Thank you, Senator Dodd.

Senator Biden.

Senator BIDEN. Mr. Chairman, I ask unanimous consent that my opening statement be placed in the record.

Senator COLEMAN. Without objection, it will be entered.

[The opening statement of Senator Biden follows:]

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Mr. Chairman, thank you for calling this hearing today to examine U.S. policy in Colombia.

Three years ago, we renewed our commitment to the Andean region providing funding for Plan Colombia, as well as for counter-narcotics programs elsewhere in the Andean region.

Since then, we have provided over two billion dollars in assistance to Colombia to combat the drug trade and restore the rule of law.

We are beginning to see some results.

Last year, there was a 15 percent decrease in coca cultivation in Colombia and a 25 percent decrease in opium poppy cultivation. This reduced supply has led to a modest decrease in purity of both cocaine and heroin on the streets of the United States.

There is still a long way to go but this progress is encouraging. Unfortunately, we had setbacks elsewhere in the region. In 2002, coca cultivation increased by 8 percent in Peru and 23 percent in Bolivia.

The recent resignation of the President of Bolivia was the result of widespread public protests, some of which were spurred by coca farmers opposed to U.S. policy.

We face continuing challenges in both countries; we must do more to help them.

Two other elements of our policy in Colombia bear emphasis. First, human rights. According to the most recent State Department report, in 2002:

> The [Colombian] Government's human rights record remained poor . . . A small percentage of total human rights abuses reported were attributed to [Colombian] security forces; however, some members of the government security forces continued to commit serious abuses, including unlawful and extrajudicial killings. Some members of the security forces collaborated with paramilitary groups that committed serious abuses. Impunity remained at the core of the country's human rights problems.

I know that President Uribe is committed to improving human rights. But the message is still not getting through to all levels of the military. We need to see more improvements.

Unfortunately, President Uribe recently muddled the message by stating publicly that some human rights groups in Colombia were, in essence, spokesmen for the terrorists.

Human rights work is already dangerous enough in a country like Colombia and I fear that the President's remarks may have put people at greater risk.

Second, last year Congress changed the law to allow Colombia to use equipment we have provided for other than counter-narcotics purposes. This recognizes the reality that Colombia's illegal groups are all involved in the drug trade. But we must be sure that this change in authority does result in a major change in focus: Our priority must continue to be fighting the drug trade.

I look forward to hearing from our distinguished witnesses and having a frank discussion with them about the progress we are making and the road ahead.

Senator BIDEN. General, you indicated that the exodus of educated Colombians and Colombian money may have begun to reverse. To what do you attribute this apparent trend?

General HILL. The reason is, Senator, in my opinion, that there is growing confidence in the security and stability of Colombia; and in the fact that the market is reemerging. Let me give you one anecdote on that issue. I was with President Uribe about three weeks ago in Cartagena at his Camp David.

Senator BIDEN. Nice place.

General HILL. He had asked me to come down and meet with him and the high command. We had had about a four-hour discussion. And he says to me, "I have to go give a speech. Would you come with me?" And I said, "Certainly." And we went into the city of Cartagena to a convention of construction builders. Last year, this same convention drew about 20 firms, 20 people. This year, it drew about 500.

That said a lot to me in terms of their confidence in their own economy, in the security of being able to hold that convention, and in their desire to move ahead. That is what I am saying.

Senator BIDEN. Are any of you prepared to try to shed some light on the comments by President Uribe relating to human rights workers?

Mr. CHARLES. You are referring, Senator, to the speech that he gave?

Senator BIDEN. Yes.

Mr. CHARLES. I think we might all find ourselves on about the same page. I think that those comments, as Senator Dodd said, were probably poorly chosen at best. But I also think that his record does belie them at the front end. There has been a 16-percent reduction in murders, a dramatic decrease in kidnapings, labor-related incidents. There appears to be a strong emphasis, in fact, on human rights.

I am personally, deeply committed to making sure that—that is constantly raised and that we see genuine results ahead.

Senator BIDEN. What was he talking about?

Mr. CHARLES. To be honest——

Senator BIDEN. Was he talking about all human rights workers? Or was he focusing on particular individuals or incidences on which he did not elaborate?

Mr. CHARLES. I have to confess to you that having been here three weeks and two days on this job, I have not met with him directly on this. And I do not know. I do know that objectively I was concerned. I looked at it. And I believe that there is a strong commitment by the Colombian Government, and by him, to human rights. And I think he now knows, if he did not before, how strongly held the views are by many on that topic.

Senator BIDEN. Well, he has heard from a lot of us on it. General, what do you think President Uribe was talking about?

General HILL. Sir, he was not talking about all groups. And in point of fact, as I recall the discussion and his statement, he narrowed it down to three points. And the last point he said was there are some who are, in fact, collaborating and doing the work of the illegal armed groups.

I believe, having discussed it with him, that he regrets having said those words. As Mr. Charles said, I believe that they have a very good record to put forward in terms of improving human rights inside Colombia. And I urged him to simply lay that record out there for all to see and then to move on.

Senator BIDEN. Mr. Charles, has the United States made any formal recommendations as to what a conditional amnesty program for illegal armed actors in Colombia should look like?

Mr. CHARLES. As far as I know, we have not made any.

Senator BIDEN. Do we have an intention of making clear our view on how an amnesty program should relate to extraction requests? Has the administration considered how this program might affect extradition? We have indicted several military leaders, as you know, including AUC leaders for drug trafficking.

Do we know how the legislation addresses extradition requests such as these?

Mr. CHARLES. There are a couple things. First, we have demarched them immediately on the topic. And I think we have made it very clear what our position is, which is that we want no extradition changes. We want to be able to extradite and have extradited. There has been some good news prior to this point. And we hope that that would continue.

I think that we have also made it clear that we hope that the end result will be something that does not allow people either to benefit from ill-gotten gains or to escape extradition. My understanding, and, again, I am limited in my understanding as yet, but

my understanding is that there are different drafts of what might be done under consideration. And I think our hope is that they will reach one that will allow us to reach to the people that we know, in fact, have indicted.

As you indicate, AUC and FARC ought not put us in a position where we cannot have a successful extradition agreement.

Senator BIDEN. Have we——

Senator DODD. Joe, just on that point——

Senator BIDEN. Sure.

Senator DODD. I asked the question whether or not we were on consultation with that law. And I think your answer was that you were going to get back to me on that, to find out whether or not the discussions between the U.S. Embassy and the Uribe government about his proposal. Your answer was you did not know?

Mr. CHARLES. Correct.

Senator DODD. Maybe we can find out. That seems to be a pivotal question.

Senator BIDEN. It seems that there are two issues here. One, prior to the introduction of the legislation, was there any consultation? Or subsequent to the introduction of the legislation, has there been any conversation? Were we explicit about what our concerns are; or will we demarche the government about our concerns on this legislation? And have we received any assurance that there would be an attempt to accommodate our concerns, or at least have we received a clear explanation as to why our concerns would not be accommodated?

[The following response was subsequently received:]

The Department of State and our Embassy continue to discuss issues related to the peace process with the Government of Colombia. In our discussions with the Uribe Administration, we have reiterated that combatants who have committed gross violations of human rights or significant narcotics trafficking should be held accountable for their actions. We have also made it clear that we will actively pursue extradition of Colombians indicted in the U.S., now or in the future. The GOC understands our concerns and has assured us that the legislation will not undermine our current extradition relationship. As we monitor the legislative process, we will continue to insist that nothing in the bill or in negotiations with the AUC impede extraditions to the U.S.

Senator BIDEN. My time is up. I yield to my friend from New Jersey.

Senator COLEMAN. Thank you.

Senator Corzine.

Senator CORZINE. Thank you, Mr. Chairman. I appreciate the witnesses. And this is an area where I am trying to grow my background. So, if some of my questions are somewhat amateurish, I will plead guilty for being a newcomer.

Let me start, though, with a macro question, which may have actually already come up. But the recent mayoral election in Bogota and the change of the Bolivian Presidency, the instability in Venezuela does not seem in some ways to overlay with what I heard as some of—may be the optimistic interpretations of how things are evolving. Some of those political democratic moves, small "d," seem maybe working at counter-purposes to some of the policies and efforts. I would love to hear your comments on how you interpret these democratic rumblings.

And then the second area that I would love to hear some comment on, I am clearly less familiar with all aspects of the human rights issue. But just reading on the surface, as my colleagues have mentioned, the comment of the President is disturbing and particularly in the context of some of the human trafficking that has come to light in recent months, is a concern of a number of folks who have family ties back and forth.

And then an issue that may be old, since everyone is going home. Not exactly what the general said but that there is a re-flow. Certainly the Colombian-American community challenges me regularly about temporary protective status. And I would love to hear how you all respond to that in the context of human rights abuses that are recorded and certainly this human trafficking.

But one macro political question, one more related to the specifics of these human rights issues.

Mr. CHARLES. If I could take a quick stab at them and also give a quick footnote to Senator Biden's question. Let me say with respect to Bolivia, my comment a minute ago, I think, is how I would respond to that again, which is that we are going to watch very closely. I think it was not a cocalero exclusive—exclusively a cocalero issue. I think that there has been progress made. And what we really have to do is make the point directly that we expect, and we will hope for, and we will work toward sustained progress there in all of the programming areas that have been discussed.

With respect to the mayoral election and the elections generally, including the referendum, I would just make a couple of quick points. One is that, you know, the beautiful thing about a working democracy is that it produces leaders from left, right, and center. And if anything, maybe this is a silver lining, but my view is that having an elected mayor who is not from the same party and has a different frame of reference is actually an indication that people could rejoin the political process in Colombia in a constructive way, holding very different opinions.

The second thing I would say is that the referendum, as I understand it, had two components that did not—you know, it has been discussed as a setback or that the referendum did not come up to—was a defeat. And I think that—that is a little bit of an overdrawing or an overstatement of what happened. My view is that it came. You had a—you needed a 25-percent turnout in order to make these valid on two issues, in particular the fact that there were two components. One was a reduction in the size or shrinking of their Congress and the second was a freeze on federal salaries.

And I would suggest that maybe if those two came to a vote in this country, you might have a massive turnout. And I do not know what that would indicate. But I think the point is those were not specifically undercutting his conviction, that stability in all the things that the three people here have been working toward with him will be a success.

And the other thing I would note is that his personal popularity is extremely high relative to his mission that he has articulated.

On the human rights issue, I would say without particularly expanding beyond what has already been said, that sometimes there is a blessing in disguise. When an issue comes to the fore through

a speech, for example, that elevates the use of words and what people really—asks the question, what do they really mean, it allows you to articulate back what your expectations are. And I think that is, in many ways, what we have done. And I think it actually is a good thing at the end of the day.

At the end of the day, he now has a clear understanding of how deeply important that is to many of us up here in both parties and across the board.

And then I just wanted to suggest to Senator Biden, whom I know is no longer here, that from what I'm just understanding, asking back to folks who sort of predated me in this and also were here on this topic, that we were explicit in our demarche. We were very explicit and that this is a work in progress and that we are going to continue to let be known our position, not least because he has sought our inputs. And we are going to try to give him our inputs as explicitly as we can.

Senator CORZINE. Can you respond particularly to the human trafficking issue, which has gotten some recognition as a problem? Is it a growing one? Is it something that is different than the kidnaping issues that have been more in the limelight?

Mr. CHARLES. I know it is an issue and it is one that we at this Bureau have people who know more about it than I do. And what I will do is I will look into it and see if there has been a change recently and see if I can get back with specifics to you on that.

Senator CORZINE. And TPS?

Mr. CHARLES. The same.

[The following response was subsequently received:]

Colombia is a Tier 1 country in the 2003 Department of State Trafficking in Persons Report because the Government of Colombia (GOC) is making significant efforts to combat trafficking. The GOC is making significant efforts in prevention, assistance to victims, and especially law enforcement. A new law in June 2002 criminalized trafficking and imposed tough penalties. Colombian police have conducted joint operations with Japan, Spain, and Netherlands to free and repatriate hundreds of Colombian victims and make over 100 arrests. There have also been numerous convictions of traffickers in Colombia.

The GOC does a good job collaborating with national NGOs to alert vulnerable populations and provide assistance to victims, although funding for one of the premier service providers to child victims of sexual exploitation, Casa Renacer, has recently dropped off. In the past two fiscal years, the Department of State's Trafficking in Persons Office (G/TIP) has spent $463,285 on supporting repatriation, public awareness, victim assistance, police training, and enhancing regional coordination and source-destination country coordination. Programs have been run through the International Organization for Migration (IOM).

Nonetheless, Colombia is one of the biggest source countries in Latin America (along with Brazil and Dominican Republic) for women and girls trafficked abroad for sexual exploitation. Key destination countries are Spain, Netherlands, and Japan, and the key source area is the coffee-growing region.

Child sexual exploitation, which is considered trafficking when a third person is involved such as a pimp or brothel owner, is also a problem in the country. The civil conflict and drug trade, which leave many children homeless, orphaned, and displaced, contribute to the high numbers of children vulnerable to exploitation.

Senator COLEMAN. Thank you, Senator Corzine.

Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Mr. Charles, tell me about who in your office is having direct contact with the families of the three hostages.

Mr. CHARLES. Let me ask.

At present, I am told that no one has had direct contact because these were DOD contractors; they were not State Department. However, I will tell you that personally I have already put inquiries out because, to my view, we are in a position, right now, where these are Americans; they are being held hostage. And, frankly, anywhere in the world, it should not matter geographically where they are. We should be 100 percent committed to getting them back here safely.

And I will tell you, this is—you did not ask this but I will tell you this personally. I worry about this job. I do not go to sleep well at nights because I worry about pieces of it. And this is one piece that troubles me greatly.

[The following response was subsequently received:]

The Department of State's Bureau of Consular Affairs has been the main point of contact for the hostages' families. Since February 25, Consular Affairs has been in weekly communication with the family members of all three hostages, including wives, parents, and siblings, and has kept them up to date on, the progress of our search and rescue efforts. The most recent contact with the three families was on October 28.

As I noted during the hearing, I share your deep concern for the situation facing the families of these hostages. I am personally committed to making sure we prioritize this outreach. Following our discussions at the hearing, I have established a point person in INL to make sure we are doing everything appropriate to address your concerns.

Senator NELSON. You are exactly right. Nobody has been in contact with them. Two of them are from Florida. One of them is from Georgia. But the one, Stansell, from Georgia grew up in Florida, went to high school in Florida. And his parents are in Florida. And I just spoke with his parents today. We have talked to all the families.

I can tell you that having been joined at the hip with Senator Roberts of Kansas on the question of Captain Scott Speicher, the first American flyer shot down in the gulf war, that were it not for the Navy——

In the case of Captain Scott Speicher, were it not for Senator Roberts and I raising cain, and fortunately the Navy has responded. And they have given great comfort to that family. And, of course, you can imagine what that family is going through in this case. Twelve years ago, Speicher is shot down. He is declared dead. His widow remarries. And then the Pentagon changes the status to missing in action instead of killed in action. And just this past fall, a year ago, the Navy declared him missing-captured. And I want to commend the Navy, because they have really reached out. They have tried to under-gird that family.

And that is what we ought to do here. These are three Americans who were under contract to the Department of the Army. And they are being held because they are Americans. And fortunately, they are being held; and fortunately, they look to be fairly healthy.

And so I want to make a direct appeal to you on behalf of these three families, that you direct a high-level person to keep these families in the loop. And if necessary, have them cleared, as the Speicher family is, for certain levels of classified information, so that they do not have to worry 24 hours a day, which they are going to do anyway. But at least it will ease a little bit of their worry.

Mr. CHARLES. Senator, you are speaking directly to my heart; and I will do that. And I will tell you that you are closer than you know. I am a Navy officer. And a good friend that I grew up with years ago was very close to Scott Speicher. And so I take this, independent of that, I will take this back. We will be in contact. And I believe Consular Affairs has been but maybe—no maybes about it, we need to do more and I will do more.

Senator NELSON. Now, I have spoken with General Hill about this case. And of course, General Hill is one of the best officers we have representing our country. And this is a very, very difficult situation. As Stansell made the plea on the videotape, if you come get them, they are going to kill them. And so it is a very, very difficult situation. But it is one that we have to keep after. Because if people had not been keeping after the Navy, they would have forgotten about Scott Speicher. And so, we are going to keep the attention on this issue.

And I make a personal plea to you on behalf of the three families to keep pressing this issue; I know General Hill is.

Thank you, Mr. Chairman.

Senator COLEMAN. Thank you, Senator Nelson.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

Mr. Franco, I remain concerned about the enormous gap between the areas subject to aerial fumigation and much smaller areas in which alternative development programs are taking place. The Colombian Government claims that they eradicated 303,000 acres of coca and 7,516 acres of poppy in 2002. For that same time period, USAID states that they supported the cultivation of approximately 25,000 acres of legal crops.

What measures are our government and the Colombian Government taking to make sure aid is available to small farmers willing to eradicate? How many families in total have been affected by aerial fumigation? How many families have been helped by alternative development programs? And what happens to the families who are sprayed and given no alternative development assistance?

Mr. FRANCO. Well, first, Senator Feingold, I know of your continued interest in this area. And we share the same view, which is to provide alternatives and assistance and build democracy in those areas where we are conducting fumigation and other counter-narcotics activities. Specifically, what we have done at USAID is really two things in this area. We have tried to focus, Senator, in those areas where there has been the most aggressive fumigation taking place. And that is because that is where the greatest need has been.

And we have, to date, benefited approximately 33,000 families directly with alternatives that range from finding alternative markets and products that can be cultivated. In my testimony, I give examples of rubber, casava, and things in the area that our technical experts have identified as profitable and for which there are local and national markets.

Second, we have also engaged in, I believe, a very successful voluntary eradication effort at the community level, particularly in the Putumayo area. And that has been an effort on our part to persuade communities, working in a community level, not an indi-

vidual farmer level which has been in the past not as successful in the previous Colombian Government. We are working to provide communities, that have buy-in as a whole, with a package of community and individual services. And we have successfully, as a consequence of that, had over 18,000 hectares of coca and poppy voluntarily eradicated and a host of packages of assistance provided to those affected families.

So, our focus is on those areas where we have active fumigation. We try to persuade communities to voluntarily eradicate and then work with our colleagues at INL and NAS in Colombia to ensure that those areas are not fumigated or sprayed and that alternatives are then available to those communities.

Senator FEINGOLD. Did you say how many families in total have been affected by aerial fumigation?

Mr. FRANCO. We have provided assistance to 33,000 families.

Senator FEINGOLD. But how many have been affected by the fumigation?

Mr. FRANCO. I do not know how many. I really do not know. We can try to get that information on the affected families.

Senator FEINGOLD. Get that to me. See if you can get that to me.

[The following response was subsequently received.]

FAMILIES AFFECTED BY AERIAL FUMIGATION

Colombia's illicit crop eradication program treated over 127,000 hectares of coca and 2,820 hectares of opium poppy with glyphosate in 2003. Because coca and poppy growing are illegal activities in Colombia, it is impossible to gather precise and conclusive data on how many people are affected by the loss of these crops. Alternative Development Office personnel in Bogota estimate that more than 130,000 families have been directly affected by the aerial eradication program, but this is only a rough estimate based upon available information.

Senator FEINGOLD. General, thank you for being here. I have a couple questions concerning the private military contractors. And before I ask that, I would like to also express my great concern for the three American civilian contractors who were kidnaped and are currently being held by the FARC.

General, U.S. laws specify the maximum number of military personnel and private military contractors working in Colombia. Recent media reports indicate that U.S. contractors are circumventing these limits and congressional intent by hiring non-national subcontractors. Is this the case?

General HILL. I am going to defer the contractor issue that you are talking about to Mr. Charles. The law says that we can have 400 military people and 400 contractors. As we count those contractors, we are under that 400 in both cases.

Senator FEINGOLD. Mr. Charles, are these limits being circumvented by hiring non-national subcontractors?

Mr. CHARLES. There certainly is no—that I know of, no circumvention of the law. And I understand the military cap issue. And I have to get into it more deeply. But again, I will take this under consideration. I do not see—I do not know of that occurring. But I will get back to you on it.

[The following response was subsequently received:]

The Department of State does not believe that the hiring of non-U.S. national contractors constitutes a circumvention of the spirit or the letter of the Congressional

personnel cap. We believe that Congressional intent in establishing the personnel caps was to limit the U.S. citizen footprint in a dangerous operational theatre and to reduce any potential for the United States to be drawn into a protracted internal Colombian conflict.

Under the relevant legislation, as amended, Congress placed a ceiling of 400 on the number of U.S. citizen civilian contractors (and a similar ceiling of 400 on the number of U.S. military personnel) who could be in Colombia "in support of 'Plan Colombia.'" While the numbers of permanent and temporary U.S. citizen civilian contractors vary as programs are begun, expanded, and concluded, the number of U.S. citizen civilian contractors has never exceeded the 400 person ceiling established by Congress.

The Department of State regularly submits to Congress reports on personnel caps in response to the requirements of section 3204(f) of Title III, Chapter 2 of the Emergency Supplemental Act, 2000, as enacted in the Military Construction Appropriations Act, 2001, P.L. 106-246 ("the Act"), as amended. During the last reporting period (July, August and September), the number of U.S. citizen civilian contractors fluctuated between 268 and 355.

The United States Government employs civilian contractors—some of whom are Colombian or third country nationals—because of the flexibility in planning they allow and because the skills they provide are often not otherwise available to the government. They provide training, equipment, infrastructure development, funding, and expertise to the Government of Colombia and Colombian civil society in the areas of counter-narcotics and counter-terrorism, alternative development, interdiction, eradication, law enforcement, institutional strengthening, judicial reform, human rights, humanitarian assistance for displaced persons, local governance, anticorruption, conflict management and peace promotion, the rehabilitation of child soldiers, and preservation of the environment.

General HILL. Can I come back to this, Senator Feingold?

Senator FEINGOLD. Yes, general. Go ahead. I have another question for you, as well.

General HILL. And the reason I do that is because we have been discussing this at great length over the last 6 or 7 months. The law is very clear in terms of what it says. It says that military folks, military people, and contractors in support of Plan Colombia. We have, both within the military group in Bogota and out of the Embassy, been very scrupulous in how we have counted those folks. In fact, we count more to meet the intent than are really there. We could, in fact, not count some of them. But we try to go above, to ensure that we meet the intent of Congress on this. And we have not played fast and loose with this.

Senator FEINGOLD. Do you know how many are there, how much they cost, and what they are doing?

General HILL. I do, sir.

Senator FEINGOLD. Are they cost effective?

General HILL. I believe that they are cost effective; yes, sir.

Senator FEINGOLD. Who is responsible for their safety and who is responsible for their actions?

General HILL. I am going to turn back again to the INL, because they work for INL.

Senator FEINGOLD. Mr. Charles.

Mr. CHARLES. We say that the safety issues are, again, a big—I have been here three weeks. This has taken up a chunk of my time already here, because I am concerned about it. I am concerned, and have had to get full briefings, and expect to be down there shortly to understand better exactly what we do.

Just so you know, I have ordered a top-to-bottom program review, probably in 90 to 120 days of every single program within INL, so that I understand where every dollar goes. And in that same vein, there has been, obviously, a lot of reporting on this.

There has also been a lot of reporting up to Congress on this. But I want to tell you that we are looking to maximize safety for every one of the contractors. I do think they are cost effective. They do—they are very brave people out there, flying in a combat—more or less combat environment or certainly hostile fire environment.

Last year—this year already, there have been something like 339 shots against contractors who are doing the spraying. There were, last year 194; and the year before, 191. I think part of that is a reflection of how well we are doing in the sense that the FARC and others that we are spraying against know that their revenue is going away. And it is going away, as the charts earlier showed, in larger and larger numbers the revenue that they are going to derive from this.

And so, they are reacting to that. The safety issue is a big one. And one of the things I did, actually as I went through and I asked, I want to know exactly what we are doing with every plane. And this is basically what I have learned so far. And I think I take it on that we bear some significant responsibility for their safety.

We fly OV–10s. There are three types of aircraft that are flown by the contractors in this domain, the OV–10s, the T–65s, and the 802s. The OV–10s are twin engine planes by choice. They are flown by choice because twin engine, as Senator Dodd pointed out earlier, in areas where you have triple-canopy jungle, or you have a very difficult environment, or you may encounter hostile fire, this is the place you want to have the greatest safety.

In addition, there is Kevlar around the whole—they are heavily Kevlared, in addition to which in some airframes down there you have a half-inch thick steel. On top of that, they all have bullet-proof vests. They are each given bullet-proof blankets to work with, if—they can use them underneath them. There are a range of safety provisions that go into training. They have equipment, including a weapon. They have strobe lights. They have signaling things in case they go down. They have air survival kits.

The bottom line on this is that we—and I am very dedicated, because of some of my past lives, to this proposition that they have to be absolutely safe in this environment, to the greatest extent possible. You are talking about flying in an environment where there are shots being taken at them. And they are—there is risk involved, as there is risk involved in a lot of things.

One thing I think there is a misnomer out there that somehow you can create a gap-free airframe. A–10 Warthogs are not gap-free flying in their zones. There are places where you are going to get hit.

The other thing is, we have a—I have made sure that we have a significant package going in a SAR package and a protection package with them at every flight that goes in. So, you have one SAR helicopter. You have two helicopter gunships going in with them and you have two transports. Each of the transports has between 10 and 15 fast-reaction forces, including EMTs.

So, I will tell you that I take the safety issue very seriously. I have already ordered, in addition, a review just because of the air wing publicity that has occurred. I want to know exactly what we are doing down there. And I think you will continue to hear from a significant concern on that.

I am also very respectful of the caps. And again, I will be coordinating with General Hill. But I have no reason to believe that we are not working closely within them.

Senator FEINGOLD. Thank you for your answer. I thank the witnesses. Thank you, Mr. Chairman.

[The prepared statement of Senator Feingold follows:]

PREPARED STATEMENT OF SENATOR RUSSELL D. FEINGOLD

I would like to thank Senators Lugar and Biden for convening this important hearing on "Challenges for U.S. Policy Toward Colombia: Is Plan Colombia Working?" I have long had concerns regarding Plan Colombia, and I am pleased that we are taking a hard look at the effectiveness of U.S. assistance and its impact on the Colombian people.

Since 2000, we have invested billions of dollars in foreign aid and defense assistance to Colombia, and yet it appears that violence continues to rage. The figures are startling. Amnesty International reports that the number of deaths due to political violence has increased from 14 per day in 2000 to 20 per day in 2003. The Center for International Policy estimates that 4,000-7,000 people, including combatants and civilians, died in the past year. Human Rights Watch reports that over 11,000 children are fighting in irregular armed forces, and in 2002 alone, approximately 400,000 people were displaced in 2002 and 130,000 in the first half of this year alone.

What I find most alarming is that while violence escalates in Colombia, and the United States continues to pour money into promoting the establishment of a secure democracy, my constituents and other organizations tell me that institutional safeguards to protect human rights are weakening. Over the last year, the Uribe government presented a series of legislative and constitutional reforms that grant police powers to the military to detain people, carry out searches and establish wiretaps without warrants or judicial oversight. President Uribe has also put a proposal before the Colombian congress granting near total amnesty to paramilitaries—those forces who have been most responsible for murder of civilians in Colombia.

In addition, Human Rights Watch claims that Colombia's Attorney General has blocked the most sensitive investigations of military officials accused of human rights violations and forced many prosecutors and investigators involved in these cases to resign. Many argue that President Uribe's comments in September of this year linking human rights groups and non-governmental organizations to terrorists only increased Colombia's environment of fear and the vulnerability of human rights organizations to violence throughout Colombia.

I believe that the United States and the international community must assist President Uribe in strengthening Colombia's institutions and the organizations dedicated to protecting human rights and supporting civil society. The State Department must start to weigh in strongly with the Colombian Government against measures that limit democratic rights. The U.S. Ambassador and other embassy personnel should regularly meet with Colombian human rights groups, visit their offices and host public events that include human rights groups, thus conveying their importance and their legitimacy. The United States should more strongly support the Ombudsman's Office in monitoring human rights violations in Colombia and continue support to other human rights organizations, including the Office of the United Nations' High Commissioner for Human Rights in Colombia.

I would also like to raise a second issue, one which I have consistently discussed—the flawed U.S. policy of eradication and alternative development. It is my understanding that in 2002 the Colombian Government eradicated 303,000 acres of coca and 7,516 acres of poppy; for that same time period, USAID states that they supported the cultivation of approximately 25,000 acres of licit crops. This discrepancy appears to be a violation of congressional requirements, which state that U.S. funds may not be used to purchase herbicides for fumigation unless alternative development programs are being implemented that encourage small farmers to abandon illicit crops in exchange for government assistance for alternative crops. I know that the administration defends itself by stating that if there is a single alternative development project in a given department or geographic province of Colombia than the provision is met, but I don't buy this argument. The administration appears to be deliberately misinterpreting the law and not adhering to its spirit.

The administration must prioritize alternative development to a greater extent in its counternarcotics campaign. Without alternative development, displaced communities may join the anned forces or the lucrative but illegal cultivation of coca. In Sunday's Washington Post, Jeffrey Sachs, from Columbia University wrote an inter-

esting article about the toppling of Bolivian President Gonzalo Sanchez de Lozada. He argued that the United States holds some responsibility for destabilization in Bolivia and throughout the Andes, particularly with its policy toward the coca crops. He wrote that the most destabilizing factor played by the United States was the "U.S. demand in recent years that Bolivia eradicate tens of thousands of hectares of coca, thereby robbing 50,000 or so peasant farmers (and perhaps five times as many dependents) of their livelihoods without offering any realistic alternatives."

I fear that we are engaged in a similar practice in Colombia. I believe that the United States Government and particularly USAID must be much more involved in assisting the Colombian Government in establishing a rural development strategy and in supporting alternative development, or we risk exacerbating an already tense and highly volatile situation.

A functioning democracy demands more than just security. The United States must not forget human rights and the rule of law while supporting the Colombian Government's efforts to establish control of the country and to reduce the flow of drugs.

Senator DODD. Thank you.

Senator Nelson, we have a vote on. And the situation would be—the chairman is taking an important call—to try and wrap up here in the next few minutes. And so why do I not to turn to you, see if you have any additional questions you would like to ask of this panel. If not, then we will excuse them, adjourn, and come back to the second panel.

Senator NELSON. Well, of course, I always like to give General Hill an opportunity to—and I am sure you have already covered this in your comments. And if so, do not repeat it. But to express from your standpoint your satisfaction with the progress, particularly under the new President of Colombia and where you think all of this is going in getting a handle on all of this drug running that is going on down there.

General HILL. Well, thank you, Senator. I did say that, and I discussed it in private with Senator Dodd, also. And I had similar conversations with Senator Coleman. If you would allow me one moment, though, I would like to go back on one of your statements, because I feel personally embarrassed by it, because you and I have discussed it. And that has to do with who is talking with the families.

Last week, the leader of the FARC element that grabbed the three hostages was killed by Colombian forces; they knew where he was, they undertook an operation, they went out to arrest him, they got into a firefight, and they killed him.

I thought that was particularly significant and would be useful for the families to know. And I ask that the families be personally notified of that. If they were not notified of that, which you indicated that they were not, I am personally embarrassed by that. I will go back and find out what happened to that instruction. And I will make that known to the families. Because I felt like it was something that they would like to know, that the Colombian military has not forgotten, the U.S. military has not forgotten, those American citizens. And the two of us, the two organizations, are still trying to find them and will take whatever appropriate actions when we do that.

Senator NELSON. And perhaps you and Mr. Charles could designate a single point of contact for both of your organizations.

General HILL. Yes, sir. And we have already written ourselves a note to that effect, sitting here at the table. We will take that on; you have my word on that.

Mr. CHARLES. And mine.

[The following response was subsequently received.]

The State Department point of contact is Ian Brownlee in the Consular Affairs Bureau.

Senator DODD. Very good. I thank you for your answers to those questions, by the way. And I told my colleague we had raised the issues as well. I have the mother of one of the people being held hostage. She lives in Connecticut. And I think a relative of the third one, Mr. Howes, is a relative of the chairman's as well. So, we all have a strong interest. And I think your questions about how we can keep these families informed will be tremendously helpful.

There are probably other questions to be asked of you. This is a complicated subject matter. But let me say to you, Mr. Charles, I appreciate your candor and your willingness to get back. And you are new on the post. But some of the questions that have been raised by Senator Biden and myself regarding this amnesty law, it is going to seem a little odd to us if there was not some contact prior to this amnesty law being written.

And going right to the heart of Senator Biden's question, that is, of course, the issue of extradition and so forth of people, if we are going to be providing amnesty, actually, there are some people within the AUC that we had actually indicted. If we are finding out they are getting amnesty, if they show up, it is going to create some real problems.

And I suspect there was some contact. And we are going to need to know about that. So, getting back to us would be tremendously helpful.

[The following response was subsequently received:]

Our initial responses to President Uribe's remarks were private. Ambassador Wood immediately expressed our concerns directly to him. WHA/AND Office Director Phillip Chicola spoke to the Colombian TV and print media in mid-September. He said on the record that the U.S. government takes the work of human rights groups seriously and that NGOs are a vital component in maintaining a healthy democracy. In speeches to various regional Colombian Chambers of Commerce in September and October, Ambassador Wood stressed the need for the military to protect civilian populations and human rights as it continues its successful operations against insurgent groups.

The Department of State raised its concerns about President Uribe's speech at the highest levels. On September 12, Ambassador Wood met with President Uribe and Foreign Minister Carolina Barco to deliver a demarche on President Uribe's remarks. The same day, WHA/AND Director Chicola discussed the issue with Colombian Ambassador Moreno in Washington. In these meetings, our demarche to the Government of Colombia was that President Uribe's remarks were counterproductive and that it was essential for the Government of Colombia to maintain regular and open dialogue with human rights groups. We also urged the Government of Colombia to make statements supportive of the work of human rights groups. Secretary Powell reiterated this message in his September 30 meeting with President Uribe in Washington. Under Secretary Dobriansky and Assistant Secretary Craner also made the same points in their meetings September 29 and 30 with Vice President Santos.

President Uribe vowed his continued commitment to human rights in his September 30 address to the UN General Assembly. Both at the UN and in his meeting with the Secretary of State, Uribe expressed his respect for human rights NGOs,

his interest in remaining engaged with them and his willingness to accept constructive criticism and suggestions.

In our conversations with the Colombian government, we will continue to express our concerns and to emphasize the important role of the NGOs.

Officials in Washington and at Embassy Bogota met numerous times with human rights groups to discuss Uribe's remarks and reiterate that protection of human rights is central to U.S. policy in Colombia. Ambassador Wood met with Human Rights Watch on September 12 and discussed the issue extensively, emphasizing our commitment to ensure the safety and well being of all human rights workers. Assistant Secretary Noriega met with Human Rights Watch October 6 and Amnesty International October 10 on the same topic. Ambassador Wood will attend an Embassy reception for the Colombian human rights community planned for December 1. He will also deliver a speech at a December USAID awards ceremony for NGOs. His speech will emphasize that the U.S. values the work being done by NGOs in Colombia. There also have been many working-level contacts with human rights groups in Bogota and Washington. We believe that these frequent meetings, along with our Embassy's regular, engagement with senior Colombian officials, are producing real improvements in Colombia's protection of human rights.

Senator DODD. General Hill, we appreciate your leadership and your willingness to keep us well informed as to how this is progressing.

General HILL. Thank you very much, Senator.

Senator DODD. So, I thank you. And on behalf of the chairman, the committee will stand in recess until we come back from the vote. And the second panel can prepare to testify.

Thank you very much.

[Recess.]

Senator COLEMAN. This hearing is called back to order.

We will now proceed with the second panel: The Honorable Mark L. Schneider, senior vice president, International Crisis Group, Washington, DC; Dr. Julia Sweig, senior fellow and deputy director, Latin American Program, Council on Foreign Relations, Washington, DC; and Mr. Phillip McLean, senior fellow and deputy director, Americas Program, Center for Strategic and International Studies in Washington, DC.

As I indicated to the earlier panel, your full statements will be entered into the record. And we will begin with Mr. Schneider.

STATEMENT OF HON. MARK L. SCHNEIDER, SENIOR VICE PRESIDENT, INTERNATIONAL CRISIS GROUP

Mr. SCHNEIDER. Thank you very much, Mr. Chairman.

First let me express my appreciation to you for holding this hearing and for inviting me to testify again on Colombia. The hearing comes, as has been alluded to, following an impressive electoral exercise by the Colombian people in the face of FARC and AUC violence and intimidation. That truly shows their determination to maintain their democracy.

The International Crisis Group has been working in Colombia for just two years. Here, as we do in some 40 countries around the world, ICG's field analysts seek to identify the drivers of conflict and, based on that analysis, to identify policy responses that can help to prevent or mitigate deadly violence.

I have been asked to speak about the humanitarian situation and the negotiations with the paramilitary in relation to Plan Colombia. I think it is important to recognize that Plan Colombia has come to mean virtually all policies in Colombia and all policies by

the United States that aid Colombia in coping with drugs and with the conflict.

ICG's concerns are that the government and the international community assign too little priority to the humanitarian crisis facing millions of Colombians. We are also concerned that government policies risk undermining the legitimacy of its security strategy; and diminish, therefore, its ability to create the political context that can assist in defeating the insurgents military pursuit of power.

As a result, the conflict is likely to continue far longer than current projections by either Colombia or the United States. There is no question that Colombia is faced with a serious security threat. And you have described the three illegal and dangerous groups, the FARC, the ELN, and the AUC.

With respect to the AUC, their tactics often outstrip the guerrillas in brutality. And the United States Government rightfully added them to the terrorist list. However, too often, elements of the Colombian Armed Forces and police were not only willing to witness but were complicit in assisting the expansion of the paramilitary.

With respect to the humanitarian crisis, perhaps the most persistent tragedy is nearly three million civilians displaced from their homes in recent years. If one thinks about it, it is equal to five times the population of Washington, DC. Last year alone, some 320,000 more were forced to flee from their homes as a result of the violence. And approximately half, according to the United Nations, receive no assistance at all, neither from the Colombian Government, private sources, or the international community.

Some 75 percent of the IDPs are women and children. And a significant percentage, far out of proportion to their representation in the population, are Afro-Colombians and indigenous persons.

The humanitarian crisis also includes 3,000 men and women and children who have been kidnaped on average every year over the past several years, mostly by the FARC and the ELN, and held as hostages in abysmal conditions, in direct violation of international humanitarian law. It should be noted that the AUC, while it depends on kidnaping far less for its financing, still was accused of kidnaping 180 people last year.

And while you have heard from some of the witnesses previously that there appears to have been a decline in the numbers of massacres and individual killings, the human rights groups in Colombia and international organizations point to an increase in forced disappearances and extrajudicial killings during that same time frame last year. The main victims of the paramilitary are human rights advocates, trade union leaders, members of indigenous and Afro-Colombian groups and peasants.

There are also 11,000 children who essentially are forced into military bondage by the competing military forces. And throughout Colombia's rural area, there are more than 100,000 anti-personnel mines strewn throughout the country.

A recent report on the humanitarian crisis, which we have provided to the committee, calls for greater priority to be given to the plight of these victims. And there are two specific recommendations that I would like to raise with you, Mr. Chairman. The first is that

the Colombian Government needs to multiply its aid significantly beyond the $30 million going to the solidarity network. It is called the Social Solidarity Network. And the international community should follow suit, as a first step, by meeting in full the United Nations $63 million humanitarian action plan. Only about 10 percent has been donated.

Second, and this perhaps deals with the broader issue of the political context as well, not just in Colombia but regionally. The Government of Colombia, ideally with the support of the United States and the international community, needs to design a national rural development policy that has equal urgency to the military security policy. The conflict in Colombia is concentrated in more than a dozen rural departments. The bulk of the displaced are from those areas. The lion's share of coca cultivation is from those departments. The poverty rate in those departments is more than 80 percent. And that is where the guerrillas have survived for 40 years.

It is also where 1 percent of the population owns 53 percent of the arable land. It is time to recognize we have to go beyond simply alternative development in dealing with the problem of coca cultivation and look at what needs to be done for rural communities throughout Colombia with respect to access to land, rule of law, basic infrastructure, public services, police protection, and economic opportunity.

And this reform, more than any other, would change the political dynamic in Colombia. And that should be the priority task of Colombia and the international donors, as they prepare for a donors' conference early next year.

And as you have been talking about the region, Bolivia, Peru, Ecuador, that same concept seems to be applicable. And it is the kind of concept that would address the political instability that has occurred in those countries, as well.

Now, our second major concern and the second issue you wanted me to address relates to the Uribe administration's actions and inaction with respect to the paramilitary and its downplaying of civil liberties. We believe those two aspects continue to undermine the legitimacy of the security policy internationally and, in effect, its ability to drive the conflict to a negotiated solution.

We have a report on negotiating with the paramilitaries, which you have. And we do not challenge the government's goal of finding a way to remove the AUC from the field of combat, possibly through negotiations. But we have argued strongly that the Uribe government must remove the suspicion that the motives for the negotiation have as much to do with the cleansing the paramilitaries and their supporters and legitimizing their power as removing them from the conflict.

Demobilization, if it comes, has to be done in a way that does not undermine the rule of law, that does not further impunity. And it has to be done in a way in which people are thinking about the impact on the ultimate goal, which is a negotiated demobilization of all the illegal groups in Colombia. And this is not just our concern. The United Nations High Commissioner for Human Rights in Colombia said that its concerns "refer specifically to state agents tolerance of, support for, and complicity with the paramilitary."

Senator COLEMAN. Could I ask you to summarize your testimony, Secretary Schneider? Thank you.

Mr. SCHNEIDER. Let me just—if you want, I will comment on the alternative sentence or veiled amnesty proposal, which relates to this issue. Our concern at the moment is that—the proposal follows a series of other legislative proposals, which would restrict habeas corpus, which would grant to the military the ability to detain without judicial order, engage in house searches without judicial order, hold detainees for 36 hours.

In that context, the proposal to permit, at the end of a judicial process, full pardon for all paramilitary regardless whether they are the followers or the leaders, regardless of whether they are coerced or not, and possibly permit individuals who ordered crimes against humanity to go absolutely free, we believe that—that is neither in the interest of ending the conflict nor in the interest of sustaining the institutions of the rule of law in Colombia.

Thank you.

Senator COLEMAN. Thank you very, very much.

[The prepared statement of Mr. Schneider follows:]

PREPARED STATEMENT OF MARK L. SCHNEIDER, SENIOR VICE PRESIDENT, INTERNATIONAL CRISIS GROUP

Mr. Chairman: First let me express my appreciation to you for the invitation to testify before the Senate Foreign Relations committee on Colombia once again. This hearing comes immediately following the defeat of a substantial portion of the Uribe reform referendum and a municipal and state election where 26 candidates were killed and violence and intimidation stalked the campaign trail. At this point in the Administration of President Alvaro Uribe, it is time for stocktaking.

The International Crisis Group has been working in Colombia for just two years. Here, as we do in some 40 countries around the world, ICG's field analysts seek to identify the drivers of conflict, and based on that analysis, to define policy responses to prevent or mitigate deadly violence.

Not quite 15 months into his Administration, President Uribe has strengthened the government security apparatus and focused his Administration almost entirely on denying insurgents the national space they have occupied for decades. His style and force have brought him personal approval which remains astonishingly high (75 per cent). However, this support clearly did not carry over to his party's candidates or his complicated financial and administrative reforms in weekend voting.

That electoral exercise shows the determination of the Colombian people to maintain their democracy despite killings and intimidation from the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia—(FARC) and the paramilitary.

Mr. Chairman, I have been asked to speak about the humanitarian situation and the negotiations with the paramilitary in relation to Plan Colombia.

Plan Colombia has come to mean virtually all policies in Colombia and all policies by the United States that aid Colombia in coping with drugs and with the conflict. ICG's concerns are that some of the government's own policies assign too little priority to the humanitarian crisis facing millions of Colombians. Others risk undermining the legitimacy of its security policies, and diminish its ability to create the political context that can assist in defeating the insurgents' military pursuit of power. As a result, the conflict is likely to continue far longer than current projections by either Colombia or the United States.

There is no question that Colombia is faced with a serious security threat from three illegal and dangerous groups. Two of them, the FARC and the National Liberation Army (Ejercito de Liberacion Nacional-ELN), are guerrilla groups. They began as traditional leftist revolutionary groups in a country with huge gaps of equity and elite-dominated political and economic power structures. Despite their platform of political change, the insurgents' use of brutally violent terror tactics, of bombings and kidnappings, against a democratically elected government largely has discredited them politically. They have become dependent for significant portions of their financing on drug trafficking. The third illegal armed actor is the paramilitary, most of whom are grouped under the United Self-Defense Forces of Colombia

(Autodefensas Unidas de Colombia-AUC). The paramilitary have a long history in Colombia, preceding the counter-insurgent phase of the 1960's, but the current range of paramilitary groups have clear origins. Some came into being as enforcers for drug cartels, and soon became enmeshed in every phase of the narcotics industry. Others came into being in the Middle Magdalena where they received financial support, sometimes voluntarily and sometimes coerced, from wealthy rural elites, to challenge the FARC. Over time, they also received political support from some communities desperate for protection where the state police and military were unable or unwilling to act. Their tactics often outstripped the guerillas in brutality and the United States government rightly added them to the terrorist list.

Too often, elements of the Colombian armed forces and police were not only willing but complicit in assisting the expansion of the paramilitary. In part it was a military force of limited capacity asserting the philosophy that "the enemy of my enemy is my friend." For some, there was also an ideological affmity. Unfortunately, the AUC was not only combating the FARC and the ELN, they also were shooting and killing civilians who they determined might have been supportive of the leftist insurgents. According to the Colombian Commission of Jurists, as judge, jury and executioner, the paramilitary murdered more than 11,700 civilians since mid-1996; the FARC 3,318. The State Department Human Rights report this year describes the paramilitary as committing "numerous unlawful and political killings, particularly of labor leaders, often kidnapping and torturing suspected guerrilla sympathizers prior to executing them." All too frequently they used force to evict civilians from lands they wanted for their own purposes.

The statistics from human rights groups, from the State Department Human Rights Report each of the last several years and most recently from the UN High Commissioner for Human Rights paint a truly gruesome picture of forces undeterred by any concern for human rights, humanitarian law, or life itself. Colombia faces a humanitarian crisis of monumental proportions.

Each year some 3000 men, women and children are kidnapped, mostly by the FARC and the ELN, and held as hostages in abysmal conditions—in direct violation of international humanitarian law. Among them are former presidential candidate Ingrid Betancourt and her running mate, as well as members of Congress. But most are individuals without political pedigrees who simply are being held for ransom. While the AUC depends less on kidnapping for financing than the FARC, it was accused of kidnapping more than 180 hostages last year. This year, the government believes that there is an overall 20 percent drop in kidnappings, which may be true, but still places Colombia as the world's leader.

And while massacres, traditionally the work of the paramilitary, appear to have declined, extra-judicial killings and forced disappearances have gone up, according to human rights groups. The main victims were human rights defenders, trade union leaders, members of indigenous and Afro-Colombian communities and peasants.

Perhaps the most persistent humanitarian tragedy are nearly 3 million civilians displaced from their homes in recent years, equal to five times the population of Washington, DC. Last year alone, some 320,000 were forced to flee and approximately half, according to UN agencies, received no assistance at all—from the Colombian government, private sources or the international community. Some 75% are women and children, and Afro-Colombians and indigenous persons are victimized disproportionate to their representation in the population.

Approximately, 11,000 children have been forced into military bondage by the competing military forces; and more than 100,000 anti-personnel mines strewn throughout rural Colombia constitute a constant threat that demands more not less international attention.

In ICG's recent report, "Colombia's Humanitarian Crisis", which we have provided to the Committee, we called for a greater priority to be given to the plight of rural Colombia's conflict victims.

Let me recall two recommendations from that report; each with application to the U.S., to the international community, and to the Government of Colombia.

First, there needs to be a far higher priority accorded to providing relief to the victims, whether families of killed or abucted or the internally displaced. The Colombian government needs to multiply its aid far beyond the $30 million going to the solidarity network. The international community should follow suit—as a first step meeting in full the UN's $63 million humanitarian action plan requirements.

Secondly, the government of Colombia, with the support of the U.S. and the international community, needs to design a national rural development policy that has equal urgency to its military security policy. The conflict is concentrated in more than a dozen rural departments. The bulk of the displaced are from those areas. The lion's share of coca is cultivated in those departments. The poverty rate is more

than 80% in those departments and that is where the gueriulas have survived for 40 years. It also is where, according to UNHCHR, 1% of the population own 53% of the arable land. It is time to recognize that reality and do something about it that includes access to land, to rule of law, to basic infrastructure, to public services, to police protection and to economic opportunity.

This reform, more than any other, would change the political dynamic in Colombia. No one is suggesting that it can be implemented nationally in one fell swoop. But it needs to be defined as a national strategy with a specific program and funds assigned to it by both Colombia and the donor community and then implemented incrementally but rapidly as security permits. That should be the priority task as Colombia and the international community prepare for a donors' conference early next year.

ICG's second major concern is that Uribe Administration actions or inaction toward the paramilitary and its downplaying of civil liberties combine to undermine the legitimacy of the government's security policy and its ability to drive the conflict to a negotiated conclusion. The government's stated policy, reiterated at most international events, is that the paramilitary are illegal and criminal and as much the target of law enforcement and of the armed forces as the FARC. Unfortunately, too many actions contradict those assertions.

The ICG, in its recent report, "Colombia: Negotiating with the Paramilitaries," did not challenge the desire to remove the AUC from the field of combat. But we argued that the Uribe administration must remove the suspicion that the "motives for the negotiation have as much to do with 'cleansing' the paramilitaries and their supporters and legitimizing their power as with removing them from the conflict."

The ICG is not alone in these concerns. The UN High Commissioner for Human Rights stated this year that its concerns "refer specifically to state agents' tolerance of, support for, and complicity with the paramilitaries."

The ICG report underscored two essential conclusions. First, removing the paramilitary from the battlefield, despite the daunting logistic, strategic and military obstacles, would eliminate an enormous threat to human life—particularly to non-combatants.

Second, their demobilization has to be done in a way that does not undermine the rule of law. It is essential to Colombia's institutional legitimacy and its international standing; but it also will affect what must be the ultimate goal—the negotiated demobilization of all illegal armed groups, paramilitary and insurgents alike.

The challenges begin with the fractured nature of the 13,000 or more paramilitary forces including the AUC. First, not all of the paramilitary have accepted the ceasefire, nor have they agreed to enter the negotiations set for December which are proposed to conclude with demobilization by the end of 2005. How to protect those who ultimately do demobilize and disarm also remains an open question. On one hand, the immediate order of business must be the consolidation of the ceasefire and its intensive verification and monitoring by international monitors if at all possible. On the other, a concerted, high priority law enforcement and military campaign must be directed at the paramilitary who refuse to cease their violence.

The United States, other nations and the United Nations should assist Colombia in managing the ceasefire with the paramilitary so that it opens rather than closes possibilities for similar talks with the rebels. However, we believe that providing financial support for demobilization of the paramilitary should be contingent on the government aggressively pursuing the paramilitary forces who have refused a ceasefire. Senior paramilitary leadership also should be prosecuted and those found responsible for crimes against humanity should be jailed.

Several specific recommendations would help the government implement its stated policy more effectively and more credibly. We believe the U.S. government should support these policies as well.

- A single negotiation table with all paramilitary groups should be established. If this is not feasible, a parallel table for non-AUC groups should be established and highest military priority should be given to the capture or defeat of paramilitary groups that refuse to participate by a specific date or have broken a ceasefire.
- A presidential ad hoc commission of distinguished Colombian and international figures should be established to monitor and document the actions taken by the government and its armed forces to sever ties with the paramilitary and identify what more remains to be done. The Uribe Administration states that it has done more than any previous government in pursuing the paramilitary forces. But even high military officers recognize the international community does not have confidence in government assurances. The clearest evidence of the breadth of international concern on this issue was demonstrated in the London Declara-

tion statement by 24 governmental delegations that "urged the Colombian Government . . . to take effective action against impunity and collusion especially with paramilitary groups." An independent commission could lend that credibility.

- Special police units and prosecutors should be established, with whatever backup is required, to bring to justice non-cooperative paramilitary members and their leaders and armed forces members who continue to support them.
- A truth and reconciliation commission should be immediately appointed to both document abuses suffered by the victims of the paramilitary and the insurgents and manage a reparation fund for the victims.

Finally, the Government must demand full disclosure and cooperation by the paramilitary of their links to drug cultivation, drug processing and drug trafficking. This should include identifying their sources of financing and of weapons and the assets they acquired illegally.

Does the government want to end paramilitarism in Colombia or simply permit some portion of the current paramilitary to fmd their way in from the cold?

This question dominates the debate over the so-called "alternative sentencing" or "veiled amnesty" legislation proposed by the government as an incentive to the armed groups to give up their arms. The juxtaposition of the legislative proposal with the paramilitary talks initially led to the unfortunate conclusion that the two were linked, as opposed to being offered to provide incentives for all of the armed groups to demobilize.

The government of President Uribe has been grappling with the balance between justice and peace and between security and personal liberties. But we are concerned that too little weight is placed on the importance of ending impunity and of protecting civil liberties. We have seen the setting up of special zones where the military could detain suspects and hold them without judicial order, a measure declared unconstitutional by the courts. Then there was the proposal to eliminate the "municipal ombudsmen". Now there is anti-terrorist legislation which would grant security forces, including the military, permanent legal powers to intercept communications, conduct house searches and arrest individuals without a judicial warrant. It also would permit them to hold suspects for up to 36 hours without access, a practice which in Latin America almost inevitably leads to physical abuse and disappearances. Another proposed law would eliminate judicial oversight by the Constitutional Court over many actions of the executive in relation to security. It also would limit an individual's access to the right of habeus corpus (tutela) in certain situations.

Now we have the "alternative sentencing" law.

Clearly, distinctions can be made between those who were coerced into the paramilitary and those who were not; between those who cooperate in the process and provide intelligence on other illegal armed actors and on drug trafficking and those who do not; distinctions between those who committed no killings and those who did; distinctions between those who ordered crimes against humanity and those who did not. But the bottom line is that those at the top who ordered those crimes against humanity cannot escape jail.

One way to obtain independent assessment on those distinctions would be for the Government of Colombia to request an advisory opinion from the Inter-American Court of Human Rights on whether the current or other future legislation meets the test of Colombia's international human rights treaty obligations.

Vice President Francisco Santos recently was in Washington and he said that the government is open to counsel on how to find the right formula. He emphasized that the government has not called for automatic amnesty, pardon, or clemency for any group or even for any individual. The problem is that by giving full discretion for the President at the end of the judicial process, it could well mean clemency for everyone. And I want to commend the U.S. Government for the public message that has been heard that while it supports the Uribe government, it opposes actions that produte impunity.

The United States, other friends of Colombia and the United Nations should support Colombia in the combined challenge of achieving peace and justice. As Benjamin Franklin wisely noted, "Those that can give up essential liberty to obtain a little temporary security, deserve neither liberty or security."

Senator COLEMAN. Dr. Sweig.

STATEMENT OF DR. JULIA E. SWEIG, SENIOR FELLOW AND DEPUTY DIRECTOR, LATIN AMERICA STUDIES, COUNCIL ON FOREIGN RELATIONS

Dr. SWEIG. Thank you very much, Mr. Chairman and Senator Dodd. I apologize I was not able to be with you last week when the council came up to see you.

I am happy to be here to address the regional dimensions of Plan Colombia and say right at the offset that I do so with a great deal of humility and respect for the complexity of Colombia and the region. I am also concerned that the bipartisan policy of Plan Colombia and the Andean Regional Initiative may not be structured to bring peace and prosperity to the region, as much as we succeed on the drug front. That said, I commend the chairman and the committee, as well as the Bush administration, for the seriousness of their efforts.

Let me summarize, at the outset, my statement in case I do not get to finish it. There are three critical ideas I would like to convey. First, the disproportionate emphasis on our policy on drug eradication and interdiction at the supply end of the narcotics industry needs correction and balancing.

Second, we cannot do the guns without the butter, meaning, in Colombia especially, the United States needs to emphasize planning for post-war reconstruction. Security assistance is necessary, by all means, but should be offered simultaneously with, not instead of, major initiatives to address the structural inequalities that make Colombia and the Andean region so vulnerable.

And third, the critical role of local elites. With local elite commitment to nation building and a social contract, the United States and the international community will indeed have a major opportunity to help bring peace and prosperity to the region. But without buy-in from local elites, we can only help at the margin.

I believe our policy really has come to a crossroads. And I want to just point out a point in history and then get to those structural questions by way of context. First, the history.

In 1958, 45 years ago, President Eisenhower and CIA Director Allen Dulles sent a team to assess conditions in Colombia after the decade-long conflict, La Violencia, had killed 200,000 people. Forty-five years ago, the Eisenhower administration concluded that because of Colombia's predilection for violence, the absence of state authority in rural areas, vastly inequitable land distribution, and widespread lawlessness and poverty, the country risk, and I quote, "genocide or chaos."

Although the team doubted the local elite would agree to major reforms, the United States recommended a comprehensive nation-building package to Secretary of State Christian Herter and the new Colombian President. Washington offered to provide Bogota with help to strengthen its judiciary, implement a significant land reform, and eliminate the rural guerrilla insurgency, which that, as the time, was between 1,200 and 2,000 people.

Only the security recommendations were accepted. And today we face structural problems but of a far greater magnitude, making Colombia and also the neighborhood intensely vulnerable to drugs and thugs and all manner of social and humanitarian crises; and

really, frankly, placing, I think, the American commitment to democracy, security, and the rule of law at risk.

We have heard already in earlier testimony and comments from the Senators on sort of the state of play of U.S. policy, how much money we have spent, the successes within Colombia of eradicating coca. What we did not talk about was, of course, that as the coca eradication has gone down in Colombia, it has begun to come back in Bolivia and Peru.

We have addressed, also, the disproportionate funding matter. I had it at 75 percent/25 percent. Senator Dodd indicated it is a 4 to 1 ratio of military drug assistance versus social-economic. So however you run the numbers, clearly, I think, we are off balance. And because of not only the balloon effect but the shared problems that the region faces, if we want to try to reduce coca and opium in the region, I suggest looking for answers not within but outside of the counter-narcotics box.

The regional dimension of the security crisis is striking, as porous borders and weak neighboring governments, whether by sins of omission or commission, permit Colombia's illegal armed groups to rest, refuel, and reap profits in what is an environment close to the Wild West. Of course, President Uribe and the U.S. Southern Command have begun to initiate a regional security dialog. But Venezuela's absence from that process represents a major blind spot.

Likewise, though Brazil has offered intelligence assistance through its satellite network, also greater leadership on the ground from the Lula administration would be most welcome by local regional actors.

The regional dimension we can come back to, of the sort of the diplomatic side in the Q&A. I just want to reinforce that the striking inequality and poverty that really are the cause of the region's vulnerability to drugs need a different kind of attention. If I can just give you a couple examples of what I am talking about.

For example, one matter which is related to the question of local elites commitment to the region and to nation building and a sense of a social contract, tax revenue and collection, as a percentage of gross domestic product in Colombia and throughout the region, is woefully lacking. President Uribe has tried to address this. And the elite is coming around. I will just give a couple of examples and then wrap it up.

As a percentage of GDP, tax collection is 13 percent in Colombia, up from 10 percent in 2000, but still very, very low. Of 20 million economically active members of the Colombia population of 43 million, only 740,000 Colombians pay income taxes. Evasion is widespread because land taxes are administered by municipal authorities under the Colombia constitution. And those laws are practically ignored by landowners, as local government is often too weak to exert coercive power over local elite interests or are subject to subordination by illegal armed groups.

In Peru and Ecuador, the tax collection numbers are similarly bad. And just by way of reference, the OECD reports that, by contrast, in the United States it is about 29 percent of GDP.

Poverty and income equality indicators are equally shocking; 50 to 60 percent in urban areas, 60 to 80 percent in rural areas. And

this has a direct affect on whether growth can actually help these countries. The World Bank has released recently some numbers which lead to the conclusion that inequality has actually gotten worse over the last 30 years, making growth benefits even more difficult.

Anyway, I can go on. And I will be happy to also address the matter of Bolivia, and the elections the other day in Colombia, and what those suggest for U.S. policy.

Senator COLEMAN. Thank you very much, Dr. Sweig.

[The prepared statement of Dr. Sweig follows:]

PREPARED STATEMENT OF DR. JULIA E. SWEIG, SENIOR FELLOW AND DEPUTY DIRECTOR, LATIN AMERICA STUDIES, COUNCIL ON FOREIGN RELATIONS

Mr. Chairman, distinguished Senators: I thank you for the opportunity to address this esteemed committee on the regional dimensions of Plan Colombia.

As a U.S citizen I offer my remarks with a great deal of humility with respect to the complexity of Colombia and the region, but also with concern that the bipartisan policy of Plan Colombia and the Andean Regional Initiative may not be structured to bring peace and prosperity to the region, as much as we may succeed on the drug front. That said, I commend the chairman and the Committee as well as the Bush administration for the seriousness with which these issues are approached. 1Let me summarize at the outset of this very brief statement the three critical ideas I wish to convey today: First, the disproportionate emphasis in our policy on drug eradication and interdiction at the supply end of the narcotics industry needs correction, re-balancing. Second, we can not do the guns without the butter: meaning, in Colombia especially, the United States needs to emphasize planning for post-war reconstruction. Security assistance is necessary, by all means, but should be offered simultaneously with—not instead of—major initiatives to address the structural inequalities that make Colombia and the Andean region so vulnerable. And third: the critical role of local elites. With elite commitment to nation building and a social contract, the United States and the international community will indeed have a major opportunity to help bring peace and prosperity to the region. Without buy-in from elites, we can only help at the margins.

Mr. Chairman and distinguished Senators, I believe our policy toward Colombia and the region is at a tipping point. I would like to focus my comments on some of the structural and historic issues that are central to understanding and addressing the challenges and priorities for a country and region in peril.

First, history: In 1958, President Eisenhower and CIA Director Allen Dulles sent a team to assess conditions in Colombia after a decade-long conflict known as *La Violencia* had brought more than 200,000 deaths. Forty-five years ago the Eisenhower administration's study concluded that due to its predilection for violence, the absence of state authority in rule areas, vastly inequitable land distribution, and widespread lawlessness and poverty, the country risked, and I quote, "genocide or chaos." Although it doubted that the local elite would agree to major reforms, the US team recommended a comprehensive nation-building package to Secretary of State Christian Herter and the new Colombian president at the time, Alberto Lleras: Washington would help Bogotá strengthen its judiciary, implement significant land reform, and eliminate the rural guerrilla insurgency, which at the time numbered between 1,200 and 2,000 members.

Only the security-related recommendations were adopted. Today, we face similar structural problems but of a far greater magnitude, making Colombia and other countries in the region vulnerable to drugs, thugs, and all manner of social and humanitarian crises—thus placing the American commitment to democracy, security and the rule of law at risk.

CURRENT POLICY

Today, U.S. policy toward Colombia clusters around two priorities: the war on drugs and assisting President Uribe's counter-insurgency efforts. Since 1985 the U.S. has spent billions of dollars on the drug war in the Andes, without substantially reducing consumption in this country. According to U.S. State Department statistics, while Colombia recorded a decrease in the amount of coca under cultivation for 2002, the aggregate land under coca cultivation in the Andes is equal to year 2000 levels, at approximately 200,000 hectares, and coca cultivation is returning to Bolivia and Peru.

When first envisioned, Plan Colombia was to provide counter-narcotics assistance to the military and police, plus assistance for non-military ends such as economic and alternative development, judicial reform, and social programs for the internally displaced, as part of a comprehensive nation-building effort. Instead, with Plan Colombia and Andean Regional Initiative funds since 2000, the United States has spent close to $3 billion in Colombia, with approximately 75 percent for military and police assistance and 25 percent social and economic support, (or 70-30, depending up on how the number is counted), a disproportionate ratio in my view.

Our current policy is indeed effective in strengthening the Colombian armed forces and achieving its bilateral counter drug goals, (and in Colombia this may deprive the illegal armed groups of revenue), but the success or failure of such an initiative in Colombia, for example, is inevitably going to affect conditions in Ecuador and Venezuela, just as Bolivia and Peru's eradication successes in the 1990s moved cultivation to Colombia.

Further complicating the prospects for successful bilateral initiatives is the fact that drug and other illegal industries thrive in territories characterized by state weakness, poverty, and disenfranchisement—all problems common to the Andean nations. Indeed, our policy is successful at eradicating coca country by country, but not on a regional basis. To reduce the net production of coca and opium in the region, I suggest looking for answers not within, but outside of the counter narcotics tool box.

THE REGIONAL AND INTERNATIONAL DIMENSION

The regional nature of the security crisis is particularly striking, as porous borders and weak neighboring governments, whether by sins of omission or commission, permit Colombia's illegal armed groups to rest, refuel, and reap profit in environments akin to the "wild west." While the Uribe government is addressing security on a regional basis, and the U.S. Southern Command is also facilitating a regional security dialogue, Venezuela's apparent absence from such a process, voluntary or not, represents a major blind spot. Likewise, though Brazil has offered to provide intelligence from its SIVAM satellite system, greater leadership on regional security initiatives from the Lula government would be most welcome on the ground.

Indeed, while passivity on security cooperation is a problem within the Andean region, U.S. policy has not adjusted to address the regional nature of Colombia's security crisis. And although the funds in Plan Colombia may have aided the Colombian state at a moment of acute vulnerability, and our assistance has appropriately expanded to include counter-terror training, the policy needs broadening to encompass demand reduction in the U.S., Europe and Latin America, comprehensive rural development in the Andes and expanded democratic market access initiatives for the region's poor.

Likewise, as the demand for Andean-produced drugs grows on the other side of the Atlantic and south to Brazil, at the same time that a humanitarian crisis of immense proportion derives from and feeds the conflict, it is clear that we need a new diplomatic strategy that involves Europe, Brazil, and multilateral institutions such as the U.N. and the OAS to address the increasingly global drug problem and the escalating humanitarian crisis. U.S. leadership can be critical to these ends.

Our commitment to Colombia of nearly $3 billion indicates a significant interest in peace, democracy and the rule of law in Colombia. However, without a holistic approach that addresses demand for drugs in consuming countries and catalyzes local leadership in Colombia and the Andes to tackle the structural causes of crises in the Andes—especially striking inequality and rural poverty—we might easily chase coca and opium around the region indefinitely.

STRUCTURAL OBSTACLES IN THE ANDES

Addressing structural impediments and not just their symptoms in the Andes would have an appreciable impact on improving the economic and security environment as well as the quality of democracy in the region. Furthermore, because the success of our current trade and drug policies in the region is inhibited by underdeveloped democratic institutions, limited state presence in rural areas, and economic disenfranchisement, it is in our national interest to hone in on these underlying issues as part of our overall strategy.

Some examples. First, tax revenue and collection as a percentage of Gross Domestic Product (GDP) in Colombia and throughout the Andean region is woefully low, and in my view indicates a lack of civic commitment by the region's elites. For example, in Colombia, while President Uribe is seeking reforms to address the issue, and the private sector is slowly coming around, tax revenue as a percentage of GDP

has increased from 10 percent in the year 2000 to 13 percent, according to the World Bank. A more stark number: Only 740,000 Colombians pay income taxes out of an economically active population of 20 million (with a total population of 43 million). Evasion is widespread and because land taxes are administered by municipal authorities under the Colombian constitution, they are practically ignored by landowners—as local governments are often either too weak to exert coercive power over local elite interests, or are subject to subornation by illegal armed groups. In Peru and Ecuador the story is not much better, with tax collection at 12 percent and 14 percent of GDP, respectively. The Organization for Economic Cooperation and Development, by contrast, reports that in the United States the rate is 29.6 percent of GDP.

Growth, poverty and income inequality indicators for the region are equally daunting. In the last twenty years, per capita economic growth has been close to zero, meaning that the average Andean adult has seen no improvement over his or her lifetime. On average, poverty rates are between 50-60 percent, with levels in the rural sector most extreme, averaging between 60-80 percent.

Income inequality is also profoundly skewed and worsening. A recent World Bank study found that over the past thirty years, income inequalities have widened in all of Latin America, with the Andean nations no exception on an individual or group basis. On the whole, the rich in the Andes have consolidated and expanded their wealth, while the poor have seen no improvement.[1]

In Colombia, the wealthiest ten percent of the population earns 46.5 percent of national income, while the poorest ten percent earns 0.8 percent. In Bolivia, the top ten percent earns 42.3 while the poorest ten percent earns 0.3 percent. In Ecuador, the wealthiest ten percent earns 44.2 percent of national income, while the poorest ten percent earns 0.7 percent of national income. The numbers for Peru break down as 36.9 percent vs. 0.8 percent, and for Venezuela, with its oil wealth, still 35.6 percent vs. 1.3 percent for the poorest ten percent. By contrast, the averages for industrialized countries are 29.1 percent and 2.5 percent, respectively.

These sobering statistics point to the critical importance of local leadership. Without broad-based local leadership, greater civic responsibility, and increased domestic economic investment by local elites in the Andes, macroeconomic reforms, free trade and U.S. support will not help pull the region back from crisis, as Bolivia's collapse this month suggests. Although this commitment to the common good does not fall to only one group, it is extremely important that we use our leverage to encourage private sector "buy-in" on the need for increased local investment in state services, particularly in the realms of security and social programs.

We have asked the region's leader to do the hard work of embracing our drug interdiction priorities and many have done so with varying degrees of success and domestic political impact. I would suggest perhaps that were the U.S. to make clear its commitments to the strategic priorities I lay out above, we would strengthen both governments and democratic forces of civil society who reject the scourge of drugs but are frustrated by what they perceive to be the myopia of current U.S. policy.

POST-SCRIPT: BOLIVIA AND COLOMBIA

Mr. Chairman, in the past two weeks we witnessed two major events in the Andean region: in Bolivia, the Gonzalo Sanchez de Lozada government collapsed amidst civil strife and in Colombia, President Uribe suffered a political defeat when his referendum failed to pass and a left-leaning trade unionist of the Polo Democratico party, Luis "Lucho" Garzon, won the mayoral seat in Bogotá, the second most important elected office in the country. These developments reinforce a theme I would like to underscore in my testimony: by viewing the Andean region primarily through the lens of drugs and terror, we are missing local domestic politics that may bear directly on our ability to implement policies in the region. Those policies are in need of some correction today, whether by reallocating resources, or much more importantly, exercising leadership by broadening the priorities we identify publicly and in private contacts with the region's leadership, in or out of government.

Let me be clear: I believe the United States should continue drug eradication efforts and should continue assisting counter-terror efforts. But if these critical activities continue to occupy the centerpiece of U.S. policy, Bolivia's crisis may be the harbinger of a broader regional disintegration, as the Eisenhower administration's prognosis for Colombia forty-five years ago suggested.

---

[1] The World Bank, Income Inequality in Latin America and the Caribbean: Breaking with History? October 7, 2003.

Senator COLEMAN. Mr. McLean.

STATEMENT OF PHILLIP McLEAN, SENIOR FELLOW AND DEPUTY DIRECTOR, THE AMERICAS PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. MCLEAN. Thank you. Thank you, Mr. Chairman, for inviting me here and for this opportunity to discuss the Colombia economy. Colombia's economic performance is clearly crucial. Colombians need security but they also need a growing economy. A major question is: Can they afford both?

At the outset, let me make three assertions, points not always acknowledged, and perhaps contrasting with my colleagues. While the country's institutions are failing to meeting the needs of the citizens in many important respects, Colombia is not, by any normal definition, a failed state. It is capable, once again, of being one of the better performing countries in the region.

While poverty, now affecting 60 percent of the population, requires urgent attention, it is not the primary cause of violence and disorder. In Colombia's case, it is the conflict and corruption fueled most importantly by the narcotics trafficking that best explain why a country previously headed for success now suffers such misery.

Colombia's leaders must find the resources to overcome the violence while offering the hope of a better life to millions now stuck in poverty. Without law and order, the economy will not return to significant levels of growth. Without economic growth, the country's leaders will not have the public support for the tasks required.

For many decades, Colombia was known as a well-managed economy. In the 1960s, its performance was ranked with Chile as a country taking the right path to modernity. In the 1970s, it was able to begin diversification away from the dependence on the coffee culture and showed signs of a vigorous manufacturing base.

As late as in the mid-1980s, the income gap between rich and poor in Colombia was narrowing rather than widening, as it was then and continues to be in most developing countries. Throughout the 1980s, normally referred to as the lost decade in the rest of Latin America, Colombia was able to maintain modest levels of per capita growth and avoid restructuring of its debt.

For all that success in the 1970s and 1980s, in retrospect it is clear, Colombian leaders neglected several fundamental national challenges. First, too little was done, as my colleagues have pointed out, in the good years to overcoming the daunting geography with highways and railroads to knit the country together.

Second, not enough was done to improve the life in the countryside. Tragically, generations have been forced to move from rural subsistence to urban poverty.

Third, as that last example suggests, even before the rise of the power narcotics barons, Colombian's judicial system was notably weak.

Only a fraction of the immense revenues of drug trafficking returns to Colombia. Most drug money remains in the United States. Still, the impact of those ill-gotten gains flowing back to Colombia totaling something like a $1.5 billion to $3 billion, not more than 1 percent of the GDP of Colombia, has been disastrous. The rise of narcotics trafficking is closely correlated to the rise in crimi-

nality and violence. And that, of course, has been deeply damaging to the Colombia economy.

The most specific damage was, of course, to Colombia's ability to enforce law. The already weak justice system was nearly crushed by the Medellin cartel. The drug profits fed the growth of the violent groups, while it also ended the credibility of their political pretensions.

Colombia is in a maze with no easy way out. The low-cost answers to its predicament have been found wanting. It has tried and failed to negotiate peace, first with the drug Mafias and then with the guerrillas. Peace with some of the paramilitary groups may still be possible. But if that were to happen, and I have my doubts, the government now recognizes it will not come cheap or cheaply.

The Colombian public has been tempted to believe, as many foreign observers are, that the country could overcome the violence by adopting more generous social policies and a more decentralized style of government. After experiencing disappointment with all these answers. Colombians last year seemed to accept that peace would be costly and elected a law and order President.

Social polices introduced in the early 1990s did help reduce poverty for a time. But eventually, fiscal policies spun out of control, debt rose, and the country suffered its first recession in seven decades. In 1999, the economy contracted by 4 percent, which totally wiped out the gains of the previous decade. Unemployment reached 20 percent. And adding to the country's woes, coffee prices plunged to historic lows, half of what they had been 10 years before.

When President Uribe came to office 14 months ago, he inherited a weak economy and a government struggling with a heavy debt load. He adopted an orthodox approach to government and finance, even to the extent of broadening the application of the unpopular value-added tax and seeking to rein in expenditures. While the Colombia President was trying to constrain spending, he was also determined to give more support to the armed forces and police. It is often remarked that, as a nation supposedly at war, Colombia was spending hardly any more than other countries in the region on security.

Uribe decided to finance increased spending on security services with a one-time tax on wealth. Raising taxes and cutting expenditures is not the usual formula for stimulating the economy. But Uribe had little choice. The assumption of his policy was and is, and it is not often expressed, is that by improving the security climate, he would improve the public confidence in the constantly increased consumption and investment.

To a degree, Uribe's approach is working. People are more secure by most measures. International markets did react favorably. There are signs that investors abroad, clearly many of them Colombians, are increasing both direct and portfolio investment; exports are rising and employment is falling. But all of this is relative to a very serious situation.

In conclusion, I would say that exports, in fact, may play a large part in Colombia's export from the current economic squeeze. Manufacturing exports are still less important than agriculture and extractive industries. But Colombia's manufacturing sector has long shown a potential for takeoff. Colombia is the most active trader

in the Andean Pact and has taken more advantage of the Andean trade preferences first granted by the United States in 1992. Exports are growing and, particularly, those exports granted under the trade preferences have increased twenty-fold in the last 6 months.

Colombia, of course, will best reach its export potential when the global trade liberalizes. Those agreements promise to lower barriers across the globe for new markets for them. But Colombia's most important market is the United States, the destination of 40 percent of its exports. Colombia and Colombian officials are skeptical that the World Trade Organization, and FTAA negotiations will end by 2004 and may even linger over beyond the expiration of the Andean preferences; and are, therefore, looking towards getting in line for a free-trade agreement.

Colombia and the United States, in my view, are locked in a partnership. As time goes on, the United States' security role certainly is going to decline. But it seems to me that a next transition, a better transition, a positive transition to a new relationship with that country so close to us would be to join together in a mutually beneficial free-trade agreement.

Senator COLEMAN. Thank you very, very much, Mr. McLean.

[The prepared statement of Mr. McLean follows:]

PREPARED STATEMENT OF PHILLIP MCLEAN, SENIOR FELLOW AND DEPUTY DIRECTOR, THE AMERICAS PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Thank you, Mr. Chairman, for this opportunity to discuss the economy of Colombia.

Colombia's economic performance is clearly crucial to that country's ability to deal with the crisis of the last decade. Colombians need security, but they also need to reverse the deteriorating conditions of life that afflict such a large part of their country's population. A major question is: how are they going to pay for what needs doing?

I have been following Colombian affairs closely for nearly 20 years. In the mid-1980s I was director of the Office of Andean Affairs in the Department of State and later when the struggle with the major drug cartels grew intense was Deputy Chief of Mission, and frequently Chargé d'Affaires, in the U.S. Embassy in Bogota. I was subsequently Deputy Assistant Secretary of State for South America when the reign of terror of Pablo Escobar was finally brought to an end. For the last several years I have been studying Colombia's plight and the U.S. response at CSIS.

At the out start let me make three assertions—points not always made by foreign observers when they talk about Colombia:

- While the country's institutions are failing to meet the needs of its citizens in many important respects, Colombia is not by any normal definition a failed state. It is capable once again of being one of the better performing countries in Latin America.
- While poverty, now affecting 60 percent of the population, requires urgent attention, it is not the primary cause of violence and disorder. In Colombia, it is conflict and corruption, fueled most importantly by narcotics trafficking, that best explain why a country previously headed for success now suffers such misery and why its economy is unable to meet the basic needs of such a large share of its citizenry.
- Colombia's leaders must find the resources to overcome violence and corruption and simultaneously to support policies that restore hope in the future for millions of their fellow citizens. Without law and order the economy will not return to significant levels of economic growth; without economic growth the country's leadership will not have public support for the tasks required.

HISTORICALLY WELL MANAGED ECONOMY

For many decades Colombia was known as a well-managed economy. At the end of the 1960s when the U.S.-backed Alliance for Progress came to an end, Colombia

was seen as a country taking the right path to modernity. At that point by most performance indicators it was not far behind Chile. It had, for instance, much admired housing and family health programs and insisted on following macro-economic policies even more cautious than U.S. experts advised. In the 1970s it was able to begin diversification away from its dependence on coffee exports and was beginning to show signs of having a vigorous manufacturing export base. As late as the mid-1980s the income gap between the rich and poor was narrowing rather than widening as it was in most developing countries. Throughout the 198Os—normally referred to as the "lost decade" in the rest of Latin America, which experienced severe drops in income—Colombia was able to maintain modest levels of per capita economic growth and able, almost uniquely among large Latin countries, to avoid default on its debt. Colombia was known as a country that respected contracts, and it "played by the rules," rolling over increasing amounts of debt, rather than damaging the country's credit standing with a default.

For all that success in the 1960s and 1970s, in retrospect it is clear Colombian leaders neglected several fundamental national challenges. First, too little was done in the good years to overcome the daunting geography with highways and railroads to knit the country together. Second, not enough was done to improve life in the countryside. The signs are small and large. Today a country of vast grasslands imports cattle hides for leather manufacturing. More tragically, the instability of land tenure has led generation after generation to move, often forced, from rural subsistence to urban penury. Third, as that last example suggests, even before the rise of the powerful narcotics business, Colombia's judicial system was notably weak.

THE PRICE OF LAWLESSNESS

Only a fraction of the immense revenue of drug trafficking returns to Colombia. Most drug money remains in the United States. Still, the impact of those ill-gotten gains has been enormous. Analysts at various times using different methodologies have estimated the total flow of earnings back to the country as low as $1.5 billion and as high as $3 billion, i.e., not much more than one percent of GDP, but all conclude that the net effect on the Colombian economy has been negative and disastrous. The rise in narcotics trafficking is closely related to the rise of criminality in Colombia and that of course was closely related to the rise in violence. One study points out that criminality leads to a misallocation of resources and a drop in national productivity amounting to roughly one percent of the GDP. Other studies correlate the rise of violence with the drop of investment from 1980 onward and blame that for taking two percent points off GDP growth of the period.

Colombians themselves were slow to see the damage. But then the anecdotal evidence began to come in. As the narcotics traffickers sought to circulate their money into legitimate businesses, legitimate businessmen became alarmed when they saw murder and extortion become common business practice. The coffee zone, where small efficient farms were the rule, began to see land bought up for showplace *fincas* ill suited for making honest profits or quality coffee.

The most severe damage was, of course, on the government's own ability to enforce the law. The already weak justice system was for a time nearly crushed under the threats from the Medellin cartel. It was not long before it was recognized that not just common criminals but even the supposedly political guerrillas were using information obtained from the banking sources and the court system to target kidnapping and leveraging other moneymaking schemes.

FINDING THE WAY OUT

Colombia is in a maze—with no easy way out. The low cost answers to its predicament have so far been found wanting. It has tried and failed to negotiate peace first with drug mafias and then with the guerrillas. Peace with some of the paramilitaries groups may still be possible, but, if that were to happen, the government now recognizes it will not be cheap. The Colombian public has been tempted to believe—as many foreign observers are—that the country could overcome the violence by adopting more generous social policies and a more decentralized style of government. After experiencing disappointment with all the easy answers, Colombia seemed to accept peace would be costly and elected a president dedicated to law and order.

Liberal social policies introduced in the early 1990s did help reduce poverty for a time, but eventually fiscal policy spun out of control, sovereign debt rose precariously and the country suffered its first recession in nearly 70 years. In 1999 the economy contracted by more than 4 percent, wiping out the gains earlier in the decade. Unemployment climbed to a record 20 percent. Adding to the country's woes, coffee prices plunged to historic lows, at 64 cents a pound less than half the price

of just 10 years before. Coffee is no longer among the top Colombian exports when measured by value (at 7 percent of total exports it is now less than oil, coal, flowers and apparel), but it generates more employment (with some 560,000 directly employed and another 2 million in related activities) than extractive industries and is more than geographically concentrated than manufacturers.

When President Alvaro Uribe came to office fourteen months ago, he inherited a weak economy and a government struggling to deal with burgeoning expenditures and a heavy load of debt (equivalent to 53 percent of GDP). He adopted an orthodox approach to government finance—even to the extent of broadening the application of the unpopular value added tax—and sought to reign in expenditures. For example, because of the decentralization, much of the government's income was flowing out to inefficient and poorly supervised regional and local governments. Much was also spent on a generous pension program. Uribe is known internationally for his law and order agenda, but in Colombia he is recognized for being on the road continually seeking to make government work with fewer resources.

While the Colombian president was trying to constrain spending he was also determined to give more support to the armed forces and police. It is often remarked that a nation supposedly at war such as Colombia was spending hardly any more than other countries in Latin America on security. (For the decade of the nineties with a rising level of violence military spending in Colombia was just 2.6 percent of GDP as compared to 3.1 percent in Chile and 1.9 percent in Bolivia and Ecuador.) Uribe decided to finance increased spending on the security services with a one-time tax on the wealth of the upper tax brackets that brought in the equivalent of 0.7 percent of the GDP. His government projects that defense spending will rise to 4.5 percent of GDP by the end of Uribe's term in office in 2006.

Raising taxes and cutting expenditures is not the usual formula for stimulating an economy, but Uribe had little choice if he was going to give the police and military the support he promised while at the same time keeping the country from falling once again into a damaging recession. He is attempting to make government give better service within tight budgets. The assumption of his policy, not often openly expressed but clear, is that an improved security climate will lead to improvement of public confidence and a consequence increase in domestic consumption and investment. Similarly, there is an expectation that better security will attract foreign investment.

To a degree, Uribe's approach is working. People are more secure by most measures—though throughout much of Colombia the ominous threat of violence remains. International markets reacted well to the new president's determined economic management, and spreads on Colombian debt fell by more than half (though they have moved up marginally in recent days following the defeat of the economic items in the referendum last weekend). There are signs investors from aboard—clearly many of them Colombian—are increasing both direct and portfolio investment. Energy companies—both oil and coal—significantly increased investments early this year. Unemployment continues to fall. And exports are rising.

A ROLE FOR TRADE

Exports may, in fact, play a large part in Colombia's exit from its current economic conundrum. Manufacturing exports are still less important than that of the agriculture and extractive industries. But Colombia's manufacturing sector has long shown the potential for take-off. Colombia is the most active trader in the Andean Pact and it has been taken more advantage of the Andean trade preferences first granted by the United States in 1992. The Colombian government has estimated that the first ATPA created some 120,000 permanent jobs and the new ATPDEA will stimulate another 200,000. (It is useful to note that these are many more than the 80,000 people estimated to be involved and facing displacement drug cultivation.) Early this year reports indicated that Colombian exports were showing a healthy 3.8 percent hike overall, with products eligible for Andean preferences recording a twenty fold increase.

Colombia will, of course, best reach its export potential to the degree the world as a whole liberalizes its trade regime. Colombia is an active and positive force in both the Doha Round and Free Trade in the Americas negotiations. Those agreements promise low barriers to new markets around the globe. But Colombia's most important market is the United States, the destiny of 40 percent of its exports. Colombian officials have a skeptical eye on 2006 when the Doha and FTAA negotiations are due to conclude. They fear those talks will not produce results before the Andean preferences come to an end that same year. Wanting to lock in the full benefits of trade by giving investors the prospect of long-term gain, they think the

United States should place Colombia at the head of the line for a free trade agreement.

Colombia and the United States are close partners in the struggle against drugs and violence. My own sense is that the struggle can be won, but only with persistence by both governments, both peoples. Eventually, the U.S. security role will wind down. The key to success then will be, even more than it is now, on the strength of the Colombian economy. A mutually beneficial free trade agreement would be an important step toward a new, more optimistic stage in our relations.

Senator COLEMAN. First, I want to say, Dr. Sweig, I am glad that you mentioned the issue of focusing on not just supply but on demand. And we have had a hearing today, talking about drugs in Colombia. And I do not think I have mentioned the fact that there is a great deal of consumption in this country. And if we do not somehow get that under control, I am not sure how you fight a winning battle.

So, it is not the focus of this hearing but, clearly, that issue in the same breadth, I think, has to be raised and has to be recognized. And we have to do the things that we have to do in this country to better address that issue.

When I visited Colombia, there were a couple things that impressed me. I mentioned, Mr. Schneider, the human rights issue just about in every conversation. I had concern at the time that I was there, there was concern regarding one of the generals, Air Force General Velasco. And it had to do more—I am sure you are familiar with the incident—more with whether an incident was adequately investigated, not whether he did anything, but whether, in fact, looking at what happened in Santo Domingo, that was there, was a light shown on that and did we uncover what happened?

Not too long after that, there was wide agreement that General Velasco, I believe from my perspective, needed to be removed. And that has happened. Do you see that as a—the reason I say that is, I walked away with a very clear impression that Colombia is facing the struggle that we have all touched upon. Dr. McLean said it very clearly, you cannot have economic security without national security. But we have to have the confidence of our people. We know that.

Do you see the Velasco case as a model? Does that bolster your sense, a little sense or greater sense, of optimism in Colombia's ability to deal with its human rights issues?

Mr. SCHNEIDER. Unfortunately, no. I think that right now the situation is one where I think much more needs to be done by Colombia with respect to investigating instances of violation of human rights by state agents, the relationship between military and paramilitary. And then those investigations, there needs to be a transparent, in some way, discussion of what has been done. So that, then, the message is sent within the different state agencies that this is no longer acceptable.

We have suggested three things that would give you greater confidence that the negotiations of the paramilitary is, in fact, possible to achieve the end result of their removal from combat while supporting the rule of law and many with the Colobian Government would agree.

First, the highest priority target for law enforcement and military should be those paramilitary groups and leaders that are not engaging in the cease-fire. That has not happened.

Second, because the government says it has done more than any other administration to combat the paramilitary, and it may have, but no one has any credibility in their assertions. They should create a Presidential ad hoc commission to document what has been done as other countries have done. Have international, credible international, jurists form that commission, perhaps with some Colombians. And then let them document what has been done and what needs to be done. That is the second thing we have urged.

And the third is, right now there are no specific units of prosecutors in whom people have very great confidence. Unfortunately, the attorney general has dropped a great many cases that were on the tracks in the past. There needs to be some evidence that the government is willing to take the steps to help create a core of prosecutors to go after the paramilitary.

So, there are things that can be done that would give us greater confidence in government action against the paramilitary.

Just in response to one of the other questions that came up about why did President Uribe go after some of the human rights organizations in that speech. Just prior to the speech, a group of 80 human rights organizations, many of them very legitimate, including Plataforma Colombiana de Derechos Humanos, Democracia y Desarrollo, 80 with—I do not know all of them but I know a lot of them. They came out with a very, very critical report on the government's treatment of human rights. And I think that he reacted very instinctively to that.

Dr. SWEIG. Can I add a small——

Senator COLEMAN. Dr. Sweig.

Dr. SWEIG. And also addressing the earlier question? The speech was made at a ceremony in which the air force commander that you mentioned stepped down, and the new air force commander took up his charge. I read that to be not only an indication of the President's discomfort with the group of 80, but also it suggested to me that perhaps the comfort level with the President within the Armed Forces may be; there may be some degree of unease and that he has some issues that he is working out within his own Armed Forces. And that was a bit of red meat that he was throwing to deal with that very touchy issue, internally, within the military, that the stepping down of the air force general indicated.

Senator COLEMAN. Thank you. I have other questions, but I am going to defer to my colleague, Senator Dodd. And then we will have a second round of questions.

Senator DODD. Well, thank you, Mr. Chairman. And I will not take much time.

I am very grateful to all of you for your patience in being here. And I thank the chairman for including you in today's hearing. You addressed some of my questions just in your opening comments and your remarks. And I thank you for that.

I wonder if you might, beyond, Mark, your comments about the cases that could be pursued, stepping back for a minute—and I think your characterization, having talked to President Uribe at least at one meeting, and apparently he has done it with others,

admits that his language was inappropriate. And he strikes me as the kind of person, frankly, in the meeting that if he did not think it was, he would tell me that, too. It was not one of those things where he is necessarily trying to satisfy a United States Senator. I think he honestly feels that.

Now, whether or not other actions reflect that and so forth is another matter. But certainly being in public life, there are plenty of speeches I have given where I kind of wished I had chosen other words, maybe, in retrospect. The words do not bother me so much as what the actions are and what are the implications of those actions.

And putting aside the legitimate legal questions and so forth associated with an amnesty program, I would like to ask you the question of what happens. In effect, let us assume one goes forward and you "reintegrate" these elements into Colombian society. What are the effects of that, in a sense? And that may be a more significant question, when we start looking at the longer term picture of how Colombia gets back on its feet again. And I wonder if you might address that issue.

Mr. SCHNEIDER. I think you have to think about that whole process of demobilization and reintegration as one that is probably going to have to take place in two really very finite stages. The first is the cease fire really has to be complied with. They have to stop engaging in the kinds of actions that we all know. And there has to be monitoring to give people confidence that there is a change in attitude of these people who have engaged in gross abuses in the past, and that the next stage is one which they are going to integrate into society.

The second is that there has to be, it seems to me, a clear plan on how to protect them. You have to figure out some way that they do not get killed. Because the next stage is, if you do get to the point where you are going to demobilize the FARC and the ELN, this same problem exists.

Senator DODD. And a problem that persisted in the past is one of those examples of where you had a demilitarization and thousands were killed.

Mr. SCHNEIDER. And that is one of the reasons why it seems to me there needs to be a greater deal of thought given to regional demobilization as a mechanism where you are able to manage it, because that is also one of the ways perhaps to bring in, let us say, first the ELN into a process in a regional way.

But going back to the question of reintegration and the amnesty law, I think that you have to establish certain bottom lines. One of them is that you cannot have been the author of crimes against humanity and go scot free. You know, Castaño, if prosecuted for all of the crimes that he has admitted to, probably should go to jail for 600 years. It is not a question of that occurring. But there is a question of how to assure some jail time for some portion of those who are authors of crimes against humanity.

That does not mean that every single member of the paramilitary is going to go to jail; they are not. But it does mean that there has to be some bottom line.

The other is there has to be a date certain. Either you go into the cease fire now and agree to then accept the benefits down the

road or you are simply a criminal. Because the problem is that if there is not a deadline, they can go out and, let us say, they want a certain amount of land and they say I can go out and kill those people, acquire that land, and then I will apply for cease fire and the benefits.

So, there has to be some bottom lines in the legislation that are not there right now.

Senator DODD. Yes.

Mr. SCHNEIDER. And one of the other things they might do is ask for Inter-American Court of Human Rights to examine the legislation to see how it fits with Colombia's obligations under international human rights conventions.

Senator DODD. Well, we are not even sure we are going to find the answers to whether or not there was any consultation here. I suspect there might have at least been some awareness of it; but we will see.

Julia, you and Mark have both expressed a need to focus on the economic humanitarian side of the Colombian conflict. And I certainly agree that we need to do far more in that area and the dollar ratios of where things are going. Mark pointed out that the strongholds of guerrilla organizations are in the areas of the highest poverty in the country. I think the poverty levels hover around 80 percent.

And it should not be any great leap of understanding to appreciate the fact that the guerrilla organizations have been most successful in the areas of the highest degree of poverty, generally speaking. There may be some exceptions to that but, generally speaking, that seems to be the case.

And I would like to know if you might address in the limited time here about how you go about tracking that problem, when in most security cases the security situation does not lend itself. In fact, the irony is, in a sense, if you are trying to do it where the guerillas are the most strongly—that they are the strongest in these areas, how, then, even if you had the dollars to get them in, to make a difference, because you do not have the security to be able to carry that out.

So there is kind of a Catch-22, I guess, is the overused expression here to describe trying to get the dollars, even if you could. And I am sympathetic to that. And I would like to have you address as well the issue of a free trade agreement. I have been supportive of some. I have had some difficulty with the fast track authority, cases where I think the agreements were going to involve certain things that should be included in free trade agreements. But there is a case to be made here, that if you really—what these countries need is the ability to have economic growth.

And certainly, when I go in stores and I see, you know, "Made in the People's Republic of China," and I know very well that—that same product might be made in Ecuador or might be made in Colombia, I prefer it be made in the United States but, if it is going to be made somewhere, why not make it in a place that could really use some help today? Not that the People's Republic of China does not; but if you had to make the case to me, I would prefer, candidly, if I had to choose someplace outside of my own country, these countries that are struggling, faced with civil conflict, lack of

jobs and opportunity. So, that can have some value. And I wonder if you might comment.

And also, Mr. McLean, could you address the issue as well? So, let me——

Mr. SCHNEIDER. Really quickly on the first point, it seems to me that what needs to be done initially is you have to develop a strategy and program. There is no rural development strategy in Colombia right now. You can ask anybody. You have to have it developed. And you have to then say, this is how we are going to deliver it and this is where the funds are coming from.

For example, that 1 percent add-on for security this last year of a wealth tax, what about doing another 1 percent for this year and target it toward development? And say, whenever we are able to apply, as soon as we are able to apply, we will have the program in place.

And the fact is that you have some rural areas today where you can apply it. I would not be surprised if, in some areas of Putumayo, where the government had re-entered the state, the state has re-entered, that you might be able to implement a rural development program. The point is that right now, you do not have the means or the plan or the program to do it. That needs to be first, because you also have to have something out there for the caompasino that says: Hey, as soon as we get this area secure, it is not just going to be with law enforcement; it is going to be with schools, health, roads, and economic opportunity.

A second potential investment would be in the areas right now that are home to the laboratorios de la paz, the EU supported these peace laboratories at Padre de la Roux. I think you can replicate that in some areas. Again, do it now.

And finally, with respect to ALCA, I say yes, but; the but is, think about where we have been and what is happening, what has happened in Bolivia and Peru. It has to be done, I am convinced now, with asking the question not only what is the impact on domestic employment here but what is the impact on rural poverty there?

At least somebody needs to be thinking that through. And I really do not think it has happened.

Senator DODD. Mr. McLean.

And then, Julia, I will come back to you on it.

Mr. MCLEAN. If I could link, really, the two parts of your question. One was about the regions where there is narcotics being eradicated and obvious guerrilla activity; and the other part, which is the larger, economy and the trade. I think those are linked.

You know, you cannot and you never should expect that in the areas where there has been heavy narcotics growth—I am going to give you the example of Putumayo or give the example of the Catatumbo which is up by the Venezuela border up in the northeast. Those are areas that are basically, just a few years ago, indigenous areas. But you have people who have come in as colonos, as colonists, and brought the coca culture with them.

You know, 20 years ago, 25 years ago, the Catatumbo was this wonderful forested area that had the Motillone Indians. They were, you know, beautiful. It was a place that people went to for "ecotourism," even before the word existed. Today, it is a desert, been

wiped out by the slash-and-burn agriculture. And people there are at war with one another for the drug gains.

The answer, clearly, is that many of those people have to leave. It is better for the land environmentally, for the indigenous people to allow those areas to return to a more tropical state and get people out of that economy and into a prospering, forward-looking economy that trade can bring.

Now, I do not know all the—you know, it would take a long time to get to a free trade agreement. But it seems to me that, given that the WTO and the FTAA prospects are not looking good at this particular time, I would go for it. I would go for it. It seems to me Colombia is as worthy of it as a Chile is. And the Chile one, I think, was a pretty good agreement.

Senator DODD. Julia?

Dr. SWEIG. Thank you, Senator Dodd.

Senator DODD. Dr. Julia Sweig, I should say.

Dr. SWEIG. Senator Dodd, thank you very much. My mother will appreciate that you threw in the "doctor."

You know, there are hundreds of very experienced individuals. And all of the multilateral institutions have lots of experience with how to do land reform in difficult rural environments even. I think the technical question is critical. How do you do security and serious rural initiatives simultaneously?

But just drawing on Mark's comment that there is no rural development strategy in Colombia, the United States can play a vital role in, I think, setting the tone and establishing that we see that these are, in fact, priorities. Because right now, we fall more, I think, into the realm of platitudes. We support democracy and we support free trade. But we do not get into the specifics of what, in fact, really might help get this region moving forward.

And so I think we can set the tone, first. And second, I think we can then, for example, since—well, Bobby Charles is not here now. But I have said this to him directly. INL is the elephant in the room. It has all the money. And it has lots of programs that it administers in the alternative development sphere. Convene and do this with much more senior level attention in the administration. A meeting of the multi-laterals and the key international players from both the U.N. and OAS, those institutions that are putting money into the region, the Andean finance corporation. Get everybody in a room and sit around and say: How do we do this together?

And I think what you will find is people are very, very anxious to speak to these issues and are looking for U.S. leadership on them to tie the issue of security and development together.

Senator DODD. Are there people who have already thought about this and have clear ideas of how this can be done?

Dr. SWEIG. I think there are. I think—you know, I am not an expert at all in rural development. But I know that there are and that they are waiting to be called. They are waiting for the call. And I think that it really could yield to some productive discussions.

Can I answer on the trade front?

Senator DODD. Yes.

Dr. SWEIG. When we negotiate a bilateral or, in my view, it would be better if we are going to go bilateral with Colombia, go very quickly to establish that what we want is a region-wide Andean trade agreement.

Senator DODD. Actually, I focused in Colombia but, clearly——

Dr. SWEIG. But regional. But then to specifically ask the Colombians and every other country in the region what products need to get in here and quickly that will specifically replace the income from coca and to begin to sort of open up those markets. Maybe perhaps they already are but to begin to connect the dots a little bit more specifically.

Senator DODD. Good idea. This has been an excellent panel. We had a vote called. And we are kind of running out of our time. I would have done another round of questions. I want to thank the panel.

If I can, two observations. And that is that in the past, I have always used the analysis that says guerrilla movements prosper in areas that are poorest. If there is one difference here, and I would have to look at that, is that the drug trafficking has just changed the whole dynamic. There is no longer a guerrilla movement. It is about narcotics.

And I am not sure that does not change, I think, the long-term vision of what we have to do. But it is not about guerrilla movements anymore. It is about drugs on all sides, whether it is AUC or ELN or the FARC. So, I just want to make that observation.

And then the second observation about trade, and there have been some very, very good suggestions. I am avid free trader. But I worry that trade has not fulfilled the promise to those at the bottom of the rung, bottom of the economic ladder. And I think we have to start reflecting on that a little bit more, as we move forward.

And the great fear I have is that we have made this the panacea, the great—you know, it is going to solve our problems. And people are not seeing that. And as a result, the reaction, the kickback, is very, very strong.

Again, thanks to the panel. Julia, you started by saying—Dr. Sweig started by talking about you have a great deal of humility and respect for the challenges being faced by the folks who have to make these decisions; I share that and you have been very helpful in our deliberations.

Without objection, the record of today's hearings will remain open for 2 days to receive additional material and supplemental written responses from witnesses to any question posed by a member of the panel.

This hearing of the Senate Foreign Relations Committee is now adjourned.

[Whereupon, at 5:00 p.m., the committee adjourned, to reconvene subject to the call of the Chair.]

ADDITIONAL STATEMENT SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF ERIC FARNSWORTH, VICE PRESIDENT FOR WASHINGTON OPERATIONS, COUNCIL OF THE AMERICAS

On behalf of the Council of the Americas, I am delighted to submit views concerning the possibility of a bilateral free trade agreement between the United States and Colombia.

The Council of the Americas speaks for US business in Latin America and Caribbean issues. Our members include over 170 of the top US companies invested and doing business in the hemisphere. For almost 40 years, the mandate of the New York-based Council has been to promote free markets, free ideas, and free people throughout the hemisphere. We are proud to have played a significant and successful role in the formulation and passage of NAFTA, passage of trade promotion authority, expansion of Caribbean and Andean trade preferences, and the just-concluded bilateral agreement with Chile. As well, we are fully committed to achievement of a comprehensive Free Trade Area of the Americas by 2005 as the best hope for renewed growth and sustainable development in the hemisphere, part of the overarching development vision agreed by leaders at Summits in Miami, Santiago, and Quebec City.

FTAA REMAINS THE GOAL

Indeed, it is the Free Trade Area of the Americas that the Council believes should remain the top trade priority in the hemisphere. The FTAA will do the most good for the greatest number of people, and will do so in the most efficient manner. In addition, the non-trade benefits of FTAA will be broad and diverse, supporting US national security interests by strengthening democracy and its institutions, building a common framework for hemispheric relations in the same manner NAFTA did in North America, and increasing opportunity broadly as the middle class is built in Latin America and the Caribbean.

WHERE DO BILATERAL AGREEMENTS FIT?

To the extent the FTAA might be delayed, watered down, or otherwise fail to meet the promise of the three Summits of the Americas, however, the Council would support bilateral or sub-regional agreements between the United States and other nations in Latin America and the Caribbean. Additionally, bilateral and sub-regional agreements can provide impetus for the broader FTAA negotiations, and as may be the case, they should be pursued with vigor.

Nonetheless, there is a risk that by pursuing bilateral agreements, attention will be diverted from the larger goal, both in the United States and in other nations with even greater resource constraints; that a "spaghetti bowl" of new trade agreements will actually confuse hemispheric trade patterns; or that trade and investment diversion will occur from one nation to another. As well, to the extent bilateral or sub-regional agreements are perceived to isolate major trading partners unnecessarily, they could even become counterproductive by causing a backlash to conclusion of FTAA or by limiting cooperation in other, non-trade areas.

With this in mind, the Council of the Americas would support a bilateral trade agreement with Colombia within the following framework:

- It must support, not detract from, a hemispheric FTAA.
- It must include the latest generation of trade and investment disciplines, much like the Chile and Singapore agreements.
- It must be consistent with pre-existing agreements, including NAFTA and an agreement currently under negotiation with Central America. For efficiency purposes, it might be appropriate to conduct the negotiations, as anticipated with the Dominican Republic, as part of a docking exercise onto a broader agreement.
- It should be open to additional countries in the Andean region, once those nations reach adequate levels of political and commercial readiness.

WHY COLOMBIA?

Should bilateral agreements be pursued by the United States within the Western Hemisphere, Colombia is a solid choice. Its democracy, though under challenge, is strong and long-standing. The current President, Alvaro Uribe, is providing leadership to end the extra-judicial guerrilla war while maintaining appropriate human rights protections. President Uribe is an ally of the United States on Afghanistan, Iraq, and the war on drugs, and maintains a strong bias in favor of anti-terror and

narco-terror initiatives within the international community. Completing a bilateral agreement would link our two nations closer together, an important strategic goal, while also supporting Colombia's democracy by strengthening economic growth, providing Colombia's disaffected and dispossessed populations over time the economic benefits of democratic governance.

Legal trade between the United States and Colombia is strong and growing. National income accounts tend to understate the amount of bilateral trade because, of course, they do not capture illicit trade flows. That said, the United States imports significant energy and agricultural goods (cut flowers, coffee), jewelry, and other products from Colombia, while exporting high-technology goods and services including aircraft and helicopters, telecommunications services and equipment, industrial machinery, and food and agriculture products. With the expansion of the ATPDEA in 2002, the textiles and apparel sector has also grown significantly in Colombia, just as it was designed to do.

A bilateral agreement would enlarge this commercial relationship even further, leading to increased trade and investment flows, while providing a reciprocal framework for existing trade and investment activities and strengthening a strategic partner both economically and politically. At the same time, it would draw investment to Colombia—a positive development, to be sure, but not if it comes at the expense of foreign investment in neighboring nations. In other words, an agreement should create opportunities for new investment, not merely shift existing investment from one Andean nation to another. This would have to be taken into account in terms of an overall US strategic approach.

AN AGREEMENT IS IMPORTANT, BUT OTHER ACTIONS ARE ALSO APPROPRIATE

Finally, investment climate improvements including resolution of ongoing investment disputes and judicial reform should be redoubled with or without a bilateral trade agreement. Ultimately, it is not the presence or absence of a trade agreement with the United States that will determine the amount of trade and direct foreign investment in a country—it is the perception of risk and return from one nation to the other. As a result, Colombia, and indeed every nation in Latin America and the Caribbean that desires closer commercial relations with the United States, including Peru, should take concrete steps to address investor concerns as they arise, thereby ensuring that the investor community remains committed to each respective economy and maximizing the potential benefits of a bilateral trade agreement.

RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD

RESPONSES OF HON. ROBERT B. CHARLES, ASSISTANT SECRETARY OF STATE, BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE, TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

Question 1. President Uribe has presented a legislative proposal to the Colombia Congress that would grant amnesty in the form of suspended sentences to paramilitary leaders who turn themselves in, in exchange for compensation to the victims of their crimes.

a. Has the administration taken an official position on the legislation?

b. Has the administration provided comments or recommendations to the Colombian Government on the legislation? If yes, please provide information on the recommendations, and on whether they were provided before or after the legislation was introduced to the Colombian Congress.

c. What is the administration's view as to what the critical components of an amnesty program in Colombia should be?

Answers. a. President Uribe's draft Conditional Parole Legislation is being considered by Colombia's congress and may yet be revised. Various Colombian ministries criticized the original draft and proposed revisions as have various members of the Colombian Senate. The GOC has invited comments from interested national and international human rights groups, international organizations, and others. If and when it is passed, the Colombian Supreme Court will then have to review the constitutionality of the final version. As indicated in greater detail below (under section b.), the United States continues to reiterate the key principles that guide our position on any peace agreement. The Colombian Peace Commissioner has explained that the purpose of the legislation is to provide the authority to negotiate a final agreement to bring about the demobilization of terrorist groups. Under these con-

stantly changing circumstances, the United States has not taken a position on the draft legislation.

b. No one in the U.S. Embassy in Bogota or Department of State was consulted by the GOC on the contents of the Conditional Parole Bill prior to the Bill's introduction to the Colombian Congress. We were aware of reports that such a bill would be introduced, but were not offered an opportunity to and did not offer any recommendations on the bill.

The Department of State and our Embassy continue to discuss issues related to the peace process, including the Conditional Parole Bill, with the Government of Colombia. In our discussions with the Uribe Administration, we have stressed that members of the AUC or other illegal armed groups who have committed gross violations of human rights or engaged in significant narcotics trafficking should remain accountable for their criminal actions both in the United States, if their extradition has been granted or would be warranted, and in Colombia. We have also made it clear that we will actively pursue extradition of Colombians indicted in the United States now and in the future. The GOC understands U.S. concerns and has assured us that the legislation will not undermine our current extradition relationship. As we monitor the legislative process, we will continue to insist that nothing in the bill or in negotiations with the AUC impede extraditions to the United States.

c. We believe that a credible peace process must include accountability for the perpetrators of gross human rights violations and narcotrafficking.

Question 2. President Uribe gave a speech on September 8, 2003, in which he referred repeatedly to some human rights groups as "defenders of terrorism" and "spokespersons for terrorism." Civil society workers in Colombia are intimidated daily, and many of them live in constant fear for their lives. I am concerned that President Uribe's remarks, which may be construed as condemning the work of human rights defenders, could further endanger these workers. Furthermore, I am unaware of public responses to his remarks by Ambassador Wood or other U.S. officials.

a. Was there a public U.S. response to Uribe's comments?

b. Did the United States demarche the Colombian Government after the President's speech? If so, please provide a summary of the demarche.

c. How did the Colombian Government receive the response?

d. What more does the State Department intend to do in response to the speech?

e. Have we reached out to human rights groups in Colombia to reassure them of U.S. support for their work?

Answers. a. We have made our concerns about President Uribe's statement clear to the Government of Colombia at the highest levels, including in a September 30 meeting between Secretary Powell and President Uribe. Secretary Powell noted publicly following his September 30 meeting with President Uribe that he was convinced that the Colombian President was "committed to the highest standards of human rights . . . and it's the way I have seen him operate in the time that we have worked together." Under President Uribe's administration, there has been a major improvement in Colombia's human rights situation. The first nine months of 2003 witnessed the following positive trends: the Colombian National Police recorded a 16 percent reduction in the national homicide rate; the National Labor School (a trade union NGO) registered a 68 percent reduction of homicides among trade unionists; the Free Country Foundation (an NGO specializing in kidnappings) reported a 30 percent reduction in kidnappings; and the Colombian Government agency responsible for assisting internally displaced persons reported a 66 percent reduction of internally displaced persons.

b. On September 12, Ambassador Wood met with President Uribe and Foreign Minister Carolina Barco regarding President Uribe's remarks criticizing human rights groups. The Ambassador encouraged the Colombian Government to work proactively with human rights organizations.

c. President Uribe vowed his continued commitment to human rights in his September 30 address to the UN General Assembly. Both at the UN and in his meeting with the Secretary of State, Uribe expressed his respect for human rights NGOs, his interest in remaining engaged with them and his willingness to accept constructive criticism and suggestions.

d. In our conversations with the Colombian Government, we will continue to express our concerns and to emphasize the important role of both human rights and those NGO's which defend human rights.

e. Protection of human rights is central to U.S. policy towards Colombia, where the U.S. Government has its largest human rights program in the world. Embassy officials regularly meet with Colombian human rights groups. In addition, Assistant

Secretary for Western Hemisphere Affairs, Roger Noriega, Assistant Secretary for Democracy, Human Rights and Labor, Lorne Craner, and other State Department officials have routinely met with Washington-based NGOs to discuss human rights in Colombia. We believe that these frequent meetings along with our Embassy's regular engagement with senior Colombian officials express the United States proactive promotion of human rights protection and are producing real improvements in Colombia.

Question 3. In 2002, Congress changed long-standing policy that limited the use of U.S.-provided equipment to counter-narcotics missions by giving Colombia authority to use the equipment for counterinsurgency purposes.

a. To what extent is this new authority being used?

b. Please provide concrete examples of how this authority is being used, against the FARC, the ELN and the AUC. What types of missions are being carried out under this new authority?

c. To what degree is the use of this authority distracting from the counter-drug mission?

d. What is the decisionmaking process in the Embassy for approving missions that are not directly related to counter-narcotics?

Answers. a. The expanded authority provided by Congress in 2002 recognizes that the narcotics industry is linked to Colombian terrorist organizations, including paramilitary groups. This expanded authority gives the United States added flexibility for more readily supporting Colombia's unified campaign against narcotics trafficking and terrorist organizations. We are able to train as well as provide equipment and intelligence support.

b. The following are examples of use of the authority.

Example 1: In early October 2002, units of the Counterdrug Brigade launched an air assault operation in southern Caqueta Department, which resulted in the death of eight members of the FARC's 15th Front, including the Front Commander Jose Ceballos (AKA El Mocho Cesar), and possibly his second-in-command. Five FARC were captured, along with 300 kilograms of coca base, three tons of explosive materials, and a variety of other military equipment. The air assault by units of the Counterdrug Brigade and 12 UH-1N helicopters, 10 of them INL-supported, illustrates the flexibility provided by the expanded authority.

Example 2: On April 20-21, 2003, units of the Colombian Combined 6th Division captured what Colombian intelligence believes to be the entire stockpile of reserve ammunition for the FARC Southern Bloc. Available counterterrorism intelligence that would not have been shared prior to the expanded authority, had approximated the location of the cache. This was then confirmed by a walk-in source. The Counter-Drug Brigade, using USG-supplied riverine transports and Black Hawk and Huey II helicopters, located and seized the cache, which contained 285,210 cartridges of 7.62 mm (AK-47) ammunition, 1,800 pounds of pentolite explosive, 816.5 kilograms of coca base, 1,450 gallons of gasoline, 8 boats and 7 outboard motors, and 1 generator.

Example 3: On January 3, 2003, the Colombian National Police (CNP) and Colombian Air Force (COLAF) conducted an airborne assault to rescue an ELN kidnap victim in a remote area north of the city of Cali. The USG-supported Antinarcotics Police (DIRAN) supplied 55 members of its elite airmobile company ("Junglas") to lead the rescue, and four UH-60 Black Hawk helicopters. The rescue was successful.

As these examples illustrate, the expanded authority, as envisioned by the Congress and implemented by the Department of State, has provided invaluable operational flexibility, when the distinctions between counter-narcotics and counter-terrorism are not be clear cut.

c. It is important to note that the expanded authority has not eroded the counter drug mission which remains our primary focus. It has required, however, the establishment of clear procedures for the approval of all missions by our Embassy in Bogota, as new resources were not added to accommodate wider use of CN assets and personnel for CT missions when the authorities were expanded.

d. The U.S. Embassy maintains control of U.S.-provided counter-narcotics assets, including operational oversight, logistics and maintenance of the helicopters made available by the United States. The Embassy's Narcotics Affairs Section (NAS) and the Military Group (MILGP) are in continual contact with the Colombian National Police (CNP) and Colombian military (COLMIL) concerning ongoing and planned activities. In the event of a disagreement, the United States Ambassador in Colombia retains the final decisionmaking authority. This has allowed us to continue an extraordinary rate of recent success with aerial eradication, while responding in a timely and effective way to counter-terrorism needs.

Question 4. A "factsheet" prepared by SOUTHCOM, dated September 1, 2003, sets forth date from the Colombian Ministry of Defense that indicates that, in the first half of calendar 2003, seizures of coca base are down 18%, heroin seizures are, down 43%, and the number of laboratories is down 28%. To what do you attribute these reductions?

Answer. We have not seen the "factsheet" referred to in the question and cannot comment directly on this. We recommend that inquiries concerning the document be directed to SOUTHCOM.

The following answer is in further response to Question 4 above.

Answer. We do not believe that downward movement in these three statistical categories is representative of any significant downward trend in Colombian interdiction. Although seizures of coca base and heroin have dropped, Colombian security forces seized more cocaine through the end of October than in all of 2002 (nearly 125 metric tons compared to 124 metric tons). Public security forces have also destroyed 86 high value cocaine processing HCl labs, compared to a total of 66 in 2002.

Contributing to this total, the CD Brigade is having its best year ever in seizing cocaine (4.2 mt, over 800 times the 2002 total of 0.5 kilograms) and destroying HCl labs (15, compared to a total of 5 in 2002). Through October, the Colombian National Police is on a par with last year in cocaine seizures (over 41 mt of cocaine compared to 52 mt for all of 2002), but significantly better in destroying HCl labs (71 compared to 61 for all of 2002). The Navy (including Coast Guard) accounted for 68.7 mt tons of cocaine seized through October (compared to roughly 72 mt for all of 2002).

With respect to the drop in laboratory destruction, we differentiate when possible between cocaine processing HCl labs and the less significant common base labs. Base labs, which do the initial refinement from coca leaf to base cocaine, are simple and cheap to set-up and easy to replace. HCl labs utilize more sophisticated laboratory equipment, require significantly more resources to establish, and produce high-value finished product from base cocaine shipped in from various base labs. For this reason, the 50 percent decline in base labs to date (police and CD Brigade totals dropped from 1,083 in 2002 to 517 through October 2003) is more than offset by the 30 percent increase in destruction of HCl laboratories (86 in 2002 vs. 66 through October 2003).

With respect to the heroin figure, although the amount seized has dropped from last year, we cannot estimate what the year-end total might be. In 2002, Colombia seized 680 kg of heroin. Through October of this year, security forces have seized 464 kg of heroin. A single major interdiction or several moderate busts could bring the final tally to over last year's total.

Question 5. You testified that, so far in 2003, the U.S.-trained Counternarcotics Brigade has destroyed 15 HCl labs and 278 base labs. What were the number of labs destroyed by the CN Brigade in 2001 and 2002?

Answer. The information you requested is provided in the chart below:

COUNTERNARCOTICS BRIGADE RESULTS:

	2001	2002	2003
Base laboratories:	800	682	278
HCl laboratories:	18	3	15
Cocaine seizures:	177 ks	0.5 ks	4,200 ks

The decline in Counternarcotics (CN) Brigade activity in 2002, as illustrated by this chart, reflects the period when the Brigade had completed its counternarcotics activity in Putumayo and underwent extensive retraining. For future success, the Brigade has been retooled and taken out from under control of a specific area commander. These improvements allow COLAR leadership to use the lighter, more flexible brigade throughout the country for rapid deployment operations driven by actionable intelligence. The results so far in 2003 indicate a much improved performance.

Importantly, the Brigade is providing extensive ground support for aerial eradication in response to a sharp increase in hostile fire in 2003. This pairing of security support and eradication augments pilot safety, but necessarily strains resources for CN missions, which can in turn affect interdiction results.

Question 6. Of the 25 Huey II, 14 Blackhawk and 32 UH-1N helicopters provided under Plan Colombia, how many are involved in operations and how many are being used for training? Of those involved in operations, what is their operational rate?

Answer. At present, 8 Huey us, 3 Blackhawks and 5 UH-1N Plan Colombia helicopters are being used for training. All others are involved in operations.

Operational rates (average over the last 6 months) for all airframes are 84.8 percent for Huey II's, 80.4 percent for UH-60 Blackhawks, and 81.7 percent for UH-1N's.

Question 7. How many personnel are there currently assigned to the Narcotics Affairs Section in Embassy Bogota? Are these personnel sufficient to manage INL funds? Are there plans to seek additional personnel?

Answer. Currently there are 9 Foreign Service personnel, 24 American Citizen contractors (PSC) (plus an additional 8 PSC positions that are currently being filled), 2 American Family Members (AFM) employees, and 64 Foreign Service Nationals (FSN) employed by the Narcotics Affair Section (NAS) at Embassy Bogota. In addition, INL's Washington-based Resource Management office (RM) provides budgetary, financial, contracting, and procurement support to all NAS and INL program offices throughout the world. Also, INL Air Wing (AW) provides support for the operation of air assets. NAS, with the assistance of INL/RM and INL/AW has had adequate personnel to manage INL funds in Colombia. NAS is currently evaluating its personnel to determine if it will seek new positions for upcoming years.

Question 8. As of October 1, 2003, please provide budget data on funds (a) obligated and (b) expended for the "Presidential Protection Initiative" (i.e., protection of President Uribe and other senior government officials). Please provide a breakdown by sector or category (i.e., physical and technical security upgrades, protection courses/training). What additional funds are anticipated for this purpose in fiscal 2004 or using prior-year funds?

Answer. Of the $5 million initially obligated and then reprogrammed from the INL ACI FY-2002 budget for this purpose, the Diplomatic Security Service (DSS) within the Department of State expended $2.625 million to provide seven protection and training courses ($2.495 million) and to fund an implementation advisor for 6 months ($130,000). The remaining $2.375 million was transferred to the Embassy Regional Security Office (RSO) as of March 2003 for continuing implementation of the program.

In fiscal year 2003, $7 million of the INL funds requested for Colombia in the President's supplemental appropriation request will go to fund physical security improvements and provide short-term security for high-ranking Colombian officials. Projects under this funding include costs for three U.S. security advisors ($1,035,000), security equipment and hardware ($1,440, 000), security upgrades for offices and official residences ($460,000), creation and operation of the VIP Protection Training Academy ($2,555,000) and administrative costs of operating the VIP Protection Academy and U.S. Advisor Mission ($1,010,000).

Question 9. Since the commencement of Plan Colombia in 2000, how much money has the Government of Colombia expended for Plan Colombia programs?

Answer. In 1999, Colombia committed to spending $4.5 billion over 5 years on counter-drug efforts, institution building, and social and economic development under Plan Colombia. President Uribe has repeatedly renewed his support for the goals of Plan Colombia. However, differing fiscal years and accounting practices make it difficult to fix a precise figure for the amount Colombia has expended to date on Plan Colombia programs.

Nevertheless, to date we estimate that Colombia has spent or has committed over $4 billion. Colombia seems to be largely on track to fulfill its financial obligations under Plan Colombia. This includes more than $800 million raised by a onetime wealth tax. The Government of Colombia's contribution to Plan Colombia is being used for counterdrug efforts, as well as social and economic development projects. Colombia has also continued to modernize its armed forces; stabilize its economy in accord with IMF guidelines; and undertake an aerial eradication program resulting in the destruction of unprecedented amounts of coca.

Of the IFI funds Colombia has received, the GOC is allocating $900 million to Plan Colombia programs for social development projects such as employment creation, support for poor families and youth job training. Even though the October 25 referendum on political and economic reform measures was procedurally defeated, requiring the government to seek alternative means for raising needed financing, President Uribe has announced that social investment programs will not be cut.

We are in the process of seeking to further update this information and will be pleased to provide it to you when available.

Question 10. Since the commencement of Plan Colombia in 2000, how much money have foreign donors from Europe or Japan (a) committed and (b) expended in support of Plan Colombia programs?

Answer. At three conferences held in 2000 and 2001 to support Colombia, the total of EU, European bilateral, Canadian and Japanese pledges, as well as support from the UN, came to approximately $600 million. As the pledged assistance has come from different resources over several years, it is difficult to provide more definitive numbers on flows per year.

We believe the international community can and should do substantially more, both in terms of funds pledged and their timely disbursement. We will be working toward this end under new INL leadership.

Implementation of pledges made by many donor countries, with some exceptions, has been slow. We continue to press the Europeans to speed funding of their proposed programs, and to do more to assist Colombia in the funding of needed social programs. This will be a regular talking point with our allies at international meetings.

Preliminary planning for another conference on international support for Colombia was held in London on July 10, 2003. All government representatives at this meeting reaffirmed strong support for the Colombian government's efforts to address threats to democracy, including terrorism, illegal drugs, human rights and humanitarian law violations. Attendees at the conference agreed that a follow-on meeting to be organized by the Inter-American Development Bank (IDE) and Colombia will be held in early 2004. This conference will consider how to coordinate programs more effectively, and how to refocus existing programs on Colombian priorities. In addition, the IDE is seeking to catalogue all clearly all ongoing programs, identifying what has been, is and will be implemented, and on what timetable.

Question 11. During Operation Iraqi Freedom, was there a reduction in the intelligence assets and resources available for support of Plan Colombia? If so, what effect did this have on Plan Colombia operations? Have these assets and resources been restored since the President declared the end of the major combat operations in Iraq?

Answer. The issue of availability and use of intelligence resources in Colombia and elsewhere, especially during these globally tense times, is very sensitive. We recommend that intelligence-related questions be directed to the intelligence community.

REWRITTEN RESPONSES OF ASSISTANT SECRETARY CHARLES TO THREE OF THE QUESTIONS POSED BY SENATOR BIDEN

Question 2. President Uribe gave a speech on September 8, 2003, in which he referred repeatedly to some human rights groups as "defenders of terrorism" and "spokespersons for terrorism." Civil society workers in Colombia are intimidated daily, and many of them live in constant fear for their lives. I am concerned that President Uribe's remarks, which may be construed as condemning the work of human rights defenders, could further endanger these workers. Furthermore, I am unaware of public responses to his remarks by Ambassador Wood or other U.S. officials.

a. Was there a public U.S. response to Uribe's comments?

b. Did the United States demarche the Colombian Government after the President's speech? If so, please provide a summary of the demarche.

c. How did the Colombians government receive the response?

d. What more does the State Department intend to do in response to the speech?

e. Have we reached out to human rights groups in Colombia to reassure them of U.S. support for their work?

Answers. a. Our initial responses to President Uribe's remarks were private. Ambassador Wood immediately expressed our concerns directly to him. WHA/AND Office Director Phillip Chicola spoke to the Colombian TV and print media in mid-September. He said on the record that the U.S. Government takes the work of human rights groups seriously and that NGOs are a vital component in maintaining a healthy democracy. In speeches to various regional Colombian Chambers of Commerce in September and October, Ambassador Wood stressed the need for the military to protect civilian populations and human rights as it continues its successful operations against insurgent groups.

b. The Department of State raised its concerns about President Uribe's speech at the highest levels. On September 12, Ambassador Wood met with President Uribe and Foreign Minister Carolina Barco to deliver a demarche on President Uribe's remarks. The same day, WHA/AND Director Chicola discussed the issue with Colombian Ambassador Moreno in Washington. In these meetings, our demarche to the Government of Colombia was that President Uribe's remarks were counterproductive and that it was essential for the Government of Colombia to maintain regular and open dialog with human rights groups. We also urged the Government of Colombia to make statements supportive of the work of human rights groups. Secretary Powell reiterated this message in his September 30 meeting with President Uribe in Washington. Under Secretary Dobriansky and Assistant Secretary Craner also made the same points in their meetings September 29 and 30 with Vice President Santos.

c. President Uribe vowed his continued commitment to human rights in his September 30 address to the UN General Assembly. Both at the UN and in his meeting with the Secretary of State, Uribe expressed his respect for human rights NGOs, his interest in remaining engaged with them and his willingness to accept constructive criticism and suggestions.

d. In our conversations with the Colombian Government, we will continue to express our concerns and to emphasize the important role of the NGOs.

e. Officials in Washington and at Embassy Bogota met numerous times with human rights groups to discuss Uribe's remarks and reiterate that protection of human rights is central to U.S. policy in Colombia. Ambassador Wood met with Human Rights Watch on September 12 and discussed the issue extensively, emphasizing our commitment to ensure the safety and well being of all human rights workers. Assistant Secretary Noriega met with Human Rights Watch October 6 and Amnesty International October 10 on the same topic. Ambassador Wood will attend an Embassy reception for the Colombian human rights community planned for December 1. He will also deliver a speech at a December USAID awards ceremony for NGOs. His speech will emphasize that the U.S. values the work being done by NGOs in Colombia. There also have been many working-level contacts with human rights groups in Bogota and Washington. We believe that these frequent meetings, along with our Embassy's regular, engagement with senior Colombian officials, are producing real improvements in Colombia's protection of human rights.

Question 4. A "factsheet" prepared by SOUTHCOM, dated September 1, 2003, sets forth data from the Colombian Ministry of Defense that indicates that, in the first half of calendar 2003, seizures of coca base are down 18%, heroin seizures are down 43%, and the number of laboratories is down 28%. To what do you attribute these reductions?

Answer. We do not believe that downward movement in these three statistical categories is representative of any significant downward trend in Colombian interdiction. Although seizures of coca base and heroin have dropped, Colombian security forces seized more cocaine through the end of October than in all of 2002 (nearly 125 metric tons compared to 124 metric tons). Public security forces have also destroyed 86 high value cocaine processing HCl labs, compared to a total of 66 in 2002.

Contributing to this total, the CD Brigade is having its best year ever in seizing cocaine (4.2 mt, over 800 times the 2002 total of 0.5 kilograms) and destroying HCl labs (15, compared to a total of 5 in 2002). Through October, the Colombian National Police is on a par with last year in cocaine seizures (over 41 mt of cocaine compared to 52 mt for all of 2002), but significantly better in destroying HCl labs (71 compared to 61 for all of 2002). The Navy (including Coast Guard) accounted for 68.7 mt tons of cocaine seized through October (compared to roughly 72 mt for all of 2002).

With respect to the drop in laboratory destruction, we differentiate when possible between cocaine processing HCl labs and the less significant common base labs. Base labs, which do the initial refinement from coca leaf to base cocaine, are simple and cheap to set-up and easy to replace. HCl labs utilize more sophisticated laboratory equipment, require significantly more resources to establish, and produce high-value finished product from base cocaine shipped in from various base labs. For this reason, the 50 percent decline in base labs to date (police and CD Brigade totals dropped from 1,083 in 2002 to 517 through October 2003) is more than offset by the 30 percent increase in destruction of HCl laboratories (86 in 2002 vs. 66 through October 2003).

With respect to the heroin figure, although the amount seized has dropped from last year, we cannot estimate what the year-end total might be. In 2002, Colombia seized 680 kg of heroin. Through October of this year, security forces have seized

464 kg of heroin. A single major interdiction or several moderate busts could bring the final tally to over last year's total.

Question 10. Since the commencement of Plan Colombia in 2000, how much money have foreign donors from Europe or Japan (a) committed and (b) expended in support of Plan Colombia programs?

Answer. At three conferences to support Colombia, held during 2000 and 2001, in Madrid, Bogota and Brussels, the total of EU, Europea bilateral, Canadian and Japanese pledges, as well as support from the UN, came to approximately EUR 500 million (US $600 million).

Japan has pledged $175 million for programs in Colombia. Of this amount, $100 million in soft loans and credits for small banks to support crop substitution is available but has not yet been drawn by Colombia. However, a $70 million loan for an irrigation project is underway and Japan granted $5 million to international oganizations involved in humanitarian relief and economic development.

Recently available figures from the EU Commission report that for the period 1999-2003 the Commission and member country programs in Colombia committed (i.e., obligated) EUR 111.5 million and disbursed EUR 76.1 million (EUR 1.00 is about $1.20 at today's exchange rate). By the end of 2003, the EU Commission anticipates that an additional EUR 53 million will have been obligated and EUR 26 million spent, bringing 1998-2003 totals to EUR. 164.5 million obligated and EUR 102.1 million disbursed.

	1998-2002	2003	Total
EUR Obligated	111.5 M	53 M	164.5 M
EUR Disbursed	76.1 M	26 M	102.1 M

With the step-up in assistance efforts following the three donor meetings in 2000-2001, the EU Commission reports that EU (Commission plus member states) programs total EUR 300 million in the process of design or implementation.

While these figures represent a somewhat increased commitment by the international community, actual obligations and disbursements have been slower than hoped. We are increasing our efforts to encourage a more rapid rate of implementation in Colombia, urging, in particular, an emphasis on the funding of social and economic development programs.

A preliminary planning meeting for another conference on international support for Colombia took place in London on July 10 of this year. All government representatives at this meeting reaffirmed their strong political support for the Colombian Government in its efforts to address threats to democracy, terrorism, illegal drugs, and human rights and humanitarian law violations. That meeting also agreed that a follow-on conference, to be organized by the Inter-American Development Bank (IDB) and Colombia, would be held in 2004 to consider how better to coordinate programs and to refocus them on present-day Colombian priorities as articulated by the Uribe Government.

RESPONSES OF GENERAL JAMES T. HILL, COMMANDER UNITED STATES SOUTHERN COMMAND, TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

PLANNING ASSISTANCE TEAMS IN COLOMBIA

Question 1. I understand that there are now U.S. military units in Colombia, known as "planning assistance teams," conducting mission planning with units. When we approved Plan Colombia in 2000, we approved the training and equipping of counter-narcotics units. Then, last year, we approved training for protecting the oil pipeline. This seems to be something different altogether. Please explain:

a. The legal authority under which planning assistance teams are operating;
b. The purpose of the planning assistance teams;
c. The cost of such teams in fiscal 2003;
d. The size of such teams, and to what level units they are assigned;
e. The length of their assignments;
f. The number of such teams in operation; and
g. Any plans you have to expand the use or number of these teams?

Answer. [DELETED]

DEPARTMENT OF DEFENSE ACTIVITIES IN COLOMBIA

Questions 2. In 1998 and again in 2000, then Secretary of Defense Cohen issued memoranda to the DOD components limiting the activities of Defense Department personnel in counterdrug activities of Defense Department personnel in counterdrug activities, particularly in Colombia.

The 1998 memo ("Military Support to Counter-narcotics Activities," Oct. 6, 1998) stated that "Department of Defense personnel shall not directly participate in law enforcement activities" and are "prohibited from accompanying U.S. drug law enforcement agents or host nation law enforcement forces and military forces with counterdrug authority on actual counterdrug field missions or participating in any activity in which counterdrug-related hostilities are imminent."

The 2000 memo ("Defense Funded Training in Colombia," Mar. 9, 2000) reiterated that personnel must "not accompany U.S. or host nation personnel to, or provide counterdrug support from, a location outside of a secure base or area. This restriction applies to all support, including counterdrug training."

a. Are these memoranda still in effect and still applicable to U.S. military activities in Colombia? Have they been superseded or modified in any respect? If so, how?

b. Is the Department developing, or planning to develop, any changes in the policies these memoranda set forth?

c. Since January 20, 2001, have there been any other memoranda issued by the Secretary, the relevant Under Secretary or Assistant Secretary, or the Secretaries of any of the military departments governing this question, namely the rules governing U.S. military personnel accompanying host-nation forces on field operations or outside of a secure base or area?

Answers. a. The 1998 and 2000 memoranda have been superseded by the DOD International Counter-narcotics Policy Memorandum of 3 October 2003.

The 2003 memorandum recognizes the link between narcotics activities and terrorism that has enabled USSOUTHCOM to focus operations oriented on assisting GOC security forces in combating narco-terrorist organizations.

b. USSOUTHCOM is currently working with DOD to readdress the rules of engagement (ROE) for DOD personnel conducting planning assistance and training missions in Colombia. This supplemental ROE has not yet been approved. The supplemental ROE will continue to prohibit direct U.S. participation in hostilities.

c. Language in the International Counter-narcotics Policy Memorandum of 3 October 2003 addresses U.S. military personnel accompanying host nation forces on field operations or outside of a secure base or area and is consistent with the 1998 SECDEF memo, prohibiting any direct U.S. participation in hostilities.

HUMAN RIGHTS DISCUSSION

Question 3. Did Secretary Rumsfeld and General Myers discuss human rights with the Colombian military high command during their recent visit? If so what was the essence of their message?

Answer. Respect for human rights is a consistent theme in all meetings that I have with Colombian officials. I defer to Secretary Rumsfeld and General Myers on their conversations with the Colombian officials.

CHALLENGES FOR U.S. POLICY TOWARD COLOMBIA

Question 4. In your testimony, you state that the Counter Narcotics Brigade is "currently" transforming to become more flexible and rapidly deployable to plan and conduct offensive operations throughout the country.

a. How, specifically, is the CN Brigade transforming itself?

b. In which departments has the Brigade been operating in 2003, and what types of missions?

Answer. [DELETED]

PIPELINES ATTACKS

Question 5. In your testimony, you state that "pipeline attacks are down significantly." A "factsheet" prepared by SOUTHCOM, dated September 1, 2003, indicates that there were 21 attacks on the Caño Limon/Covenas pipeline from January to July 2003, as compared to 23 such attacks in the same period in 2002. Is this reduction (two fewer attacks) what you meant by "significant reduction"? Or are there other data supporting this assertion?

Answer. The period cited in the question is a better example of sustainment than reduction. During the 5 year period from 1996 to 2001, attacks on the Caño Limon/Covenas pipeline increased every single year reaching a high point of 170 attacks in 2001. In 2002, attacks on the Caño Limon/Covenas pipeline dropped 76% to a total of 41; and the reduction has been sustained this year with only 33 attacks on the pipeline though October 2003. I consider this a significant and sustained reduction in the pipeline attacks.

PILOTS TRAINING FOR HUEY II HELICOPTERS

Question 6. In your testimony, you state that the Huey II helicopters provided under Plan Colombia are "currently focused on supporting pilot training and infrastructure security."

a. How many are being used for pilot training and how many for infrastructure security?

b. Have any of these helicopters been used for counter-narcotics purposes? What percentage of time have they been devoted to counter-narcotics purposes?

Answers. a. [DELETED]

b. Counter-narcotics mission support is a primary mission area for the Huey II helicopters. The U.S. Department of State Narcotics Affairs Section mission in Colombia is responsible for oversight of the Plan Colombia helicopter programs. Therefore, specifics concerning Huey II helicopter utilization rate percentages would best be answered by the U.S. Department of State.

USE OF PERSONNEL IN COLOMBIA

Question 7. In your testimony, you indicated that you have "reorganized our personnel operating in Colombia to maximize the support that we can provide". Please elaborate on the nature and purpose of this reorganization.

Answer. [DELETED]

CHALLENGES FOR U. S. POLICY TOWARD COLOMBIA

Question 8. Testimony provided in 2002 indicated the Government of Colombia three-phased approach for infrastructure protection in Colombia. Has this plan been altered since 2002?

a. Has this plan been altered since 2002?

b. Is the Phase I objective of training of the Colombian Armed Forces for protection of the first 178 kilometers of the Caño Limon/Covenas pipeline complete? Were forces from both the 18th Brigade and the 5th Mobile Brigade trained, as planned? What was the duration of the training?

c. What are the current U.S. plans to assist with the next two phases in the Arauca and Saravena departments for the purpose of pipeline protection completed?

Answers. [DELETED]

FACTSHEET INFORMATION ON SEIZURE REDUCTIONS

Question 9. A "factsheet" prepared by SOUTHCOM, dated September 1, 2003, sets forth data from the Colombian Ministry of Defense that indicates that, in the first half of calendar 2003, seizures of coca base are down 18%, heroin seizures are down 43%, and the nuniber of laboratories destroyed are down 28%. To what do you attribute these reductions?

Answer. I believe the reduction in coca-related seizures and coca base laboratories destroyed January-July this year compared to the same period in 2002 is a result of several contributing factors. One factor is the overall reduction in coca cultivation, particularly in the Putumayo and Caqueta areas. Another contributing factor is that during the first half of this year, a portion of Colombian security forces were involved in the search for three U.S. citizens captured by the FARC when their plane crashed in February. The other factor is the restructuring and re-training of the Colombian Counter-Narcotics Brigade early this year to become a lighter, more flexible force, able to deploy and operate throughout the country. The combination of these and other factors have collectively contributed to the reported reductions in coca base seizures and coca base laboratories destroyed earlier this year.

Heroin seizures were down 43% January-July 2003 compared to same period in 2002. Our understanding of heroin production and trafficking in Colombia and surrounding countries has some informational voids and will require continued analysis.

ASSESSMENT OF COLOMBIAN MILITARY CAPABILITIES

Question 10. What is SOUTHCOM's current assessment of the military capabilities of the following organizations: Colombian military, FARC, ELN, and AUC? With regard to each, please include SOUTHCOM's assessment whether the organization's capabilities are improving, declining or holding steady.

Answer. [DELETED]

MILITARY BALANCE BETWEEN COLOMBIAN SECURITY FORCES AND ILLEGAL FORCES

Question 11. Please provide SOUTHCOM's current assessment of the military balance between the Colombian security forces and the illegal armed actors in Colombia (FARC, ELN, and AUC).

Answer. [DELETED]

COLOMBIAN MILITARY

Question 12. Is the Colombian military, in terms of force structure, resources, and capabilities, currently able to establish security in the country? If not, what resources and changes in force structure (including troop levels) would be necessary to build a military force able to do so? What are the key areas needed for improvement?

Answer. [DELETED]

COLOMBIAN MILITARY ASSESSMENT

Question 13. What is SOUTHCOM's assessment of whether (and or what timeline), the Colombian military (as currently structured) can achieve a military victory over the illegal armed actors in Colombia?

Answer. [DELETED]

RESPONSES OF HON. ADOLFO A. FRANCO, ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

Question 1. In your testimony, you highlight several successes of our alternative development programs in Colombia, yet last year a report prepared for your Agency painted a different picture. It concluded that the programs originally planned for Colombia are not likely to work for a number of reasons: the farmers in the southern part of the country distrust the government so they continue to plant coca as an insurance policy; the soil in the area is not conducive to many legal crops; and the infrastructure is so poor that farmers cannot get products to market.

Can you comment on these obstacles? Have our alternative development programs shifted focus in the last year to overcome the challenges as outlined in this report? How so?

Answer. The situation in Southern Colombia has changed dramatically in the last two years. Two of the most important changes were the Government of Colombia's (GOC's) decision to resume aerial eradication in Southern Colombia and USAID's success in carrying out alternative development programs in an insecure and difficult environment.

The GOC's decision to resume aerial spraying in July 2002 was very important, because it changed many farmer's views regarding the viability of coca production. Embassy and USAID efforts to educate people on the risks of coca production were an important complement to the spray program in 2002, as they emphasized that coca production was a threat to their family's welfare and endangered legal crops grown with coca. The USAID program reinforced farmer's decisions to eradicate coca by requiring farmers to eradicate coca before they received program assistance (e.g., alternative crops or livestock, construction of small infrastructure projects, technical and organizational support, etc.). The alternative development program grew rapidly in 2002 and 2003, as many farmers signed up for assistance and eradicated coca to avoid being sprayed.[1] USAID's ability to identify and implement innovative programs that directly support communities that elect to eradicate was and is instrumental in the dramatic changes in coca production in Colombia. USAID's programs

[1] A survey of Putumayo farmers in 2002 found that the primary incentive for participation in the AD program was a desire to keep their farms from being sprayed.

delivered promised assistance which spawned a new level of trust when farmers saw that the alternative development assistance was reliable and in their best interest.

The report referred to in the question above did not predict failure for the alternative development program; rather it identified constraints and ways to improve program effectiveness. This report was issued when USAID was just initiating programs in southern Colombia. USAID acted on many of the report's findings to adapt the alternative development program to evolving circumstances on the ground in southern Colombia. Much of the information in this report was based on interviews with people who had lived in southern Colombia for years and reflected their experiences with previous, less successful development programs. The report was very useful and led to several implementation adjustments, the most significant of which were:

- A decision to implement AD activities with entire townships instead of with individual farmers;
- A requirement that all farmers in a township eradicate all coca before receiving USAID assistance;
- A decision to carry out small infrastructure projects in addition to alternative crop and income generation activities in order to improve the community's quality of life and increase its ability to carry out legal production or marketing activities;
- A decision to expand the focus of the program to include areas to the north and west of Southern Colombia in order to stem the flow of migrants that were coming into Southern Colombia to produce illicit crops;
- A decision to limit the range of crops assisted under alternative development projects and to use the production chain methodology to identify alternatives such as sustainable natural forest management, tropical flowers, black pepper, vanilla and agroforestry systems that can be competitive and sustainable in areas like Southern Colombia that have relatively fragile soils and poor infrastructure.

Question 2. I know there is resistance among some farmers in Colombia to eradicate their coca crop, but what measures are we taking to ensure that aid is available to those farmers who are willing to eradicate?

Answer. In mid 2001, USAID had only two projects to help farmers eradicate coca and produce licit crops; these projects were almost exclusively focused on the Departments of Putumayo and Caqueta in Southern Colombia. Since that time, USAID has greatly expanded the area and the number of projects that offer alternative development assistance. As of September 30, 2003, USAID had assisted more than 31,000 families in 10 departments. USAID plans to continue assisting as many farmers as possible given the personnel and financial resources available and expects to assist 80,000 farm families by the end of FY 2005.

Alternative development programs cannot be developed for every farmer or every community where illicit crops are found. Security problems, low population densities and environmental fragility make some areas impractical for alternative development program interventions. The USG counter-narcotics program plans to control coca in remote areas of Colombia with low population densities by aerial eradication and to focus alternative development assistance on areas where activities can create legal income and employment. Farmers in remote areas who have coca will be sprayed unless they choose to manually eradicate coca. The new alternative development programs are focused on leveraging resources from the private sector and improving market access so that a legitimate economy can be re-established in these areas.

Question 3. You testified that of the 220 warnings issued under the Early Warning System, 170 resulted in "responses or interventions by State authorities." What percentage of these responses or interventions failed to prevent violence by illegal armed actors against non-combatants?

Answer. Approximately 50% of the responses or interventions succeeded in preventing massive human rights violations or multiple homicides that the EWS had warned might occur. In many of these cases where the EWS did not totally prevent a human rights violation, we believe the magnitude of the abuses were lessened due to the early warning and some form of state intervention. USAID believes that the 50% that have been prevented justify our efforts toward strengthening the EWS, but also believe that the response side of the warning and response system needs to be improved. In early 2004, USAID is planning to conduct an assessment of the EWS to identify the system's strengths and weaknesses, and will use the results to guide the improvement of the system.

Question 4. What are the shortcomings of the current programs in Colombia to assist internally displaced people (IDPs)? What is the estimate of the number of IDPs who receive no assistance whatsoever from the U.S. or Colombian governments or international organizations? What measures are being considered, either by the U.S. Government or the Government of Colombia to remedy any shortfalls?

Answer. International NGOs estimate that 2.5 million Colombians have been internally displaced by armed conflict since 1985. The Colombian Social Security Network has registered 1.7 million internally displaced persons into its program since 1995 and in April 2003, the UNDP estimated that there are currently 750,000 IDPs in Colombia. Since 2001, USAID assistance has benefited 1.2 million internally displaced persons and the communities where they settle.

While the U.S. currently provides an estimated 70% of the assistance provided to Colombian displaced persons, the major shortcoming of the current IDP program in Colombia is that there are not enough resources to meet all the needs of all the IDPs. The Government of Colombia, USAID and other concerned agencies are dealing with this problem by working with the nationa] and local government and community groups to identify and provide assistance that meets the most pressing needs of IDPs in many of the communities where they settle. Perhaps the most serious shortcoming is the inability of IDP programs to provide employment for all the IDPs who need jobs. With the economic situation in Colombia, it is difficult to create enough jobs for the high number of displaced persons. Nevertheless, since 2001, USAID's IDP assistance programs have created over 45,000 jobs, including microenterprises, cottage industries and small farmer activities, and have helped countless others overcome obstacles to earning an income.

The USAID Mission in Bogota estimates that at least 70% of the IDPs displaced over the last two years in Colombia have received some kind of assistance. The problem is that IDPs are not all the same. Some IDPs require different types of assistance and other IDPs require multiple types of assistance, but there are not enough resources to provide all the different types of assistance that are required by all the IDPs.

Question 5. You testified that "[t]here are many legal and policy issues to be resolved" before U.S. Government resources could support a program of reintegrating ex-combatants into Colombian society. Please elaborate on the legal and policy issues that must be resolved.

Answer. The Government of Colombia's plans for a demobilization and reincorporation program are becoming clearer as negotiations with illegal armed groups progress. From the U.S.G. standpoint, there are several important areas that need clarification. First, we need to know whether the Colombian definition of a demobilized ex-combatant of an illegal armed group is sufficient under U.S. law. This is an important issue because of the U.S. Foreign Terrorist Organizations Act, that prohibits any type of assistance or support to Foreign Terrorist Organizations (FTOs) or members of FTOs. The U.S. is considering the Colombian procedures that will be used to convert FTO combatants into ex-combatants and must determine that they are sufficiently credible to allow USG agencies to provide reincorporation assistance to excombatants without violating the FTO Act.

The U.S.G. is also concerned about the verification process (or the follow-up procedures) that will be used to:

- Check on how the reincorporation program is working,
- Monitor how the presence of ex-combatants is affecting the communities where they resettle, and
- Ensure that the ex-combatants are not targets of violence.