



Department of

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ORIGIN ARA-01

INFO	LOG-00	ADS-00	AID-01	AMAD-01	CIAE-00	ANHR-01	EB-01
HA-09	H-01	INM-01	INRE-00	INR-01	IO-19	LAB-04	
L-03	NSAE-00	DIC-02	DMB-01	PA-01	PM-01	PRS-01	
P-01	RP-10	SIL-01	SNP-01	SP-01	SR-01	SSO-00	
SS-01	STR-18	TRSE-00	T-01	USIE-00	/084P		

DRAFTED BY: ARA/AND:A W PATTERSON:AWP
 APPROVED BY: D:L EAGLEBURGER
 ARA:B ARONSON; ARA/FO:R S GELBARD; ARA/FO:P MCLEAN; ARA:M S KIRK;
 INM:MLEVITSKY; H:D DWORKIN; AID:J MICHEL; AID:N PARKER; PM:M COTTER
 DOD/DSAA:J TYLER; HA:J BISHOP; NSC:KHILL; D:R LIKINS; P:KELL
 ARA/PPC:R S JACOBSON; DOD/ISA:D FISK; S/S:RALAMANTIA S/S-E DORTSEL
 ARA/PPC:R MCGARITY
 ONDCP:J WALTERS

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 FM SECSTATE WASHDC
 TO AMEMBASSY LIMA IMMEDIATE
 SECDEF IMMEDIATE 0000
 INFO AMEMBASSY QUITO
 AMEMBASSY LA PAZ
 AMEMBASSY BOGOTA
 DEA WASH DC USSOUTHCOM QUARRY HTS PM 0000
 DIRONDCP WASHDC

DEPARTMENT OF STATE
 RELEASE
 EXCISE
 DENY
 DELETE Non-Responsive Info
 FOIA Exemptions 31
 Exemptions _____

IS: FPC/CDR DJ Date 12/8/91
 MR Cases Only:
 EO Citations _____
 _____ TS authority
 CLASSIFY as S or
 DOWNGRADE TS to S or

DEPT OF STATE APPEALS REVIEW PANEL (ARP)

<input checked="" type="checkbox"/> FOIA/PA	<u>Mandatory Review</u>
<input checked="" type="checkbox"/> Release	<input type="checkbox"/> Declassify
<input type="checkbox"/> Excise	<input type="checkbox"/> Declassify in Part
<input type="checkbox"/> Deny	<input type="checkbox"/> Class. Ret/Renew

Exemptions _____
 ARP Action Cert. me Date 06/09/91

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E.O. 12356: DECL: OADR
 TAGS: PREL, PHUM, EAID, MOPS, PE
 SUBJECT: FOLLOW UP ON PEPU: CONGRESSIONAL CONDITIONS

- CONFIDENTIAL - ENTIPE TEXT
- SUMMARY: THE DISBURSEMENT OF USD 60 MILLION ESF AND

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USD 23.95 FMF TO PERU WILL BE SUBJECT TO CONDITIONS. THE PROGRAM WILL NOT INCLUDE USD 10.05 MILLION IN FMF TO TRAIN THREE ARMY BATTALIONS. WE PROPOSE TO FULFILL THE CONDITIONS AS OUTLINED BELOW. POST SHOULD DPAW ON THE FOLLOWING WHEN EXPLAINING TO PERUVIANS OUR PLANS FOR TIMING AND CONDITIONS FOR THE FUNDING FOR OUR ANTI-NARCOTICS PROGRAM. THE FOLLOWING ASSUMES THAT THE PERUVIAN REQUEST FOR AIR INTERDICTION CAPABILITY WILL BE ADDRESSED SEPARATELY FROM THIS FMF PROGRAM. THIS MAY NOT BE THE CASE. END SUMMARY.

3. THE ADMINISTRATION HAS AGREED TO CONDITIONS FOR DISBURSEMENT OF USD 60 MILLION IN ESF AND USD 23.95 MILLION IN FMF FOR PERU. POST SHOULD MAKE CLEAR THAT THE FOLLOWING CONDITIONS ARE IN ADDITION TO THOSE AGREED TO BY PERU IN THE INM AND ESF AGREEMENTS ALREADY SIGNED, WHICH INCLUDED IMPLEMENTATION OF SOUND ECONOMIC POLICIES.

4. TRANCHING OF ESF AND FMF: WE WILL DIVIDE BOTH THE FMF AND ESF CASH TRANSFER IN THREE TRANCHES. AS PLANNED, ESF WILL BE DISBURSED IN THREE PAYMENTS OF USD 20 MILLION, USD 15 MILLION, AND USD 15 MILLION. PROJECTIZED ESF (USD 10 MILLION) IS NOT TRANCHED. FMF WILL BE PROVIDED IN THREE

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TRANCHES OF APPROXIMATELY 50 PERCENT, 25 PERCENT AND 25 PERCENT OF THE TOTAL. THERE IS ROOM FOR ADJUSTMENT IN THESE NUMBERS AND CONDITIONS AFTER FURTHER DISCUSSIONS WITH THE PERUVIAN SERVICES. FLEXIBILITY IS POSSIBLE ON THE TYPES AND ARRIVAL TIMES OF EQUIPMENT. (AN APPROXIMATE BALANCE AMONG THE THREE TRANCHES IS DESCRIBED BELOW.)

5. THE FIRST TRANCHE OF FMF (50 PERCENT OF THE TOTAL) SHOULD CONTAIN FUNDING FOR THE GROUND SUPPORT EQUIPMENT FOR THE PERUVIAN AIRFORCE, AIRCRAFT AND HELICOPTER SPARE PARTS, THE RIVEPINE BASE SURVEY, POLICE TRAINING, TRAINING AND EQUIPPING ONE MARINE COMPANY, EQUIPMENT FOR THE FIRST ARMY (CIVIC ACTION TASK FORCE), AND A PORTION OF THE POLICE TRAINING. (IMET TO FUND HUMAN RIGHTS TRAINING WILL ALSO BE DISBURSED AS SOON AS POSSIBLE BUT WILL BE SEPARATE FROM THE TRANCHED FMF.)

6. THE SECOND TRANCHE OF FMF (25 PERCENT OF THE TOTAL)

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SHOULD CONTAIN THE REMAINDER OF THE EQUIPMENT FOR THE SECOND CIVIC ACTION TASK FORCE, ENHANCED PHOTO RECONNAISSANCE CAPABILITY, REFURBISHMENT OF NAVY HELICOPTERS, HELICOPTERS AND AIRCRAFT SPARE PARTS AND MAINTENANCE, COMMAND AND CONTROL FACILITIES FOR THE UPPER HUALLAGA VALLEY AND FOR THE JUNGLE AREA AIRSPACE CONTROL, FURTHER EQUIPMENT AND TRAINING FOR POLICE UNITS. CREATION OF A CIVIC ACTION CAPABILITY FOR THE POLICE, THE INTELLIGENCE SURVEY, AND EQUIPPING AND TRAINING THE SECOND MARINE COMPANY.

7. THE THIRD TRANCHE (25 PERCENT OF THE TOTAL) SHOULD
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CONTAIN NAVIGATIONAL AIDS FOR POLICE BASES, AIRCRAFT AND HELICOPTER SPARE PARTS, GROUND SUPPORT EQUIPMENT. AND THE REMAINDER OF POLICE TRAINING.

8. ACCESS BY ICRC AND CIVILIAN PROSECUTORS (FISCALES) TO MILITARY DETENTION CENTERS: WE NEED TO SHOW THAT BOTH ICRC AND CIVILIAN PROSECUTORS HAVE HAD ACCESS TO MILITARY INSTALLATIONS. WE UNDERSTAND THE ICRC RECEIVED WRITTEN PERMISSION ON SEPTEMBER 24 FROM THE JOINT CHIEFS TO ENTER THESE FACILITIES. ON THE BASIS OF INFORMATION NOW AVAILABLE. WE BELIEVE THAT THIS CONDITION HAS BEEN

FULFILLED. IN ORDER TO RELEASE THE FIRST TRANCHE OF ESF AND FMF, THE CIVILIAN PROSECUTORS OF THE PUBLIC MINISTRY MUST HAVE CONTINUING ACCESS TO MILITARY FACILITIES; THIS CONDITION STARTED TO BE FULFILLED AS OF SEPTEMBER 12.

9. MILITARY ASSISTANCE THROUGH PRESIDENT FUJIMORI: THE MILITARY ASSISTANCE MUST BE PROVIDED DIRECTLY TO PRESIDENT FUJIMORI AND MADE AVAILABLE TO THE PERUVIAN MILITARY SERVICES BY HIM. WE NEED A FIRM COMMITMENT FROM PRESIDENT FUJIMORI THAT THIS ARRANGEMENT IS UNDERSTOOD AND ACCEPTED.

10. REGISTRY OF DETAINEES: IT IS NECESSARY TO RECEIVE A GOP COMMITMENT TO CREATE A REGISTRY (OR REGISTRIES) OF DETAINEES; WE UNDERSTAND THAT A LIST OF MILITARY DETAINEES CAN BE PUBLICLY AVAILABLE BY JANUARY 1. AN AID ASSESSMENT TEAM HAS BEEN IN PERU TO EVALUATE THIS ISSUE AND PROVIDE TECHNICAL EXPERTISE.

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11. FIRST TRANCHE CONDITIONS: THE FOLLOWING CONDITIONS WILL APPLY TO A DISBURSEMENT OF USD 20 MILLION IN ESF:

-- ACCESS BY THE ICRC TO MILITARY DETENTION CENTERS.

-- ACCESS BY LOCAL PROSECUTORS TO DETENTION CENTERS

12. THE FOLLOWING CONDITIONS WILL APPLY TO THE DISBURSEMENT OF THE FIRST TRANCHE OF FMF:

-- ACCESS BY THE ICPC TO MILITARY DETENTION CENTERS;

-- ACCESS BY LOCAL PROSECUTORS TO DETENTION CENTERS;

-- A FIRM COMMITMENT FROM THE GOP RECOGNIZING THAT THE AID WILL BE PROVIDED THROUGH PRESIDENT FUJIMORI TO THE MILITARY AND POLICE;

-- CREATION OF A NATIONAL REGISTRY (OR REGISTRIES) OF MILITARY DETAINEES. THE REGISTRY MUST BE PUBLISHED WITHIN THREE MONTHS OF ITS CREATION.

13. EMBASSY WILL REPORT WHEN A FIRM COMMITMENT HAS BEEN RECEIVED AND WHEN THE CREATION OF THE REGISTRY IS A FACT. THE DEPARTMENT WILL THEN NOTIFY DOD TO RELEASE THE FIRST

TRANCHE OF FMF.
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14. PROGRESS ON CARTAGENA AGREEMENTS: WE NEED GOP PROGRESS ON THE CARTAGENA ACCORDS BEFORE DISBURSING THE SECOND TRANCHE OF FMF AND ESF. ON OCTOBER 15, THE U.S. AND THE GOP SIGNED A KERRY AMENDMENT AGREEMENT ON MONEY

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LAUNDERING. WE BELIEVE THAT THIS CONDITION HAS NOW BEEN FULFILLED. COMPLETION OF THE EXCHANGE OF NOTES PURSUANT TO THE PRECURSOR CHEMICALS AGREEMENT WOULD CONSTITUTE EVEN FURTHER DEMONSTRATION OF PROGRESS.

15. WE HAVE PREVIOUSLY INFORMED YOU THAT THE GOP MUST CONDUCT A MAJOR OPERATION AGAINST UCHIZA TO CLOSE DOWN AIRPORTS TO TRAFFICKERS TO QUALIFY FOR THE SECOND TRANCHE OF ESF. WE UNDERSTAND THAT THE UCHIZA OPERATION MAY HAVE BEEN MORE HEROIC THAN PREVIOUSLY BRIEFED TO THE DEPUTIES COMMITTEE, ESPECIALLY IN TERMS OF AIR LIFT REQUIREMENTS. HOWEVER, A REQUIREMENT REMAINS TO CONDUCT ONE MAJOR OPERATION AGAINST A SIGNIFICANT AIRPORT, E.G. CAMPANILLA.

16. WE HAVE ALSO PREVIOUSLY PRESENTED PRESIDENT FUJIMORI WITH A LIST OF SEVEN AIRPORTS WHICH WE BELIEVE NEED TO BE BROUGHT UNDER CONTROL IN THE UHV (UCHIZA, TOCACHE, NUEVO PROGRESO, SION, JUANJUI, SAPOSOA, AND TARAPOTO). TO HIS ORIGINAL LIST, WE HAVE ADDED CAMPANILLA AND SOME OPERATIONS OUTSIDE THE UHV IN UCAYALI AND/OR APURIMAC. TO DATE, THERE HAVE BEEN NO ACTIONS TAKEN.

17. THE PERUVIANS NEED TO DEMONSTRATE CONTINUOUS PROGRESS IN BRINGING THESE AIRPORTS UNDER EFFECTIVE CONTROL AND DENYING THEM TO TRAFFICKERS. HOWEVER, WE ARE NOW UNABLE TO TRAIN AND EQUIP THREE ARMY BATTALIONS TO PROVIDE
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SECURITY IN THE UPPER HUALLAGA, SO OUR ABILITY TO ASSIST THE PERUVIANS IN REACHING THIS GOAL HAS BEEN REDUCED. BASED ON A REQUEST FROM GENERAL CARRASCO, WE ARE PREPARED TO FUND CONSTRUCTION OF POLICE BARRACKS AT UCHIZA AND AT TOCACHE WHICH WILL ASSIST POLICE FORCES IN MAINTAINING A LONG-TERM PRESENCE AND IN REGAINING GROUND CONTROL OF THESE AIRPORTS. OUR ULTIMATE GOAL REMAINS CONTROL OF AIR FIELDS BY GROUND FORCE AND CONTROL OF THE AIR BY THE AIR FORCE.

18. SPECIFIC HUMAN RIGHTS CASES: THERE ARE NINE SPECIFIC HUMAN RIGHTS CASES RAISED IN THE CONGRESSIONAL LETTERS DEALING WITH THE PERU PROGRAM. EMBASSY IS REQUESTED TO ENGAGE THE PERUVIAN GOVERNMENT AT THE HIGHEST APPROPRIATE LEVEL IN A DISCUSSION OF THESE CASES TO SOLICIT ADDITIONAL INFORMATION. AMBASSADOR SHOULD PROVIDE A LIST OF THESE

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CASES TO APPROPRIATE OFFICIALS. DEPARTMENT WILL LOOK INTO THE POSSIBILITY OF OBTAINING USG LAW ENFORCEMENT HELP, IF APPROPRIATE AND PRACTICAL.

19. DISBURSEMENT OF SECOND TRANCHE OF ESF AND FMF:

IN ADDITION TO PREVIOUSLY APPROVED ECONOMIC PERFORMANCE CONDITIONALITY, THE FOLLOWING CONDITIONS WILL APPLY TO DISBURSEMENT OF THE SECOND TRANCHE OF ESF:

PROGRESS ON THE CARTAGENA AGREEMENTS; (KERRY AMENDMENT AND PPECURSOR CHEMICALS AGREEMENTS)

DEMONSTRATED CONTROL OF SPECIFIED CIVIL AIRPORTS IN
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PREVENTING DRUGS FROM TRANSITING THROUGH THOSE AIRPORTS;
(A SPECIFIC PLAN IS TO BE WORKED OUT BETWEEN EMBASSY AND
GOP AND CLEARED WITH DEPARTMENT.)

A MAJOR COUNTERNARCOTICS OPERATION SUCH AS UCHIZA OR
CAMPANILLA;

LARGE SCALE INITIATION OF AN "OPERATION ASPIRADORA" TO
ENABLE THE GOVERNMENT TO SEIZE AIRCRAFT CONTAINING TRACES
OF COCAINE;

DISBURSEMENT OF THE SECOND TRANCHE OF FMF: (IN ADDITION
TO THE ABOVE COMMITMENTS, THE FOLLOWING ADDITIONAL
COMMITMENT WILL APPLY)

PROGRESS ON ONE OR SEVERAL OF THE NINE SPECIFIC HUMAN
RIGHTS CASES; (DEPARTMENT WILL REVIEW, WITH EMBASSY'S
ASSISTANCE, WHETHER SUFFICIENT PROGRESS HAS BEEN MADE IN
THESE CASES TO ALLOW US TO DISBURSE THE 2ND TRANCHE OF THE
FMF. WHEN SUFFICIENT PROGRESS HAS BEEN MADE, THE
DEPARTMENT WILL NOTIFY DOD TO RELEASE THE SECOND TRANCHE.)

20. RATIFICATION OF UN VIENNA CONVENTION; THE THIRD
TRANCHE OF BOTH FMF AND ESF IS CONDITIONED ON PERUVIAN
RATIFICATION OF THE 1988 CONVENTION AGAINST TRAFFICKING IN
SUBJECT DRUGS AND PSYCHOTROPIC SUBSTANCES. WE UNDERSTAND
THE CONVENTION IS BEFORE THE PERUVIAN SENATE. AND THAT THE

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EMBASSY WILL ENGAGE WITH APPROPRIATE INDIVIDUALS TO MOVE IT FORWARD AS SOON AS POSSIBLE.

21. JOINT POLICE/MILITARY OPERATIONS: JOINT OPERATIONS
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HAVE ALREADY TAKEN PLACE AND ARE PLANNED FOR THE NEAR FUTURE. WE SHOULD NOW INFORM THE GOF OF SPECIFIC OPERATIONS WE EXPECT THEM TO CONDUCT WHICH WILL FULFILL

THIS REQUIREMENT.

22. THIRD TRANCHE DISBURSEMENT:

THE THIRD TRANCHE OF ESF WILL BE DISBURSED WHEN, IN ADDITION TO CONTINUED ECONOMIC PROGRESS, THE FOLLOWING CONDITIONS HAVE BEEN MET: (THE CREATION OF A NATIONAL REGISTRY IS ALSO A CONDITION FOR THIRD TRANCHE DISBURSEMENT OF ESF.)

-- JOINT POLICE/MILITARY OPERATIONS HAVE BEEN CONDUCTED;

-- PERU RATIFIES THE 1988 VIENNA CONVENTION;

-- CONTINUED IMPLEMENTATION OF AN "OPERATION VACCUUM CLEANER" TO SEIZE AIRCRAFT WITH TRACES OF COCAINE;

-- SUCCESSFUL OPERATIONS AGAINST AIRSTRIPS OUTSIDE THE UHV, IN UCAYALI AND/OR APURIMAC TO DENY THEIR USE TO TRAFFICKERS;

23. THE DEPUTIES COMMITTEE REQUIRES THAT THERE BE "CONTINUED PROGRESS" ON COUNTERNARCOTICS FOR PERU TO QUALIFY FOR THE THIRD ESF TRANCHE. THAT REQUIREMENT REMAINS AND WILL NEED TO BE DETAILED IN A SIDE LETTER WITH THE PERUVIANS AND CLEARED WITH THE DEPARTMENT.

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24. THIRD TRANCHE OF FMF:

THE FIVE CONDITIONS AS DESCRIBED ABOVE;

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-- ADDITIONAL PROGRESS ON THE NINE HUMAN RIGHTS CASES. (THE DEPARTMENT, IN CONSULTATION WITH THE EMBASSY, WILL DETERMINE WHEN SUFFICIENT PROGRESS HAS BEEN MADE AND NOTIFY DOD TO RELEASE THE THIRD FMF TRANCHE.)

-- CONSULTATIONS TO INCLUDE DISCUSSION OF THE APPOINTMENT OF PROSECUTORS IN EACH PROVINCE. (THIS CONDITION HAS ALREADY BEEN MET WITH THE APPOINTMENT OF THE PROSECUTORS IN THE EMERGENCY ZONES AND ELSEWHERE. THROUGH ITS AOJ PROGRAM, AID WILL BE PROVIDING ADDITIONAL RESOURCES TO ENABLE THESE INDIVIDUALS TO INVESTIGATE AND PROSECUTE HUMAN RIGHTS VIOLATORS.)

25. THE ADMINISTRATION WILL CONSULT WITH CONGRESS THROUGHOUT THIS PROCESS AND INFORM BOTH THE SENATE AND HOUSE WHEN IT HAS BEEN DETERMINED THAT THE FIRST, SECOND, AND THIRD TRANCHE CONDITIONS HAVE BEEN MET.
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