

PROGRESS TOWARD ACHIEVING BENCHMARKS
IN BOSNIA

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON PROGRESS MADE TOWARD ACHIEVING
BENCHMARKS FOR A SUSTAINABLE PEACE PROCESS



MAY 2, 2000.—Referred jointly to the Committee on International
Relations, Appropriations, and Armed Services and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

THE WHITE HOUSE,
Washington, April 19, 2000.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: As required by section 7 of the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105-174) (the Levin Amendment), and section 1203 of the Strom Thurmond National Defense Authorization Act for FY 1999 (Public Law 105-261), I transmit herewith a report on progress made toward achieving benchmarks for a sustainable peace process.

In July 1999, I sent the second semiannual report to the Congress under Public Law 105-174, detailing progress towards achieving the 10 benchmarks adopted by the Peace Implementation Council (PIC) and the North Atlantic Council (NAC) for evaluating implementation of the Dayton Peace Accords. This report provides an updated assessment of progress on the benchmarks covering the period from July 1 through December 31, 1999.

In addition to the semiannual reporting requirement of Public Law 105-174, this report fulfills the requirements of section 1203 in connection with my Administration's request for funds for FY 2001.

Sincerely,

WILLIAM J. CLINTON.

REPORT TO CONGRESS ON PROGRESS TOWARD ACHIEVING
BENCHMARKS IN BOSNIA

This document is divided into two parts, corresponding to two separate Congressional reporting requirements concerning SFOR operations and developments in Bosnia and Herzegovina (BiH). Part I responds to the requirements of section 7 of Public Law 105–174 and outlines the latest developments in our continuing efforts to achieve a sustainable peace in Bosnia and Herzegovina. Part II responds to the supplementary reporting requirements contained in section 1203(a) of the National Defense Authorization Act for Fiscal Year 1999. I am submitting these two reports in a single document in order to afford Congress a broad and comprehensive assessment of recent developments in BiH.

PART I

The United States has strong national interests in fostering security and stability in Southeastern Europe. To that end, working with our Allies and Partners, we are making steady, but uneven, progress in helping BiH on its way to political and economic recovery. On July 30, I joined more than 40 other world leaders in Sarajevo as the three members of the BiH Joint Presidency hosted the first Summit of the Stability Pact for Southeastern Europe. We have worked hard to maintain the cooperative momentum this important event generated. In November, Bosnia's three co-Presidents appeared together before the U.N. Security Council to issue the New York Declaration, in which they committed to joint efforts to resolve several persistently troublesome areas of peace implementation. Active engagement by the international community, led by the United States and our partners in the PIC, will be needed to remove other obstacles in the months ahead. Our goal is to foster circumstances that allow the people of BiH to assume stewardship of a self-sustaining peace process leading to full integration of BiH into the family of European democracies.

The following evaluation provides a detailed account of progress achieved over the reporting period. Basic structures of government now in place are slowly extending their reach, and Dayton-mandated central institutions function with increased, but still very limited, effectiveness. The United Nations has begun training multi-ethnic State Border Service, and multi-ethnic police units are being formed for deployment in support of UN operations in East Timor. In addition, Bosnia will assume control of its upper airspace in 2000. Over the past six months, there has also been increased awareness and concern in the international community at deep-rooted corruption throughout BiH, which impedes Dayton implementation and economic growth. The international community has intensified support for increased independence of the still-fragile BiH police force and judicial system and has carried out direct ac-

tion against corrupt government and business officials. Nevertheless, there remains much room to improve these institutions and prepare them to contribute to establishing a truly multi-ethnic state.

Many political figures remain committed to mono-ethnic, anti-Dayton visions of the future, and resist taking steps that would ensure a European future for a multi-ethnic BiH. Key indicted war criminals remain at large, poisoning the environment in which peace is taking root. The rate of minority refugee returns, though improved, remains less than satisfactory, and many needed economic and judicial reforms are still pending. In November, the High Representative dismissed 22 officials from all three ethnic groups found to be at fault for obstructing Dayton implementation. In October, the Serb Radical Party refused to meet the requirements for registration laid down by the OSCE Provisional Electoral Commission, thus decertifying themselves for the April 2000 municipal elections. Further forceful international community action will be needed to eliminate the influence of discredited opponents of the Dayton process.

A benchmark-by-benchmark analysis of the current situation follows:

1. *Military Stability.* Aim: Maintain Dayton cease-fire. Since the July 1999 assessment, and despite events in Kosovo, BiH continues to be relatively calm. NATO deemed the security environment in Bosnia sufficiently improved to undertake substantial cuts in SFOR's total troop strength, which will reduce SFOR personnel by about one-third, to 19,000, by April 2000. Current plans are to reduce the U.S. component by about 25 percent by April 2000, which means the United States would contribute about 25 percent of SFOR strength in Bosnia. As of December 31, 1999, approximately half of the planned drawdown from 32,000 to 19,000 troops was accomplished. As a result of this drawdown, local commanders have to cover their assigned areas with fewer forces, which may in some cases be located farther from potential trouble areas. Nonetheless, SFOR's new operational concept compensates for the reduction in troop numbers through enhanced flexibility and permits the restructured force to accomplish its mission with the same overall effectiveness.

Progress has resumed towards increasing mutual confidence between the entity armed forces (EAFs). There was a temporary setback in this cooperation in the Republika Srpska (RS) following the arrest on a war crimes indictment of RS Army (VRS) Chief of Staff Talic in August in Vienna. However, VRS cooperation with SFOR improved significantly in November. The Office of the High Representative (OHR), OSCE, and SFOR have cooperated closely to increase the professionalism and education of the EAFs. The EAFs have agreed to formulate a common Bosnian security policy as a first step towards creating a state dimension of defense. The permanent secretariat for the Standing Committee on Military Matters (SCMM) was established in July, and has assumed an important role in coordinating actions of the EAFs at the policy level. In addition to working on the common security policy, the SCMM secretariat has assisted in planning for reduction of the EAFs' budgets and military personnel by 15 percent. This drawdown was under-

way at year's end. Final reporting on this drawdown has not yet been received. Steps are being taken to establish a small joint unit to participate in international peacekeeping missions.

2. *Public Security and Law Enforcement.* Aim: A restructured and democratic police force in the Federation and RS. There are slow but consistent signs of reform in both entities. Closely monitored by the UN International Police Task Force (IPTF), better-equipped, better-trained, and more professional law enforcement officers are increasingly able to work together across ethnic lines and under civilian control. Internal affairs units in the cantonal interior ministries and in the RS are exhibiting higher professional standards and ensuring greater personal accountability. Minority representation at the entities' police academies, the integration of the Brcko police, and in particular, the commitment to a single State Border Service have accelerated multi-ethnic policing. As demonstrated by the necessity of SFOR's operation against anti-Dayton elements in Mostar in October (Operation Westar), Bosnian police forces remain subject to political influence and are dependent on international community assistance to combat organized crime, civil disorder, narcotics trafficking, ethnic violence, and public sector corruption. The U.N. Mission in BiH (UNMIBH) is undertaking intensive audits of local police administration and operations and vigorously enforcing non-compliance and decertification policies.

3. *Judicial Reform.* Aim: An effective judicial reform program. Structural and political obstacles still obstruct effective law enforcement and impartial justice, but key steps forward were taken during the past six months. In July, OHR issued a Comprehensive Judicial Reform Strategy for BiH that complements the earlier-issued anti-corruption strategy. In June, Codes of Ethics for Judges and Prosecutors were adopted by judicial associations in both entities. In August, OHR imposed laws strengthening the Federation Prosecutor's Office, establishing a Federation court to try inter-cantonal crime, terrorism, and organized crime and providing witness identity protection in sensitive Federation cases. In September, a single multi-ethnic court was established in Canton 7, where parallel mono-ethnic courts had previously existed. The U.N. Mission in BiH's Judicial System Assessment Program issued two new reports detailing judicial reform priorities. Criminal law training continued in the Federation. The OHR strategy identifies critical next steps, many of which continue to meet political resistance. Sustained international community support is crucial to carry these initiatives through.

4. *Illegal Institutions, Organized Crime, and Corruption.* Aim: The dissolution of illegal pre-Dayton institutions. The international community acted against anti-Dayton individuals and institutions, but anti-Dayton elements remain influential. Organized crime, public sector corruption, and parallel institutions undermine economic reform, deter refugee returns, and preclude political reconciliation. Under pressure from the international community, Bosnian agencies have taken a more active role, particularly in the banking sector, and local authorities are pursuing a number of high-profile corruption cases, notably against officials in Tuzla canton. As demonstrated by SFOR action against anti-Dayton elements in Mostar, the international community will be the key play-

er over the short term in providing a secure environment and a practical framework for steps by Bosnian authorities in the future. Significant progress was made towards establishing a consensual international community strategy to combat corruption with the creation of OHR's Anti-corruption and Transparency (ACT) Group. The interagency Frowick Anti-corruption Task Force (FACT) provides a valuable U.S. Government contribution that specifically addresses corruption issues. The international community will continue its efforts to turn over responsibility for basic elements of governance to the Bosnian leadership.

5. *Media Reform.* Aim: A regulated, independent, and democratic media. The international community took several important steps in the past six months to advance media reform. The Independent Media Commission (IMC) initiated a six-month provisional licensing program for all television and radio broadcasters. For the first time since before the war, all broadcasters operate in a regulated environment subject to financial and operational sanctions if they break IMC guidelines on fairness and objectivity. At the same time, the High Representatives imposed decisions to restructure Federation-based RTV-BiH into Federation TV and PBS-BiH, to reform SRT-TV in Banja Luka (now known as RTRS), and to force the pro-HDZ Erotel network to accept IMC authority and cease all Croatian Government HRT-TV rebroadcasts in Bosnia, except as permitted by the IMC. While there has been resistance to all these measures, they are moving forward. In 2000, a new long-term licensing program is expected to reduce the number of Bosnian broadcasters dramatically. Internationally supported OBN TV and Radio Fern continue to broadcast objective news and information nationwide. The majority of media outlets are subject to political and economic influence from (or controlled outright by) political parties and elected officials, but compared to two years ago, there is less ethnic hatred voiced in the media. Overall professionalism has improved marginally, due in part to U.S. Government-funded training programs. However, Bosnian media still does not meet international standards of professional and objective journalism.

6. *Elections and Democratic Governance.* Aim: National democratic institutions and practices. At the State level, all Dayton-mandated central institutions meet regularly, but their effectiveness could be enhanced. The Joint Presidency agreed in New York to create a joint secretariat to make its work more efficient and to increase funding for the three under-funded State ministries. Pursuant to the New York Declaration, the Joint Presidents submitted a law to Parliament November 24 to establish a State Border Service (a combination Border Patrol/INS-type agency). This would be the first multi-ethnic armed force under central government control. The Joint Presidents also undertook some foreign visits together. There is resistance, particularly from the Serb side, to investing these State institutions with real power, as they view an increase in State power as an infringement on entity prerogatives. Within the Federation, potential use of the National Interest Clause continues to render the parliamentary process slow and often ineffective. The national Parliament has begun discussions on the OSCE-drafted election law, which must be passed early in the year in order for national elections to proceed on October 7. The

OSCE remains responsible for administering the April municipal elections and has already introduced aspects of the proposed law, which should make candidates and parties more accountable. Enforcement efforts by OSCE and OHR are supported by SFOR's continued contribution to a secure and stable environment, in which State and entity institutions can function and democratic elections can take place.

7. *Economic Development.* Aim: Free-Market reform. Progress has been slow. However, Bosnia has been accepted for WTO observer status. There is now a common customs regime in place in both entities, and the new Bosnia Konvertible Marka currency is accepted throughout BiR. Moreover, first steps have been taken to replace the communist-era payments bureaus in the Federation and the RS. Both entities are making progress on harmonized investment laws, and banks are better regulated. These reforms, combined with donor assistance, enabled continued growth during 1999, despite fallout from the Kosovo conflict. Significant problems remain. Privatization has been hampered by entity governments and enterprise managers seeking political and financial gain. The Federation enacted a labor law, against the advice of the World Bank and the IMF, which will burden companies with so much debt that privatization will be difficult, if not impossible, in the short run. Bank reform is also proceeding at a much slower pace than hoped. The lack of commitment to structural reforms and to establishing a fair and independent judiciary has prevented Bosnia from enjoying any significant level of domestic or foreign investment.

8. *Displaced Person and Refugee (DPRE) Returns.* Aim: A functioning and orderly minority return process. This period saw a sharp increase in minority refugees returning to a pre-war homes, especially in hard-line areas in the RS, a cause for cautious optimism. Surprisingly few acts of violence accompanied these returns. SFOR's support in contributing to a secure environment was critical. Over 23,000 minority DPREs were registered by UNHCR as returnees in 1999, double the number for 1998. Some organizations estimate an additional 20–30,000 minority DPREs returned but did not register. These figures are all the more remarkable because they include a slowdown in the first six months of 1999 due to the Kosovo conflict. Many of these increased refugee return movements were to isolated, destroyed rural villages, where individuals have taken advantage of improved security conditions provided by SFOR to begin rebuilding while awaiting international assistance. Lack of assistance funds for shelter repair is the greatest obstacle to sustaining these returns. The U.S. Department of State made available an additional \$2.3 million and the Department of Agriculture \$1.7 million to help these so-called "spontaneous" returnees. The High Representative used U.S. assistance as a catalyst to call for aid from other donors, with the impressive result of an additional \$7 million. However, returns to contested property remain slow, particularly in large cities. The High Representative imposed new property legislation in both the RS and Federation in October, providing a legal framework for return to occupied housing. On average, only 10 percent of occupied property claims have been decided, and fewer of these decisions have been implemented. The lack of

progress can be blamed on hard-line politicians and shortages of resources for housing and return offices. This problem is particularly acute in West Mostar and Banja Luka. The late-November firing of 22 municipal officials, most of whom resisted minority refugee returns, should ease this obstructionism. Although security is no longer the primary concern of most returnees, the issues of employment and education have become increasingly important to sustaining returns.

9. *Brcko*. Aim: Implementation of the Brcko Final Award. The Award, which addresses a key unresolved issue from Dayton, establishes a neutral, multi-ethnic district. Annexes released August 18 provide details of government structure and overall implementation. The December 7 release of the Brcko district statute (constitution) breaks significant new ground, as it contains minimal ethnic criteria and no vital interest clauses. Progress has been made in Brcko with virtually no violent opposition. Freedom of movement has been established, a multi-ethnic police force has been created, and an inter-ethnic municipal assembly functions. Brcko has had significant minority refugee/DPRE returns to outlying villages. In December the Supervisor began programmed evictions of certain Bosnian Serbs from occupied homes in Brcko town. Bosnian Serbs, who initially opposed the Award, are now grudgingly accepting the concept of Brcko as a special district. They may, however challenge aspects of the statute in the Bosnian constitutional court. Final demilitarization of entity armed forces in the area is scheduled to be accomplished by the end of February 2000. SFOR support remains crucial to deterring violent attempts by hard liners to disrupt Brcko implementation.

10. *Persons Indicted For War Crimes (PIFWCs)*. Aim: Cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) leading to the transfer of PIFWCs to The Hague for trial. Thus far 43 PIFWCs have been transferred to The Hague for trial under open and sealed indictments. Acting within its mandate, SFOR has assisted in the transfer of 32 indictees to the Hague and continues to support ICTY field investigations in Bosnia. The most recently captured indictees, Radomir Kovac, Damir Dosen, Radoslav Brdjanin, RS Army Chief of Staff Momir Talic, Stanislav Galic, and Zoran Vukovic now await trial. Brdjanin (July 6), Kovac (August 2), Dosen (October 25), Galic (December 20), and Vukovic (December 24) were detained by SFOR in Bosnia. Cooperation from the parties, who are responsible for apprehending and turning over PIFWCs to ICTY, continues to vary widely; RS Prime Minister Dodik has expressed full support for the arrest of indictees, but Bosnian Serb extremists continue to oppose action against PIFWCs in the RS. The RS Interior Minister has reportedly denied his Ministry's responsibility to execute ICTY warrants, while HDZ government and party officials in BiH have openly supported Croat indictees. (This may change, as democratic reforms in Croatia under a new government will likely have a positive impact in the Croatian community in Bosnia.)

The United States considers apprehension and detention of Serb PIFWCs Radovan Karadzic and Ratko Mladic to be of the highest priority in serving the interest of justice and facilitating Dayton implementation. Their efforts to avoid apprehension. Their efforts

to avoid apprehension sustains Bosnian Serb extremism, frustrates the Bosniak and Croat communities, undermines the credibility of the international community, and erodes the Rule of Law.

Conclusion. In my July report, I emphasized the critical role SFOR plays in supporting the secure environment needed for democratic principles and free-market reforms to take root and grow. That role is no less essential today and has been noted in several places in this report. Progress on security and military stabilization has reduced our force requirements. However, the need to firmly establish such key democratic values as transparency, tolerance, and public accountability requires the continued commitment of the international community, which SFOR supports, until the nascent institutions of Bosnia and Herzegovina are fully capable of confronting such transnational threats as terrorism and the drug trade. The prospect of democratic change in two neighboring states—Croatia and the FRY—increases the likelihood of medium and long-term improvement, but associated instability and cross-border political manipulation pose significant threats in the short term. Over the past six months significant steps were taken by the international community that in the past might have been met with strenuous or even violent opposition. The absence of such a response suggests a qualitative improvement in the overall situation. At the same time, however, nationalist politicians, organized crime, and secret police, paramilitary, and ethnic-based intelligence organizations remain entrenched opponents of the Dayton peace agreement and major obstacles to more rapid progress.

PART II

Section 1203(a) of the Fiscal Year 1999 National Defense Authorization Act requires submission of a semiannual report to Congress as long as United States ground combat forces continue to participate in the Stabilization Force (SFOR). This report supplements the “Bosnia Benchmarks” report required by Public Law 105-174 and is therefore submitted here in conjunction with that report. Where possible, when the requirements overlap, I have sought to avoid duplication in the two reports. The numbered responses that follow correspond to specific numbered reporting requirements contained in section 1203(b).

1. *Expected duration of U.S. forces in Bosnia and Herzegovina:* Although no specific timetable has been established for complete withdrawal of U.S. force structure from Bosnia and Herzegovina (BiH), the size of the U.S. military footprint has been continually evaluated and reduced as appropriate. The six-month reviews include compliance by the parties with the provisions of the Dayton Accords, the security situation, progress towards achievement of identified benchmarks, and any recommendations on changes in the level of support to civilian implementation agencies or changes to the overall mission.

The North Atlantic Council approved SFOR restructuring on October 25, 1999. National Military Authorities have been tasked to begin implementation of OPLAN 10407 (Revised), “JOINT FORGE—For the Continued Stabilization of the Peace in Bosnia-Herzegovina.” restructuring is to be completed by April 2000. U.S. force strength will drop from 6,200 to roughly 4,600; a significant

reduction from the peak U.S. deployment of 20,000 in 1996. SFOR's revised concept is based on enhanced operational agility and centers on the ability of forces to respond quickly throughout the SFOR Area of Responsibility. It requires that assigned forces be able to conduct operations across command boundaries. The continuing role of SFOR is to deter the renewed outbreak of hostilities and civil unrest and to reinforce the tenets of the Dayton Agreement, thereby enabling SFOR and the international community to work toward the desired "end state"—a self-sustaining peace not requiring the presence of a NATO-led multinational military force. SFOR will continue to accomplish all key military tasks but in reduced depth and frequency. It will provide focused support to civil implementation, within means and capabilities.

2. *Percentage of benchmarks completed:* No benchmark has been entirely fulfilled to date, nor would I expect any of them to be completed in the next reporting period. However, there has been substantial progress over the last six months towards completing all of the benchmarks, as described in Part I of this report.

3. *Status of the NATO "force of gendarmes.":* The Multinational Specialized Unit (MSU) continues to be an SFOR success story. It has proven to be a highly effective tool for fulfilling SFOR's mission of contributing to a stable and peaceful environment for Dayton implementation. The MSU is praised by civilian agencies, and COMSFOR and his zone commanders rely heavily on it for gathering information and as the force of choice to address civil disturbances. SACEUR has described the MSU as a major force multiplier. The MSU operates under an Italian Carabinieri Commander. Italy provides roughly 360 personnel and oversees certification of specialized units from other contributing countries, currently including Slovenia, Romania, and Argentina. SACEUR is soliciting contributions to form a second MSU battalion (approximately 380 personnel).

4. *Military and nonmilitary missions directed by the President for U.S. forces in BiH:* The U.S. Government supported the decision of the North Atlantic Council to task COMSFOR, through SACEUR, with the mission of providing a continued military presence in order to deter renewed hostilities, contribute to a secure environment, and help to stabilize the peace.

Key military tasks:

- Maintain a deterrent military presence.
- Ensure continued compliance with the military aspects of the General Framework Agreement for Peace (GFAP).
- Operate Joint Military Commissions (JMC) at appropriate levels.
- Contribute, within means and capabilities, to a secure environment in which the international civil organizations and the parties to the GFAP can carry out their responsibilities under the agreement.
- Ensure force protection and freedom of movement for SFOR.
- Monitor Entity Armed Forces activities and inspect Weapons Storage Sites within capabilities and in close coordination with relevant international organizations.

- Be prepared to coordinate turnover of responsibility for Airspace Management/Control to the BiH Department of Civil Aviation when directed.

Key supporting tasks, within the means and capabilities of SFOR:

- Provide, on a case-by-case basis, support to the Office of the High Representative in implementing the civil aspects of the GFAP.
- Support the implementation of the Brcko Arbitration decision.
- Support the conduct of elections and installation of elected officials.
- Support the return of displaced persons and refugees by contributing to a safe and secure environment, but not forcibly returning them or undertaking to guard individual locations.
- Support the International Criminal Tribunal for the Former Yugoslavia (ICTY) and efforts against persons indicated for war crimes.
- Support the OHR and International Police Task Force (IPTF) on a case-by-case basis in assisting local police, providing back-up and contributing to a secure operating environment, without undertaking civil police tasks.
- Provide, on a case-by-case basis, support to the OSCE in implementing Annex 1B (Agreement on Regional Stabilization) of the GFAP in BiH.
- Support the continued development of the Standing Committee on Military Matters (SCMM).

With regard to specific issues raised under reporting requirement 4:

(A) *Persons Indicted for War Crimes*: SFOR remains the only actor in Bosnia that continues to detain PIFWCs. However, SFOR is not a police force and does not actively pursue, locate, or arrest PIFWCs. It will continue to detain PIFWCs in accordance with its mandate and rules of engagement and provide detainees safe passage to the Hague. (See also Part I, Benchmark 10.)

(B) *Support to civilian police functions*: So long as organized opposition to Dayton continues, the OHR, United Nations, and other international organizations involved in civil implementation will rely on SFOR to contribute to a secure environment and to provide back-up in case of civil unrest fostered by Dayton opponents. (See also Part I, Benchmarks 2, 3, 4.)

(C) *Resettlement return of refugees*: Support for the return of displaced persons and refugees by contributing to a secure and stable environment remains a key supporting task for SFOR. (See also Part I, Benchmark 8.)

(D) *Support to local and international authorities*:

Elections. Open and transparent elections, the foundation for democratic governance, are being supported by SFOR's contribution to a secure and stable environment in which the Parliamentary Assemblies at the State and Entity levels can function and in which democratic elections may take place. (See Part I, Benchmark 6.)

Media. SFOR continues to enforce the standards of media reform and the efforts and initiatives of the Independent Media Commission. (See Part I, Benchmark 5.)

Brcko. The effective date for the new district to come into being will be decided by the Supervisor, when he is satisfied that both entities have delegated their governance powers to the district government. The RS military will retain the right to transit through Brcko with SFOR's approval. SFOR has prepared for any eventuality by increasing force protection awareness and establishing several new checkpoints along roads leading to Brcko, Bijeljina and other areas of the RS. RS military forces in Brcko were granted an extension for departure until February 25, 2000, when security for the district's citizens will be jointly guaranteed by SFOR and the new Multi-Ethnic Police. (See Part I, Benchmark 9.)

5. *Assessment of threats to the United States forces:* The risk of a return to open hostilities is currently assessed as minimal, as long as a credible SFOR remains deployed. The latest Supreme Headquarters Allied Powers Europe (SHAPE) study concludes that the most likely, though remote, scenario for military action would arise from a local problem escalating rapidly beyond the capacity of containment by local police. This could, in turn, draw in Entity Armed Forces, which would require an immediate and firm response by SFOR to prevent further escalation. The EAFs remain in overall compliance with the provisions of the GFAP. As part of its ongoing mission, SFOR continues to conduct no-notice weapons storage site inspections and observes EAF training and movement activities. No major instances of non-compliance have been reported by SFOR.

6. *Assessment of costs:* Since FY 1996, the cost of the Department of Defense of the military missions that I directed in Bosnia and Herzegovina has been about \$8.3 billion. These costs are summarized below (in millions):

Operation	Fiscal year			
	1999 actual	1998 actual	1997 actual	1996 actual
Deliberate Forge	141.4	159.4	183.3	225.9
Joint Forge	1,382.5	1,792.8	.....	.....
IFOR/IFOR Prep .....	.....	.....	2,087.5	2,231.7
Provide Promise .....	.....	.....	.....	21.7
Sharp Guard .....	.....	.....	.....	9.3
Able Sentry	14.0	10.5	11.7	30.9
UNCRO .....	.....	.....	.....	0.5
Totals	1,537.9	1,962.7	2,282.5	2,520.0

Operation Deliberate Forge (follow-on to Deny Flight, Decisive Edge, and Deliberate Guard) involves air operations for maintaining the no-fly zone over Bosnia.

Operation Joint Forge (follow-on to IFOR, SFOR, Deliberate Force, Joint Endeavor, and Joint Guard) is the NATO operation to deter the resumption of hostilities and to contribute to a secure environment that promotes the reestablishment of civil authority in Bosnia and Herzegovina.

IFOR Preparation and IFOR included the costs of preparing U.S. forces for deployment to IFOR, which was the peace implementation force in the Former Republic of Yugoslavia.

Operation Provide Promise was the military operation that airlifted and airdropped humanitarian supplies into Bosnia.

Operation Sharp Guard enforced the United Nations-sanctioned embargo against the FRY (excluding the enforcement of the arms embargo against Bosnia) conducted in conjunction with Western Europe Union forces.

Operation Abel Sentry was U.S. participation in the United Nations preventive deployment along the Serbian/Macedonian border (UNPREDEP).

UNCRO was support provided to the Zagreb hospital in support of the United Nations in Croatia.

For FY 1999, the actual costs for U.S. operations in Bosnia were \$1.5 billion. A detailed breakout of these costs follows:

ACTUAL FY 1999 DoD BOSNIA COSTS

[In millions of dollars]

	Able sentry	Joint forge	Deliberate forge	Totals
Military Personnel:				
Army	2.8	127.0		129.8
Navy		8.3	1.3	9.6
Marine Corps		2.6		2.2
Air Force		28.4		28.4
Navy Reserve		.2		.2
Total	2.8	166.5	1.3	170.6
Operations & Maintenance:				
Army	11.2	1,052.8		1,064.0
Navy		13.5	35.5	49.0
Marine Corps		2.1	.1	2.2
Air Force		87.8	104.3	192.1
Defense-Wide		47.6	0.2	47.8
Defense Health Program		12.2		12.2
Navy Reserve				0
Total	11.2	1,216.0	140.1	1,367.3
Grand Total	14.0	1,382.5	141.4	1,537.9

(7) *Status of future operations plans:* As these two reports indicate, there has been a continued, gradual improvement in all aspects of civil implementation and the security situation in Bosnia during the reporting period. The RS did not openly support Serbia during the Kosovo air campaign, and we saw last March that violent reactions to the final Brcko arbitration decision and to the removal by the High Representative of the anti-Dayton RS President were relatively minimal. With assistance from SFOR and full international engagement with local authorities, Sarajevo and the BiH government successfully hosted the Leaders Summit of the Stability Pact for Southeastern Europe on July 30. Increasing flows of returning refugees and internally displaced persons continue to occur, and nation-wide municipal elections are scheduled for the spring of 2000. As Bosnia slowly moves toward normalcy and as its leaders and citizens take on greater responsibility for implementing all aspects of the agreement, the requirement for an overwhelming NATO presence should diminish. The SFOR Transition Strategy, reaffirmed in a revision of OPLAN 10407, provides for a deliberate, responsible reduction of forces based on civil implementation progress. The current reduction and restructuring of SFOR forces,

including U.S. forces, reflects an ongoing assessment at NATO and in Washington that the threat of a resumption of hostilities by the Entity Armed Forces remains low. NATO will continue to evaluate its presence and the forces required based on these elements. Continued U.S. presence and leadership in this force will remain a critical element of its success.

In conclusion, the Administration is grateful for the support of Congress for Dayton implementation. I look forward to continuing to work with the Congress in pursuit of U.S. foreign policy goals in the Balkans.

