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INTERNATIONAL COUNTERNARCOTICS POLICIES: DO THEY REDUCE DOMESTIC CONSUMPTION OR ADVANCE OTHER FOREIGN POLICY GOALS?

HEARING

BEFORE THE

SUBCOMMITTEE ON DOMESTIC POLICY

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

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CONTENTS

	Page
Hearing held on July 21, 2010	1
Statement of:	
Ford, Jess T., Director, International Affairs and Trade Team, U.S. Government Accountability Office	12
Isacson, Adam, senior associate for regional security, Washington Office on Latin America; Vanda Felbab-Brown, Ph.D., foreign policy fellow, the Brookings Institution; and Mark Kleiman, M.P.P. and Ph.D., professor of public policy, UCLA School of Public Affairs	109
Felbab-Brown, Vanda	131
Isacson, Adam	109
Kleiman, Mark	149
Kerlikowske, R. Gil, Director, Office of National Drug Control Policy; David T. Johnson, Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement, U.S. State Department; and William F. Wechsler, Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats, U.S. Department of Defense	44
Johnson, David T.	67
Kerlikowske, R. Gil	44
Wechsler, William F.	79
Letters, statements, etc., submitted for the record by:	
Felbab-Brown, Vanda, Ph.D., foreign policy fellow, the Brookings Institution, prepared statement of	133
Ford, Jess T., Director, International Affairs and Trade Team, U.S. Government Accountability Office, prepared statement of	15
Isacson, Adam, senior associate for regional security, Washington Office on Latin America, prepared statement of	112
Johnson, David T., Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement, U.S. State Department, prepared statement of	69
Jordan, Hon. Jim, a Representative in Congress from the State of Ohio, prepared statement of	8
Kerlikowske, R. Gil, Director, Office of National Drug Control Policy, prepared statement of	47
Kleiman, Mark, M.P.P. and Ph.D., professor of public policy, UCLA School of Public Affairs, prepared statement of	151
Kucinich, Hon. Dennis J., a Representative in Congress from the State of Ohio, prepared statement of	4
Wechsler, William F., Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats, U.S. Department of Defense, prepared statement of	82

INTERNATIONAL COUNTERNARCOTICS POLICIES: DO THEY REDUCE DOMESTIC CONSUMPTION OR ADVANCE OTHER FOREIGN POLICY GOALS?

WEDNESDAY, JULY 21, 2010

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DOMESTIC POLICY,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 2247, Rayburn House Office Building, Hon. Dennis J. Kucinich (chairman of the subcommittee) presiding.

Present: Representatives Kucinich, Tierney, and Jordan.

Staff present: Jaron R. Bourke, staff director; Claire Coleman, counsel; Charisma Williams, staff assistant; Justin LoFranco, minority press assistant and clerk; Sery Kim, minority counsel; and Molly Boyl and James Robertson, minority professional staff members.

Mr. KUCINICH. The Subcommittee on Domestic Policy of the Committee on Oversight and Government Reform will now come to order.

The hearing will evaluate international supply reduction programs intended to stop the flow of illicit drugs into the United States. We will be joined shortly by some of my other colleagues here, and I appreciate the cooperation of the minority staff in permitting us to proceed.

Without objection, the Chair and ranking minority member will have 5 minutes to make opening statements, followed by opening statements not to exceed 3 minutes by any other Member who seeks recognition.

Without objection, Members and witnesses may have 5 legislative days to submit a written statement or extraneous materials for the record.

Today I want to welcome all of you who are here today and to let you know that I appreciate your taking the time to join us for this important discussion about the issue of supply reduction.

This subcommittee continues its oversight of the Office of National Drug Control Policy by focusing on U.S. international counternarcotics policies and programs. Over the last decade international supply reduction efforts in source countries and transit zones have accounted for almost 40 percent of the Federal spending on drug policy. Funding levels for international counternarcoticss were not always so high. Under the Bush administration, Federal

resources for supply reduction increased by over 60 percent. Interdiction spending, alone, increased over 100 percent.

But, despite acknowledgement from the current administration that international supply site programs like crop eradication and interdiction have not been effective in reducing the availability of drugs in the United States and that treatment and prevention are far more cost effective, those programs are still being funded at significant levels.

The President's drug control budget request for fiscal year 2011 asks for $15½ billion, of which $6 billion is slated for international support and interdiction.

This hearing will scrutinize those spending decisions and evaluate what we have accomplished in this decade through supply reduction programs, both in terms of the national drug policy goal of reducing consumption in the United States and other foreign policy objectives.

We will hear from the Government Accountability Office, which will tell us that, for all the money we spent in international counternarcotics programs, there has been limited success in reducing the flow of drugs to the United States, and we have done a poor job of ensuring that there are high-quality criteria to measure how useful and cost effective these programs really are.

This is consistent with what many drug policy experts have been saying for years. The evidence, after all, is stark. After spending billions of dollars on aerial spraying programs and efforts to interdict drugs, drug supply and consumption in the United States remains strong.

The question we hope today's hearing will answer is: if international programs like eradication or interdiction simply cannot make much of a difference in U.S. drug consumption, then to what extent should we be continuing these costly programs? We cannot and we do not ignore legitimate national security concerns, and we must face squarely connections between the illicit drug trade and insurgents or terrorists. But such international policies and goals should not be confused with drug control policy in the United States.

If the goals of these programs are, in fact, now justified on grounds of national security and helping stabilize democracy and rule of law abroad, then we need to evaluate whether and how U.S. counternarcotics policy and dollars should play a role in those programs, if at all, and what role the White House Office of National Drug Control Policy should play as the leader in Federal drug control policy.

Our witnesses today will applaud some shifts we are seeing in international counternarcotics efforts under this administration, de-emphasizing military and police aid and focusing more on strengthening civilian governance, justice, and economic opportunity. For the first time, the U.S. Government is starting to consider anti-poverty programs and justice reform as part of its counternarcotics efforts, recognizing that marginalized populations must have sufficient legal alternative livelihoods if we can hope that they will cease illegal crop cultivation and trafficking.

But they will also caution that U.S. counternarcotics programs are in danger of repeating the same mistakes we have made in the

past and must undertake an honest assessment of the unintended negative consequences of these policies. For example, Mexico's efforts to crack down on drug trafficking is one factor generating a wave of horrifying killings. Our efforts in Afghanistan may be contributing to the insurgency by enriching the Taliban.

Our work in Colombia, while successful in improving security, came with significant costs. Aerial spraying has grievously harmed the environment and punished impoverished farmers who have no other way to feed themselves. And U.S. support of Colombian military's fight against guerrillas effectively underwrote extensive human rights violations that have gone unpunished.

Those unintended consequences will be discussed at today's hearing as part of an effort to evaluate these counternarcotics programs holistically.

Again, I want to thank each and every one of you for your attendance, and thank the witnesses for their appearance here today.

[The prepared statement of Hon. Dennis J. Kucinich follows:]

Opening Statement
Dennis Kucinich, Chairman
Domestic Policy Subcommittee
Oversight and Government Reform Committee
"International Counternarcotics Policies:
Do They Reduce Domestic Consumption or Advance other
Foreign Policy Goals?"
July 21, 2010
2247 Rayburn HOB
10:00 A.M.

Good morning. Today this Subcommittee continues its oversight of the Office of National Drug Control Policy by focusing on U.S. international counternarcotics policies and programs. Over the last decade, international supply reduction efforts in source countries and transit zones have accounted for almost 40% of the federal spending on drug policy. Funding levels for international counternarcotics were not always so high. Under the Bush Administration, federal resources for supply reduction increased by over 60%. Interdiction spending alone increased over 100%. But despite acknowledgement from the current Administration that international supply-side programs like crop eradication and interdiction have not been effective in reducing the availability of drugs in the United States, and that treatment and prevention are far more cost-effective, those programs are still being funded at significant levels. The President's drug control budget request for fiscal year 2011 asks for $15.5 billion, of which $6 billion is slated for international support and interdiction.

This hearing will scrutinize those spending decisions, and evaluate what we have accomplished in this decade through supply reduction programs, both in terms of the national drug

policy goal of reducing consumption in the U.S., and other foreign policy objectives. We will hear from the Government Accountability Office, which will tell us that for all the money we have spent on international counternarcotics programs, there has been limited success in reducing the flow of drugs to the U.S., and we have done a poor job of ensuring there are high-quality criteria to measure how useful and cost-effective these programs really are. This is consistent with what many drug policy experts have been saying for years. The evidence, after all, is stark: after spending billions of dollars on aerial crop spraying programs and efforts to interdict drugs, drug supply and consumption in the U.S. remains strong.

The question we hope today's hearing will answer is, if international programs like eradication or interdiction simply cannot make much of a difference in US drug consumption, then to what extent should we be continuing these costly programs? We cannot ignore legitimate national security concerns and we must face squarely connections between the illicit drug trade and insurgents or terrorists, but such international policies and goals should not be confused with drug control policy in the United States. If the goals of these programs are, in fact, now justified on grounds of national security and helping stabilize democracy and rule of law abroad, then we need to evaluate whether and how U.S. counternarcotics policy and dollars should play a role in those programs, if at all, and what role the White House Office of National Drug Control Policy should play as the leader in federal drug control policy.

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starting to consider anti-poverty programs and justice reform as part of counternarcotics efforts, recognizing that marginalized populations must have sufficient legal alternative livelihoods if we can hope that they will seize illegal crop cultivation and trafficking. But they will also caution that U.S. counternarcotics programs are in danger of repeating the same mistakes we have made in the past, and must undertake an honest assessment of the unintended negative consequences of these policies. For example, Mexico's efforts to crack down on drug trafficking is one factor generating a wave of horrifying killings. Our efforts in Afghanistan may be contributing to the insurgency by enriching the Taliban. Our work in Colombia, while successful in improving security, came with significant costs: aerial spraying has grievously harmed the environment and punished impoverished farmers who have no other way to feed themselves; and U.S. support of Colombian military's fight against guerrillas effectively underwrote extensive human rights violations that have gone unpunished. These unintended consequences will be discussed at today's hearing as part of an effort to evaluate these counternarcotics programs holistically.

Mr. KUCINICH. Now it is my privilege to recognize the ranking member of the committee and my partner in so many of these important hearings, Mr. Jordan.

Mr. JORDAN. Thank you, Mr. Chairman. I apologize for running a few minutes late. We were actually downstairs in the other room.

Thank you, Chairman Kucinich, for holding this important hearing today. Our Nation continues to face a drug problem that takes lives, brings about violence, and tears apart communities and families. We need to take every opportunity and make every effort to eliminate this problem with an approach that focuses both on keeping drugs from entering the country and curbing addiction here at home.

In the last decade the United States spent over $20 billion to fight the war on drugs domestically and internationally. Winning the war on drugs is vital to the health and safety of Americans at home, and it is important to our national security.

The threats surrounding the international drug trade from the Taliban in Afghanistan to the violent cartels in Mexico is real and has serious foreign policy implications. I am pleased to see that ONDCP budget request for 2011 increases both the international and interdiction components of the drug control budget. Support for the U.S. Government's international eradication and interdiction efforts is an important part of the supply reduction strategy.

Through eradication, interdiction, enforcement, and basic Government support, we have seen some success, but we need to be certain that our international drug policies translate into reduced supply and ultimately reduced demand here at home. We know that drug trafficking has provided a means of funding terrorists and insurgent groups, some of which we are fighting abroad. However, there is some debate over how best to curtail these activities.

I look forward to hearing from the witnesses today about which programs are working, which ones aren't, and how we can do the most good with the limited resources we have.

Mr. Chairman, I yield back before this microphone drives everyone crazy.

[The prepared statement of Hon. Jim Jordan follows:]

OPENING STATEMENT
THE HONORABLE JIM JORDAN

July 21, 2010

Subcommittee on Domestic Policy

"International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals"

Thank you Chairman Kucinich for holding this very important hearing today. Our nation continues to face a drug problem that takes lives, brings about violence, and tears apart communities and families. We need to take every opportunity and make every effort to eliminate this problem, with an approach that focuses both on keeping drugs from entering the country in the first place and curbing addiction at home.

In the last decade, the U.S. has spent over $20 billion dollars to fight the war on drugs domestically and internationally. Winning the war on drugs is vital to the health and safety of Americans at home, and it is just as important to our national security. The threat surrounding the international drug trade - from the Taliban in Afghanistan to the violent cartels in Mexico – is real and has serious foreign policy implications.

I was pleased to see that the ONDCP budget request for 2011 increases both the international and interdiction components of the drug control budget. Support for the U.S. government's international eradication and interdiction efforts is an important part of the supply reduction strategy. Through eradication, interdiction, enforcement and basic government support, we have seen some successes, but we need to be certain that our international drug policies translate into reduced supply, and ultimately reduced demand here at home.

We know that drug trafficking has provided a means of funding terrorist and insurgent groups, some of which we are fighting abroad. However, there is some debate over how best to curtail these activities. I look forward to hearing from the witnesses today about which programs are working, which are not, and how we can do the most good with limited resources.

Mr. KUCINICH. I thank the gentleman for his presence here. As the days wind down in the House, there are many different things going on simultaneously, including markups, so I may need to briefly recess this hearing to run to a markup downstairs, only for the purpose of voting. I just want to give everyone a heads-up about that.

I want to introduce our first panelist. Mr. Jess Ford is currently Director of International Affairs and Trade for the Government Accountability Office, the GAO. He joined GAO in 1973 and has worked extensively on national security and international affairs activities. He has managed GAO audits of the U.S. Agency for International Development, the State Department, DHS, and Department of Defense and other Federal agencies.

Mr. Ford, I want to thank you for appearing before our subcommittee.

One other thing about today. We were not supplied with a clock here, so that means your testimony will be timeless. [Laughter.]

But still 5 minutes. [Laughter.]

So if staff would kind of give me the heads-up when it is five, I will just wave or say something to indicate that it would be good to wrap it up. But, as you know, your entire statement will be included in the record, and it is much appreciated that you are here.

Mr. Ford, I would like you to know that it is customary for all witnesses who appear before the Committee on Oversight and Government Reform to be sworn in before they testify. I would ask that you would stand. Please raise your right hand.

[Witness sworn.]

Mr. KUCINICH. Thank you, sir.

Let the record reflect that the witness answered in the affirmative.

You may proceed, Mr. Ford. Thank you.

STATEMENT OF JESS T. FORD, DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE TEAM, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. FORD. Mr. Chairman, members of the subcommittee, I am pleased to be here today to discuss GAO's body of work on international interdiction counternarcotics activities. Over the last decade, we have issued over 20 reports covering a wide array of program activity in countries such as Colombia, Afghanistan, the transit zone, Mexico, Venezuela, and other key countries that are involved in international drug trafficking.

Today I am going to talk about four topics which I would like to mention to this subcommittee. First, having to do with the issues related to the reported results of some of our programs. Second, I am going to talk about factors that relate to our ability to judge the effectiveness of our programs. Third, I want to talk a little bit about the nexus between our counternarcotics goals and our other foreign policy objectives. And fourthly I am going to discuss the difficulties in trying to measure the effectiveness of these programs.

A key goal of the U.S. national drug control strategy is to reduce illicit drug use in the United States. These programs are designed primarily in source countries such as Colombia and Afghanistan, as well as in transit countries such as Mexico, Central America, and

the Caribbean. They have included interdiction of maritime drug shipments on the high seas, support for foreign military and civilian institutions engaged in drug eradication, detection, and also the rule of law and alternative development programs, all of which are designed to affect the supply of drugs that are coming to the United States.

GAO's work on these programs, I want to first talk about the first topic, which is really what the results have been reported.

We have found that in Afghanistan, Colombia, and in the drug transit zones the United States and its partner nations have only partially met targets that have been established to reduce drug supply. For example, we recently reported in Afghanistan that opium poppy eradication efforts consistently fell between targets established by the administration. While some Afghan provinces are now poppy free, United States and Afghan opium poppy eradication strategy did not achieve its original goals of reducing the level of poppy in the country.

In 2008 we reported that after 6 years plan, Colombia had met some of its key goals in reducing poppy cultivation, but it had not achieved its goal for reducing coca crops. Most recently, the administration has reported additional reductions in the amount of potential cocaine that can be produced in Colombia, which suggests that the program has, in fact, achieved some of the original goals intended, although for a longer period of time than was originally established.

We note that our interdiction goals to stop the flow of drugs primarily through the transit area, we have not achieved any of those goals since 2007.

My second point has to do with the factors that influence program effectiveness, and I am going to just briefly touch on some of these. I think in the Q and A I can get into this in a little more detail. But the key issues that we find in our work that affect our ability to reduce the supply of illegal drugs, first and foremost is the level of commitment and cooperation by our partners in influencing the effectiveness of these programs. In Colombia we reported that over the years the degree of political commitment and commitment on the part of the Colombian government was a major factor in our ability to reduce supplies in that country and to achieve some of the broader foreign policy goals, which I will talk about later.

Conversely, in other countries where we have had less levels of cooperation, such as in Venezuela, we were unable to effectively achieve some of our interdiction goals because the government there has not been cooperative with the U.S. Government since 2005.

Another factor that we frequently identified in our work has to do with the level of sustainment that our programs have had, particularly in places in the transit zone and in Central America, where we have provided resources intended to enhance the capacity of those countries to interdict drugs, but the programs, themselves, due to lack of sustainment, have not achieved their intended objectives.

A third area that I would like to comment on has to do with the nexus between our counternarcotics programs and other foreign

policy objectives. Currently, in places such as Colombia and Afghanistan, much of our programs there, our counternarcotics programs, are part of our broader foreign policy objectives to deal with, in the case of Afghanistan, our counterinsurgency problem, and in the case of Colombia to deal with the problems of security with the FARC and other illegal groups there. I am going to get to this in a minute, but in trying to assess effectiveness, we find that this overlap between counternarcotics and foreign policy goals is problematic in trying to assess the overall effectiveness.

Finally, the last point I would like to make has to do with the difficulties in trying to measure the overall effectiveness of these programs. We have found in many of our reports that U.S. agencies lack a reliable performance measurement and results information to really judge whether or not we are having a major impact in reducing those supplies and flow of drugs to the United States. An example, in Afghanistan we found that our opium eradication measures were not sufficient for assessing overall U.S. efforts.

We also reported that the State Department in the transit area was not able to measure more than half of their programs intended to reduce the flow of drugs. This morning we are issuing a new report on the Department of Defense efforts to enhance their performance system, and our findings are that DOD still has not got an effective performance measurement system that enables one to determine whether or not their programs are achieving the intended results.

I am not going to get into all the recommendations we made. I can just say that for the 20 products that I mentioned we had several recommendations designed to address many of these shortcomings, and in most cases the administration, and agencies that we dealt with, agreed with our recommendations and they have taken action.

With that, I think I am going to close. I would be happy to answer any questions you might have.

[The prepared statement of Mr. Ford follows:]

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Domestic Policy, Committee on Oversight and Government Reform, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Wednesday, July 21, 2010

DRUG CONTROL

International Programs Face Significant Challenges Reducing the Supply of Illegal Drugs but Support Broad U.S. Foreign Policy Objectives

Statement of Jess T. Ford, Director
International Affairs and Trade

GAO-10-921T

July 2010

GAO
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Highlights

Highlights of **GAO-10-921T**, a report to House Government Oversight Committee, Subcommittee on Domestic Policy

DRUG CONTROL

International Programs Face Significant Challenges Reducing the Supply of Illegal Drugs But Support Broad Foreign Policy Objectives

Why GAO Did This Study

The overall goal of the U.S. National Drug Control Strategy, prepared by the White House Office of National Drug Control Policy (ONDCP), is to reduce illicit drug use in the United States. GAO has issued more than 20 products since 2000 examining U.S.-funded international programs aimed at reducing the supply of drugs. These programs have been implemented primarily in drug source countries, such as Colombia and Afghanistan, as well drug transit countries, such as Mexico, Guatemala, and Venezuela. They have included interdiction of maritime drug shipments on the high seas, support for foreign military and civilian institutions engaged in drug eradication, detection, and interdiction; and rule of law assistance aimed at helping foreign legal institutions investigate and prosecute drug trafficking, money laundering, and other drug-related crimes.

What GAO Recommends

GAO has made recommendations to the Departments of Defense (DOD) and State and other agencies to improve the effectiveness and efficiency of these programs. In particular, GAO has recommended that agencies develop plans to sustain programs. GAO has also recommended that agencies improve performance measurement and results reporting to assess program impacts and to aid in decision making. In most cases, the agencies have either implemented these recommendations or have efforts underway to address them.

View GAO-10-921T or key components.
For more information, contact Jess T. Ford at (202) 512- 4268 or fordj@gao gov

What GAO Found

GAO's work on U.S.-funded international counternarcotics-related programs has centered on four major topics:

- **Counternarcotics-related programs have had mixed results.** In Afghanistan, Colombia, and drug transit countries, the United States and partner nations have only partially met established targets for reducing the drug supply. In Afghanistan, opium poppy eradication efforts have consistently fallen short of targets. Plan Colombia has met its goals for reducing opium and heroin but not coca crops, although recent data suggest that U S -supported crop eradication efforts over time may have caused a significant decline in potential cocaine production. Data also indicate that increases in cocaine production in Peru and Bolivia have partially offset these declines. Interdiction programs have missed their performance targets each year since goals were established in 2007.

- **Several factors have limited program effectiveness.** Various factors have hindered these programs' ability to reduce the supply of illegal drugs. In some cases, we found that U.S. agencies had not planned for the sustainment of programs, particularly those providing interdiction boats in transit countries External factors include limited cooperation from partner nations due to corruption or lack of political support, and the highly adaptive nature of drug producers and traffickers.

- **Counternarcotics-related programs often advance broad foreign policy objectives.** The value of these programs cannot be assessed based only on their impact on the drug supply. Many have supported other U.S. foreign policy objectives relating to security and stabilization, counterinsurgency, and strengthening democracy and governance. For example, in Afghanistan, the United States has combined counternarcotics efforts with military operations to combat insurgents as well as drug traffickers. U.S. support for Plan Colombia has significantly strengthened Colombia's security environment, which may eventually make counterdrug programs, such as alternative agricultural development, more effective. In several cases, U.S. rule of law assistance, such as supporting courts, prosecutors, and law enforcement organizations, has furthered both democracy-building and counterdrug objectives.

- **Judging the effectiveness of some programs is difficult.** U.S. agencies often lack reliable performance measurement and results reporting needed to assess all the impacts of counterdrug programs. In Afghanistan, opium eradication measures alone were insufficient for a comprehensive assessment of U.S. efforts. Also, the State Department has not regularly reported outcome-related information for over half of its programs in major drug transit countries. Furthermore, DOD's counternarcotics-related measures were generally not useful for assessing program effectiveness or making management decisions.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss our analysis of the United States' international counternarcotics effort over the past several years. Since 2000, we have published over 20 reports on U.S. international counternarcotics programs and other international programs related to counternarcotics. Today, I will discuss the overall findings from these reports and some of the recommendations we have made. Specifically, I will focus on four major topics with regard to U.S. international counternarcotics-related programs: (1) their results in reducing the supply of illegal drugs; (2) factors limiting their effectiveness; (3) their alignment with broad U.S. foreign policy objectives, such as counterinsurgency and the promotion of political stability, and democracy, and (4) difficulties in judging their effectiveness, given a lack of reliable performance measurement and results reporting.

My statement today is based on our extensive body of work examining U.S. efforts to reduce the flow of drugs into this country (see app. I). We have conducted extensive on-the-ground work in the United States as well as in major illicit drug producing countries, such as Afghanistan, Colombia, and Peru, and major drug transit countries, such as the Dominican Republic, Ecuador, Guatemala, Mexico Panama, and Venezuela.[1] Our reports incorporate information we obtained and analyzed from foreign officials in these countries as well as U.S. officials posted both overseas and in Washington, D.C., from the Departments of Defense (DOD), Homeland Security, State (State), Justice, Treasury; the U.S. Agency for International Development (USAID); the Defense Intelligence Agency; the Drug Enforcement Administration (DEA), and the Office of National Drug Control Policy (ONDCP). In the United States we also obtained information from U.S. officials at other agencies and organizations involved in international drug control and interdiction, such as the U.S. Southern Command and the Joint Interagency Task Force-South in Florida and the El Paso Information Center in Texas, and the

[1]As defined in State's *International Narcotics Control Strategy Report 2010*, a major illicit drug producing country is one in which: (a) 1,000 hectares or more of illicit opium poppy are cultivated or harvested during a year, (b) 1,000 hectares or more of illicit coca are cultivated or harvested during a year, or (c) 5,000 hectares or more of illicit cannabis are produced or harvested during a year, unless the President determines that such illicit cannabis production does not significantly affect the United States. A major drug transit country is one (a) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or (b) through which are transported such drugs or substances

Central Intelligence Agency's Crime and Narcotics Center in Virginia. Our work was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

During the past decade, the overarching goal of the U.S. National Drug Control Strategy has been to reduce illegal drug use in the United States. A main priority of the strategy has been to disrupt illegal drug trade and production abroad in the transit zone[2] and production countries by attacking the power structures and finances of international criminal organizations and aiding countries with eradication and interdiction efforts.[3] This involves seizing large quantities of narcotics from transporters, disrupting major drug trafficking organizations, arresting their leaders, and seizing their assets. The strategy also called for the United States to support democratic institutions and the rule of law in allied nations both in the transit zone and in drug producing countries, strengthening of these nations' prosecutorial efforts, and the prosecution of foreign traffickers and producers. According to State's International Narcotics Control Strategy Report, the goal of U.S. counternarcotics assistance to other countries is to help their governments become full and self-sustaining partners in the fight against drugs.

The updated U.S. National Drug Control Strategy, released in May 2010, endorses a balance of drug abuse prevention, drug treatment, and law enforcement. International efforts in the strategy include collaborating with international partners to disrupt the drug trade, supporting the drug control efforts of major drug source and transit countries, and attacking key vulnerabilities of drug-trafficking organizations.

[2]The transit zone is defined as the 6 million square miles encompassing Mexico, Central America, the Caribbean island nations, the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific Ocean.

[3]Other priorities include stopping drug use before it starts and healing America's drug users.

Counternarcotics-Related Programs Have Had Mixed Results in Meeting Supply Reduction and Interdiction Goals

Our work in Afghanistan, Colombia, and the transit zone has shown that the United States and its partner nations have partially met established targets for reducing the supply of illicit drugs. Most programs designed to reduce cultivation, production, and trafficking of drugs have missed their performance targets.

Some Afghan Opium Poppy Reduction Targets Have Been Achieved

In Afghanistan, one of the original indicators of success of the U.S.-funded counternarcotics effort was the reduction of opium poppy cultivation in the country, and for each year from 2005 to 2008, State established a new cultivation reduction target. According to State, the targets were met for some but not all of these years. We recently reported that cultivation data show increases from 2005 to 2007 and decreases from 2007 to 2009 and that 20 of the 34 Afghan provinces are now poppy-free. However, the U.S. and Afghan opium poppy eradication strategy did not achieve its stated objectives, as the amounts of poppy eradicated consistently fell short of the annual targeted amounts. For example, based on the most recent data we analyzed-for 2008-2009-slightly more than one-quarter of the total eradication goal for that year was achieved: of the 20,000 hectares targeted, only 5,350 hectares were successfully eradicated.[4]

These eradication and cultivation goals were not met due to a number of factors, including lack of political will on the part of Afghan central and provincial governments. In 2009, the United States revamped its counternarcotics strategy in Afghanistan to deemphasize eradication efforts and shift to interdiction and increased agricultural assistance.

[4]See *Afghanistan Drug Control: Strategy Evolving and Progress Reported, but Interim Performance Targets and Evaluation of Justice Reform Efforts Needed.* GAO-10-291. Washington, D.C., March 9, 2010

Plan Colombia Partially Met Six-Year Drug Supply Reduction Goals and Recent Data Suggest More Improvements Have Been Made

In 2008, we reported that Plan Colombia's goal of reducing the cultivation and production of illegal drugs by 50 percent in 6 years was partially achieved.[5] From 2001 to 2006, Colombian opium poppy cultivation and heroin production decreased by about 50 percent to meet established goals. However, estimated coca cultivation rose by 15 percent with an estimated 157,000 hectares cultivated in 2006 compared to 136,200 hectares in 2000.[6] State officials noted that extensive aerial and manual eradication efforts during this period were not sufficient to overcome countermeasures taken by coca farmers. U.S. officials also noted the increase in estimated coca cultivation levels from 2005 through 2007 may have been due, at least in part, to the U.S. government's decision to increase the size of the coca cultivation survey areas in Colombia beginning in 2004.[7] Furthermore, in 2008 we reported that estimated cocaine production was about 4 percent greater in 2006 than in 2000, with 550 metric tons produced in 2006 compared to 530 metric tons in 2000.[8]

Since our 2008 report, ONDCP has provided additional data that suggests significant reductions in the potential cocaine production in Colombia despite the rising cultivation and estimated production numbers we had cited. ONDCP officials have noted that U.S.-supported eradication efforts had degraded coca fields, so that less cocaine was being produced per hectare of cultivated coca. According to ONDCP data, potential cocaine production overall has dropped from 700 metric tons in 2001 to 295 metric tons in 2008—a 57 percent decrease. According to ONDCP officials, decreases in cocaine purity and in the amount of cocaine seized at the Southwest Border since 2006 tend to corroborate the lower potential cocaine production figures.

In interpreting this additional ONDCP data, a number of facts and mitigating circumstances should be considered. First, increasing effectiveness of coca eradication efforts may not be the only explanation for the data that ONDCP provided. Other factors, such as dry weather conditions, may be contributing to these decreases in potential cocaine

[5]See *Plan Colombia: Drug Reduction Goals Were Not Fully Met, but Security has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance*. GAO-09-71. Washington, D.C., October 6, 2008

[6]See GAO-09-71.

[7]See GAO-09-71.

[8]See GAO-09-71.

production. Also, other factors, such as increases in cocaine flow to West Africa and Europe could be contributing to decreased availability and purity of cocaine in U.S. markets. Additionally, ONDCP officials cautioned about the longer-term prospects for these apparent eradication achievements, because weakened economic conditions in both the U.S. and Colombia could hamper the Colombian government's sustainment of eradication programs and curtail the gains made. Moreover, as we noted in 2008, reductions in Colombia's estimated cocaine production have been partially offset by increases in cocaine production in Peru and, to a lesser extent, Bolivia. Although It remains to be seen whether cocaine production in Peru and Bolivia will continue to increase and these whether Peru will return to being the primary coca producing country that it was through the 1980's and into the 1990's.[9]

Cocaine Interdiction Programs in the Transit Zone Has Fallen Short of Targets

According to ONDCP data, the United States has fallen slightly short of its cocaine interdiction targets each year since the targets were established in 2007. The national interdiction goal calls for the removal of 40 percent of the cocaine moving through the transit zone annually by 2015. The goal included interim annual targets of 25 percent in 2008 and 27 percent in 2009.[10] However, since 2006, cocaine removal rates have declined and have not reached any of the annual targets to date. The removal rate dropped to 23 percent in 2007 and 20 percent in 2008 (5 percentage points short of the target for that year) then rose to 25 percent in 2009 (2.5 percentage points short of the target for that year). ONDCP has cited aging interdiction assets, such as U.S. Coast Guard vessels, the redirection of interdiction capacity to wars overseas, and budget constraints, as contributing factors to these lower-than-desired success rates. Moreover, the increasing flow of illicit narcotics through Venezuela and the continuing flow through Mexico pose significant challenges to U.S. counternarcotics interdiction efforts.

[9]In 1995, Peru and Bolivia together accounted for 76 percent of the world's cultivated coca crop while Colombia comprised 23 percent. See *Drug Control: Long-Standing Problems Hinder U.S. International Efforts.* GAO/NSIAD-97-75. Washington, D.C. February 27, 1997.

[10]Subsequent targets increase 2 percentage points per year.

Several Factors Have Limited the Effectiveness of U.S. Programs

A number of factors to counternarcotics-related programs have limited the effectiveness of U.S. counternarcotic efforts. These factors include a lack of planning by U.S. agencies to sustain some U.S.-funded programs over the longer term, limited cooperation from partner nations, and the adaptability of drug producers and traffickers.

Lack of Planning by U.S. Agencies to Sustain Some Programs

U.S. agencies had not developed plans for how to sustain some programs, particularly those programs providing assets, such as boats, to partner nations to conduct interdiction efforts. Some counternarcotics initiatives we reviewed were hampered by a shortage of resources made available by partner nations to sustain these programs. We found that many partner nations in the transit zone had limited resources to devote to counternarcotics, and many initiatives depended on U.S. support. Programs aimed at building maritime interdiction capacity were particularly affected, as partner nations, including Haiti, Guatemala, Jamaica, Panama and the Dominican Republic, were unable to use U.S.-provided boats for patrol or interdiction operations due to a lack of funding for fuel and maintenance. Despite continued efforts by DOD and State to provide these countries with boats, these agencies had not developed plans to address long-term sustainability of these assets over their expected operating life.[11]

Also, we found in 2006 that the availability of some key U.S. assets for interdiction operations, such as maritime patrol aircraft, was declining, and the United States had not planned for how to replace them. According to JIATF-South and other cognizant officials, the declining availability of P-3 maritime patrol aircraft was the most critical challenge to the success of future interdiction operations.[12] Since then, DOD has taken steps to address the issue of declining availability of ships and aircraft for transit zone interdiction operations by using other forms of aerial surveillance and extending the useful life of P-3 aircraft. Recently, DOD's Southern Command officials told us that they plan to rely increasingly upon U.S.-

[11]See *Drug Control: Cooperation with Many Major Drug Transit Countries Has Improved, but Better Performance Reporting and Sustainability Plans Are Needed.* GAO-08-784. Washington, D.C., July 15, 2008.

[12]See *Drug Control: Agencies Need to Plan for Likely Declines in Drug Interdiction Assets, and Develop Better Performance Measures for Transit Zone Operations.* GAO-06-200. Washington, D.C., November 15, 2005.

supported partner nations for detection and monitoring efforts as DOD capabilities in this area diminish. However, given the concerns we have reported about the ability of some partner nations to sustain counternarcotics-related assets, it remains to be seen whether this contingency is viable.

Limited Cooperation Between the United States and Partner Nations

Our work in Colombia, Mexico, and drug transit countries has shown that cooperative working relationships between U.S. officials and their foreign counterparts is essential to implementing effective counternarcotics programs. The United States has agreed-upon strategies with both Colombia and Mexico to achieve counternarcotics-related objectives and has worked extensively to strengthen those countries' capacity to combat illicit drug production and trafficking. For example, to detect and intercept illegal air traffic in Colombian air space the United States and Colombia collaborated to operate the Air Bridge Denial Program, which the Colombian Air Force now operates independently. Also, in Mexico, increased cooperation with the United States led to a rise in extraditions of high-level cartel members, demonstrating a stronger commitment by the Mexican government to work closely with U.S. agencies to combat drug trafficking problems. Similarly, in 2008 we reported that in most major drug transit countries, close and improving cooperation has yielded a variety of benefits for the counternarcotics effort. In particular, partner nations have shared information and intelligence leading to arrests and drug seizures, participated in counternarcotics operations both at sea and on land, and cooperated in the prosecution of drug traffickers.[13]

However, corruption within the governments of partner nations can seriously limit cooperation. For example, in 2002, the U.S. government suspended major joint operations in Guatemala when the antinarcotics police unit in that country was disbanded in response to reports of widespread corruption within the agency and its general lack of effectiveness in combating the country's drug problem. In the Bahamas, State reported in 2003 that it was reluctant to include Bahamian defense personnel in drug interdiction operations and to share sensitive law enforcement information with them due to corruption concerns.

[13]See GAO-08-784.

Corruption has also hampered Dominican Republic-based, money-laundering investigations, according to DEA.[14]

Afghan officials objected to aerial eradication efforts and the use of chemicals in Afghanistan, forcing eradication to be done with tractors, all-terrain vehicles, and manually with sticks, making the effort less efficient. Furthermore, Afghan governors had been slow to grant permission to eradicate poppy fields until the concept for the central government's eradication force was changed in 2008 so that this force could operate without governor permission in areas where governors either would not or could not launch eradication efforts themselves.[15]

Deteriorating relations with Venezuela have stalled the progress of several cooperative counternarcotics initiatives intended to slow drug trafficking through that country. In 2007, Venezuela began denying visas for U.S. officials to serve in Venezuela, which complicated efforts to cooperate. Additionally, the overall number of counternarcotics projects supported by both the United States in Venezuela has fallen since 2005. For example, the Government of Venezuela withdrew support from the Prosecutor's Drug Task Force in 2005 and a port security program in 2006.[16]

Highly Adaptive Nature of Drug Traffickers and Producers

Drug trafficking organizations and associated criminal networks have been extremely adaptive and resourceful, shifting routes and operating methods quickly in response to pressure from law enforcement organizations or rival traffickers. In 2008, we reported that drug traffickers typically used go-fast boats and fishing vessels to smuggle cocaine from Colombia to Central America and Mexico en route to the United States. These boats, capable of traveling at speeds over 40 knots, were difficult to detect in open water and were often used at night or painted blue and used during the day, becoming virtually impossible to see. Traffickers have also used "mother ships" in concert with fishing vessels to transport illicit drugs into open waters and then distribute the load among smaller boats at sea. In addition, traffickers have used evasive maritime routes and changed them frequently. Some boats have traveled as far southwest as

[14]See GAO-08-784

[15]See GAO-10-291

[16]See *Drug Control: U.S. Counternarcotics Cooperation with Venezuela Has Declined.* GAO-09-806. Washington D.C., July 20, 2009.

the Galapagos Islands in the Pacific Ocean before heading north toward Mexico, while others travel through Central America's littoral waters, close to shore, where they could hide among legitimate maritime traffic. Furthermore, the Joint Interagency Task Force-South (JIATF-South), under DOD's U.S. Southern Command, reported an increase in suspicious flights—particularly departing from Venezuela. Traffickers have flown loads of cocaine to remote, ungoverned spaces and abandoned the planes after landing. Traffickers have also used increasingly sophisticated concealment methods. For example, they have built fiberglass semisubmersible craft that could avoid both visual- and sonar-detection, hidden cocaine within the hulls of boats, and transported liquefied cocaine in fuel tanks.[17]

According to DOD officials, these shifts in drug trafficking patterns and methods have likely taken place largely in response to U.S. and international counternarcotics efforts in the Pacific Ocean and Caribbean, although measuring causes and effects is imprecise. In addition, according to DOD, drug trafficking organizations and associated criminal networks commonly enjoy greater financial and material resources (including weapons as well as communication, navigation, and other technologies) than do governments in the transit zone.[18]

In addition to maritime operations, drug trafficking organizations have adopted increasingly sophisticated smuggling techniques on the ground. For example, from 2000 to 2006, U.S. border officials found 45 tunnels—several built primarily for narcotics smuggling. According to DEA and Defense Intelligence Agency officials, the tunnels found were longer, deeper, and more discrete than in prior years. One such tunnel found in 2006 was a half-mile long. It was the longest cross border tunnel discovered, reaching a depth of more than nine stories below ground and featuring ventilation and groundwater drainage systems, cement flooring, lighting, and a pulley system.[19]

In production countries, such as Colombia, drug producers also proved to be highly adaptive. In 2009 we reported that coca farmers adopted a

[17]See GAO-08-784.

[18]See GAO-08-784.

[19]See *Drug Control: U.S. Assistance Has Helped Mexican Counternarcotic Efforts, But Tons of Illicit Drugs Continue to Flow into the United States*: GAO-07-1018. Washington D.C., August 17, 2007.

number of effective countermeasures to U.S. supported eradication and aerial spray efforts. These measures included pruning coca plants after spraying; replanting with younger coca plants or plant grafts; decreasing the size of coca plots; interspersing coca with legitimate crops to avoid detection; moving coca cultivation to areas of the country off-limits to spray aircraft, such as the national parks and a 10 kilometer area along Colombia's border with Ecuador; and moving coca crops to more remote parts of the country—a development that created a "dispersal effect."[20] While these measures allowed coca farmers to continue cultivation, they also increased the coca farmers and traffickers' cost of doing business.

Counternarcotics Initiatives Have Been Closely Aligned with Broad U.S. Foreign Policy Objectives

U.S. counternarcotics programs have been closely aligned with the achievement of other U.S. foreign policy goals. U.S. assistance under Plan Colombia is a key example where counternarcotic goals and foreign policy objectives intersect. While, as of 2007, Plan Colombia had not clearly attained its cocaine supply reduction goals, the country did improve its security climate through systematic military and police engagements with illegal armed groups and degradation of these group's finances. Colombia saw a significant drop in homicides and kidnappings and increased use of Colombian public roads during Plan Colombia's six years. In addition, insurgency groups such as the Revolutionary Armed Forces of Colombia (FARC) saw a decline in capabilities and finances. While these accomplishments have not necessarily led to a decrease in drug production and trafficking, they signaled an improved security climate, which is one of the pillars of Plan Colombia.

In Afghanistan, we recently reported that the U.S. counternarcotics strategy has become more integrated with the broad counterinsurgency effort over time. Prior to 2008, counterinsurgency and counternarcotics policies were largely separated and officials noted that this division ignored a nexus between the narcotics trade and the insurgency. For example, DEA drug raids yielded weapons caches and explosives used by insurgents, as well as suspects listed on Defense military target lists, and military raids on insurgent compounds also yielded illicit narcotics and narcotics processing equipment.[21] DOD changed its rules of engagement in November 2008 to permit the targeting of persons by the military (including drug traffickers) who provide material support to insurgent or

[20]See GAO-09-71.

[21]See GAO-10-291

terrorist groups. Additionally, in December 2008, DOD clarified its policy to allow the military to accompany and provide force protection to U.S. and host nation law enforcement personnel on counternarcotics field operations. DEA and DOD officials stated that these changes enabled higher levels of interdiction operations in areas previously inaccessible due to security problems. DEA conducted 82 interdiction operations in Afghanistan during fiscal year 2009 (compared with 42 in fiscal year 2008), often with support from U.S. military and other coalition forces. These operations include, among other things, raiding drug laboratories; destroying storage sites; arresting drug traffickers; conducting roadblock operations; and seizing chemicals and drugs. The U.S. military and International Security and Assistance Force are also targeting narcotics trafficking and processing as part of regular counterinsurgency operations.[22] In addition, DEA efforts to build the Counternarcotics Police of Afghanistan (CNPA) has contributed to the goals of heightening security in Afghanistan. The DEA has worked with specialized units of the CNPA to conduct investigations, build cases, arrest drug traffickers, and conduct undercover drug purchases, while also working to build Afghan law enforcement capacity by mentoring CNPA specialized units. By putting pressure on drug traffickers, counternarcotics efforts can bring stabilization to areas subject to heavy drug activity.

Many counternarcotics-related programs involve supporting democracy and the rule of law in partner nations, which is itself a U.S. foreign policy objective worldwide. In Colombia , assistance for rule of law and judicial reform have expanded access to the democratic process for Colombian citizens, including the consolidation of state authority and the established government institutions and public services in many areas reclaimed from illegal armed groups. Support for legal institutions, such as courts, attorneys general, and law enforcement organizations, in drug source and transit countries is not only an important part of the U.S. counternarcotic strategy but also advance State's strategic objectives relating to democracy and governance.

[22]See GAO-10-291.

Judging the Effectiveness of Some Counternarcotics-Related Programs is Difficult

In many of our reviews of international counternarcotic-related programs, we found that determining program effectiveness has been challenging. Performance measures and other information about program results were often not useful or comprehensive enough to assess progress in achieving program goals.

Existing Performance Measures and Results Reporting Are Often Not Useful for Assessing Progress in Achieving Program Goals

The Government Performance and Results Act of 1993 requires federal agencies to develop performance measures to assess progress in achieving their goals and to communicate their results to the Congress.[23] The act requires agencies to set multiyear strategic goals in their strategic plans and corresponding annual goals in their performance plans, measure performance toward the achievement of those goals, and report on their progress in their annual performance reports. These reports are intended to provide important information to agency managers, policymakers, and the public on what each agency accomplished with the resources it was given. Moreover, the act calls for agencies to develop performance goals that are objective, quantifiable, and measurable, and to establish performance measures that adequately indicate progress toward achieving those goals. Our previous work has noted that the lack of clear, measurable goals makes it difficult for program managers and staff to link their day-to-day efforts to achieving the agency's intended mission.[24]

Performance Measures Established for Afghanistan Do Not Reflect the Full Impact of Counternarcotics Programs

In Afghanistan, we have reported that the use of poppy cultivation and eradication statistics as the principal measures of effectiveness does not capture all aspects of the counternarcotics effort in the country. For example, these measures overlook potential gains in security from the removal of drug operations from an area and do not take into account potential rises in other drug related activity such as trafficking and processing of opium.[25] Some provinces that are now poppy-free may still contain high levels of drug trafficking or processing. Additionally, according to the Special Representative for Afghanistan and Pakistan, the use of opium poppy cultivation as a measure of overall success led to an over-emphasis on eradication activities, which, due to their focus on

[23]Pub. L. No. 103-62, as amended.

[24]See GAO-08-784.

[25]See GAO-10-291.

farmers, could undermine the larger counterinsurgency campaign. ONDCP officials also criticized using total opium poppy cultivation as the sole measure of success, stating that measures of success should relate to security, such as public safety and terrorist attacks.

Alternative Development Performance Measures in Colombia Do Not Capture Programs' Effect on Drug Supply

For Plan Colombia, several programs we reviewed were focused on root causes of the drug problem and their impact on drug activity was difficult to assess. In 2008 we reported that the United States provided nearly $1.3 billion for nonmilitary assistance in Colombia, focusing on economic and social progress and the rule of law, including judicial reform. The largest share of U.S. nonmilitary assistance went toward alternative development, which has been a key element of U.S. counternarcotics assistance and has reportedly improved the lives of hundreds of thousands of Colombians. Other social programs have assisted thousands of internally displaced persons and more than 30,000 former combatants.[26] We reported that progress tracking of alternative development programs, in particular, needed improvement. USAID collected data on 15 indicators that measure progress on alternative development; however, none of these indicators measured progress toward USAID's goal of reducing illicit narcotics production through the creation of sustainable economic projects. Rather, USAID collected data on program indicators such as the number of families benefited and hectares of legal crops planted. While this information helps USAID track the progress of projects, it does not help with assessing USAID's progress in reducing illicit crop production or its ability to create sustainable projects.[27]

State Does Not Measure Performance or Report Results for Most Transit Zone Programs

In 2008 we reported that U.S.-funded transit zone counternarcotics assistance encompasses a wide variety of initiatives across many countries, but State and other agencies have collected limited information on results. Records we obtained from State and DEA, including State's annual International Narcotics Control Strategy Reports and End Use Monitoring Reports, provide information on outcomes of some of these initiatives but do not do so comprehensively. For example, in our review of State's International Narcotics Control Strategy Reports for 2003 to 2007, we identified over 120 counternarcotics initiatives in the countries we reviewed, but for over half of these initiatives, the outcomes were unclear or not addressed at all in the reports.[28] State has attempted to

[26]See GAO-10-291.

[27]See GAO-09-71.

[28]See GAO-08-784.

measure the outcomes of counternarcotics programs in its annual mission performance reports, which report on a set of performance indicators for each country. However, these indicators have not been consistent over time or among countries. In our review of mission performance reports for four major drug transit countries covering fiscal years 2002 through 2006, we identified 86 performance indicators directly and indirectly related to counternarcotics efforts; however, over 60 percent of these indicators were used in only one or two annual reporting cycles, making it difficult to discern performance trends over time. Moreover, nearly 80 percent of these performance indicators were used for only one country, making it difficult to compare program results among countries.[29]

DOD and DEA Performance Measures Do Not Reflect the Results of Key Efforts

Based on our report on DOD performance measures released today, we found that DOD has developed performance measures for its counternarcotics activities as well as a database to collect performance information, including measures, targets, and results. However, we have found that these performance measures lacked a number of the attributes that we consider key to being successful, such as being clearly stated and having measurable targets. It is also unclear to what extent DOD uses the performance information it collects through its database to manage its counternarcotics activities.[30]

In 2008, we reported that DEA's strategic planning and performance measurement framework, while improved over previous efforts, had not been updated and did not reflect some key new and ongoing efforts. While DEA had assisted in counterterrorism efforts through information collection and referrals to intelligence community partners, DEA's strategic plan had not been updated since 2003 to reflect these efforts. As such, the strategic plan did not fully reflect the intended purpose of providing a template for ensuring measurable results and operational accountability. The performance measures that were to be included in DEA's 2009 annual performance report did not provide a basis for assessing the results of DEA's counterterrorism efforts—efforts that

[29]See GAO-08-784.

[30]See *Drug Control: DOD Needs to Improve Its Performance Measurement System to Better Manage and Oversee Its Counternarcotic Activities* GAO-10-835 *Washington, D.C., July 21, 2010.*

include giving top priority to counternarcotics cases with links to terrorism and pursuing narcoterrorists.[31]

Recommendations

We have made many recommendations in past reports regarding counternarcotics programs. Several of our more recent recommendations were aimed at improving two key management challenges that I have discussed in my testimony today—planning for the sustainment of counternarcotics assets and assessing the effectiveness of counternarcotics-related programs.

- **Improved planning for sustainment of counternarcotics assets.** In our 2008 report on U.S. assistance to transit zone countries, we recommended that the Secretary of State, in consultation with the Secretary of Defense (1) develop a plan to ensure that partner nations in the transit zone could effectively operate and maintain all counternarcotics assets that the United States had provided, including boats and other vehicles and equipment, for their remaining useful life and (2) ensure that, before providing a counternarcotics asset to a partner nation, agencies determined the total operations and maintenance cost over its useful life and, with the recipient nation, develop a plan for funding this cost.

- **More consistent results reporting**. In our report on U.S. assistance to transit zone countries, we recommended that the Secretary of State, in consultation with the Director of ONDCP, the Secretaries of Defense and Homeland Security, the Attorney General, and the Administrator of USAID, report the results of U.S.-funded counternarcotics initiatives more comprehensively and consistently for each country in the annual International Narcotics Control Strategy Report.

- **Improved performance measures.** Several agencies we reviewed did not have sufficient performance measures in place to accurately assess the effectiveness of counternarcotics programs. In our DOD report released today, we recommend that the Secretary of Defense take steps to improve DOD's counternarcotics performance measurement system by (1) revising its performance measures, and (2) applying practices to better facilitate the use of performance data to manage its counternarcotics activities. For Colombia, we recommended that the Director of Foreign Assistance and

[31]See *Drug Control: Better Coordination with the Department of Homeland Security and an Updated Accountability Framework can Further Enhance DEA's Efforts to Meet Post-9/11 Responsibilities.* GAO-09-63. Washington, D.C., March 20, 2009.

Administrator of USAID develop performance measurements that will help USAID (1) assess whether alternative development assistance is reducing the production of illicit narcotics, and (2) determine to what extent the agency's alternative development projects are self-sustaining. The existence of such measures would allow for a greater comprehension of program effectiveness. For Afghanistan, we recommended that the Secretary of Defense develop performance targets to measure interim results of efforts to train the CNPA. We also recommended to the Secretary of the State that measures and interim targets be adopted to assess Afghan capacity to independently conduct public information activities. Lastly, we recommended that the Secretary of State, in consultation with the Administrator of DEA and the Attorney General, establish clear definitions for low-, mid-, and high-level traffickers that would improve the ability of the U.S. and Afghan governments to track the level of drug traffickers arrested and convicted.

In most cases, the agencies involved have generally agreed with our recommendations and have either implemented them or have efforts underway to address them.

Mr. Chairman and Members of the committee, this concludes my prepared statement. I will be happy to answer any questions you may have.

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Mr. KUCINICH. Thank you very much, Mr. Ford.

I am looking at the report, and would just like to piece together some of the comments, the statements that are in this report.

You talk about factors that limit program effectiveness, including external factors in partner nations that relate to corruption or lack of political support. Then the report goes on to talk about a lack of political will on the part of Afghan central and provincial governments. And then you also, on a section on limited cooperation between the United States and partner nations, talk about the objections of Afghan officials to certain eradication efforts, and them being slow to grant permission to eradicate poppy fields.

Talk to this subcommittee a moment about the effect of corruption in Afghan's central government and the impediment that presents for the eradication of drugs in Afghanistan, or the eradication of these drug crops in Afghanistan.

Mr. FORD. In our report issued in March, we discussed the problems that our program implementers have had in trying to get cooperation with elements of the Afghan government. The program at that time was being administered at the provincial level, where the Governors of various provinces were our partners, and our ability to get them to support our eradication efforts varied from one place to another, and in some places they were unwilling to partner with us and take the actions that were necessary to help achieve the eradication goals. That is one of the key reasons why we didn't achieve those goals.

Mr. KUCINICH. Is it also one of the reasons why production seems to go up?

Mr. FORD. Certainly if we are not able to eliminate the crop, I mean, if the crop is not eliminated, then obviously production will go up.

Mr. KUCINICH. Production has gone up substantially.

Mr. FORD. The level of production in Afghanistan, I don't have the exact numbers. I could supply them for the record. But my understanding is that they have gone up. In some provinces they have gone up; in other provinces the level of poppy cultivation has actually gone down. So it varies what part of the country you are in. But all in southern part of Afghanistan is where most of the poppy is currently being cultivated. That is the main problem area that we are trying to address.

Mr. KUCINICH. And how much of an increase has there been there?

Mr. FORD. Again, I don't have the numbers here in front of me, but I can supply them for the record.

Mr. KUCINICH. Your report states that since 2006 cocaine removal rates from interdiction have declined and have not reached any of the annual targets to date. It also states that long-term gains in crop eradication are difficult because of counter-measures and shifts in production. Yet, we spend billions of dollars a year on expensive interdiction and crop eradication efforts.

Is there currently any data that would allow for a cost-effective analysis of supply reduction programs, like crop eradication or interdiction, in reducing supply of illicit drugs?

Mr. FORD. Let me just clarify. Are you asking just about Afghanistan, or in general?

Mr. KUCINICH. In general.

Mr. FORD. OK. I have not seen any cost effectiveness analysis directly related to your question, related to either supply reduction or interdiction in terms of how it affects consumption in the United States. The Office of National Drug Control Policy reports lots of different data on levels of consumption in the United States based on surveys that it takes, but I have not seen any analysis that shows a correlation between the supply reduction effort and the interdiction effort.

We in GAO have not studied that in any detail.

Mr. KUCINICH. It is troubling that there is an absence of useful metrics to measure success of supply reduction programs, especially when we are spending billions of dollars a year. One of the principal goals of this subcommittee is to enhance and improve upon ONDCP's role in collecting and analyzing data to ensure we create drug policy based on what works, and knowing what doesn't work.

One drug policy researcher has estimated that, while the United States spent 60 percent of our budget on supply reduction, supply side agencies spend only about 5 to 10 percent of the total drug policy research budget. Based on GAO's work, do you agree with this assessment that enforcement agencies are not adequately oriented toward data collection, research, and analysis that would conceivably improve programming?

Mr. FORD. We certainly think that research and collecting good data on these problems is certainly needed. I mean, one of our major findings, as I mentioned earlier, for most of our work is that we don't have good performance metrics and we don't have good data to support them to enable one to make good decisions about what course of action we should be taking, so that is a fundamental problem that we have seen throughout the 10-years we have been studying this.

Mr. KUCINICH. Just a followup before Mr. Jordan asks questions. What types of assessment and program planning tools are needed by U.S. agencies to effectively assess counternarcotics efforts? And are you aware of any of these agencies currently working to improve their metrics?

Mr. FORD. Well, first of all, on the Department of Defense, the report that we are issuing today, we comment on the performance measurement system that DOD has in place. We are critical of that system. DOD is currently in the process of revising their performance measurement system. They have been working on that for several months.

Our big concern really having to do with DOD is that we don't believe they can currently tell anyone exactly to what extent they are able to carry out their mission in terms of what works and what doesn't work, because they don't have a good way of assessing the performance of their program elements.

Moreover, our report also shows we talked to many of their client organizations, and we found that many of them aren't using the performance system that is in place now. So they need to do two things. They need to first improve the system and, No. 2, they have to get the commands that are carrying out the programs to use it

as a tool for making the right kinds of decisions. Those are the two things that we recommended in that report.

Mr. KUCINICH. Thank you.

Mr. Jordan, why don't you take 7 minutes if you would like.

Mr. JORDAN. Thank you, Mr. Chairman.

Let me just pick up, Mr. Ford, where the chairman was. Of the $1½ billion DOD spent last year, how much of that money was marked for assessment and measuring the effectiveness or lack of effectiveness of the program? Do you know that?

Mr. FORD. I do not know that. I do not know how much money they spent for performance measurement.

Mr. JORDAN. OK. That would certainly be a place to start when we are trying to figure out how to measure this. We can't even tell how much money they allocated for that. That is an indication that it is not working the way we want it to.

In your comments, Mr. Ford, I believe you said on Plan Colombia that it had met some of its goals, but not relative to coca crops. How far off were they from meeting their goals there?

Mr. FORD. Well, can I explain? We issued a report in 2008.

Mr. JORDAN. Yes.

Mr. FORD. One of the original goals of Plan Colombia was to reduce coca cultivation by 50 percent using 2000 as a baseline. Our report in 2008 in 6 years showed that after 6 years we did not achieve that goal. We did achieve that goal for poppy eradication, which was in our report.

Since that time we have seen some new data that ONDCP has put out that shows that the level of potential coca production has declined fairly significantly in 2008, so over an 8-year period you could argue they met the goal, but during the original goal they didn't achieve it. That is what our report said in 2008.

Mr. JORDAN. And is it fair to meet these goals? Is this back to, I think, the chairman's questioning. What do you attribute that to? Is it the lack of cooperation from local authorities? Elaborate, if you would.

Mr. FORD. OK. Well, I think it is a little bit difficult to answer that question because part of this has to do with the way we survey what the potential is in that country. When we started the program in 2000, the methodology that was used to determine what the potential coca cultivation level and what the potential production was different. It changed in 2004 and 2005. The CIA, who does these surveys, changed their methodology. So that came up with different results.

Part of the problem was what denominator you use to try to judge that success level.

Mr. JORDAN. Yes.

Mr. FORD. So part of it is what I would call a methodological challenge on the part of our Government to determine what exactly exists there, what can be produced, and what the potential is for these drugs to come to the United States. So part of it is that.

Then, as far as the actual implementation of the program, you have to look at it over time. I think our work in the early years of Plan Colombia, we identified lots of problems with the way our Government was implementing the program in partnership with the Colombian government. Over time I would say that the rela-

tionship improved fairly significantly, and that probably had a positive impact in the ability for us to eradicate some of those crops.

But I don't think necessarily you can establish a causal relationship between all of those various efforts and the current outcome. I think we need to look at what the trend will be over the next several years, to see if it really did have a meaningful impact.

Mr. JORDAN. Let's go back to this measurement and assessment concern, kind of a broad category here. Why has the State Department not reported outcome related information for over half of its major drug countries?

Mr. FORD. That work is based on a report we did on the transit areas. This is primarily in Central America.

Mr. JORDAN. Right.

Mr. FORD. In the Caribbean. In that work we identified, the State Department had identified a number of performance indicators, but they just hadn't matched them together with reasonable results. They had an indicator that said we are going to train 50 police officers in Guatemala, but what they didn't say was whether or not those officers, in turn, would be used to address the counternarcotics problem versus just fighting crime, in general. Those kind of things weren't identified in their reports, so for us it was difficult to show what are the real results of this effort.

We see that a lot, by the way. Often the administration will have these indicators, like we trained certain number of people, we added five pieces of new inspection equipment on the border, but we don't link that to what are the outcomes of that. What are we getting for it? Are we seizing more drugs? Are we reducing the crime levels? Is the level of violence going down? Those kind of things we haven't typically seen in many of these systems we use to measure our programs.

Mr. JORDAN. Yes.

Thank you, Mr. Chairman.

Mr. KUCINICH. I thank the gentleman.

We are going to go to one more round of questions for Mr. Ford.

New York Times is reporting that GAO's report being released this afternoon found that the State Department has failed to set specific targets to determine whether the money was having the desired effect of disrupting organized crime groups and reforming law enforcement agencies. Is this an accurate summary of your findings with respect to Mexico?

Mr. FORD. I can tell you that the report hasn't been released yet, so I am not quite sure where the New York Times got that information, but I can tell you that we are going to be reporting that performance measurement is a challenge. Absolutely.

Mr. KUCINICH. Let's talk about Afghanistan. In March 2010 the GAO report evaluating the U.S. strategy to combat drugs in Afghanistan, one of the key points was that insufficient mechanisms were in place to evaluate the counternarcotics strategies justice reform pillar. To what extent is this deficiency specifically for Afghanistan or of U.S. counternarcotics policy broadly, and is this also true in Mexico?

Mr. FORD. I can tell you that our work looking at judicial reform, which is usually an element of our counternarcotics or security strategy in many of these countries, that our work over the years

has shown that the administration has not done a very good job of measuring the impact. Again, it just gets into a case of we trained X number of prosecutors, that type of thing, which gives you some information but doesn't really tell you whether or not real reform in the country is occurring or not.

The other thing, our work in Colombia, our work in Afghanistan shows that changing the judicial system in these countries takes years. In the case of Colombia, we attempted to have them change their prosecuting system to an accusatorial system similar to what we have in our country. That has taken years for them to put that in place. My understanding is they do have it in place now, but it was a long-term effort. We are trying to do that in Mexico. It is in the early stages, so I don't think we have any information to indicate whether it is having any impact.

But the bottom line is those kind of programs are one of the key areas where we don't see very good performance information to tell you what the results are.

Mr. KUCINICH. One final question. Your testimony states that counternarcotics related programs often advance broad foreign policy objectives, and you cited Afghanistan as an example where the United States has combined counternarcotics efforts with military operations to combat insurgents as well as drug traffickers.

But isn't there also evidence that prior to the administration's decision to stop forced crop eradication the counternarcotics programs actually hindered rather than advanced foreign policy goals of stabilizing the country? Are there other examples where counternarcotics have actually undermined other foreign policy goals?

Mr. FORD. Well, with regard to Afghanistan, obviously the administration changed its strategy there. One of the rationales they have used is the one that you just articulated, that they felt that the eradication program was a negative influence on our counterinsurgency effort there. Now the new strategy is to focus more on interdiction.

Mr. KUCINICH. What do you think?

Mr. FORD. In terms of whether or not that is going to work or not?

Mr. KUCINICH. Yes.

Mr. FORD. I don't think there is any basis for us to say whether it will work or not at this point, because they just changed the strategy within the last year.

Mr. KUCINICH. Based on your evaluation, though, of these programs in the past, do you have any informed opinion that you would like to share with this subcommittee?

Mr. FORD. Well, I don't have an independent opinion about whether that policy was working or not. We said in the report their eradication goals were never achieved from 2005 to 2009, so for that 4-year period the data would suggest we weren't achieving those goals.

We didn't say that policy was contrary to our counterinsurgency goals. We didn't make an evaluation of whether that was a wrong policy to implement that program.

Mr. KUCINICH. Thank you, Mr. Ford.

Mr. Jordan.

Mr. JORDAN. Just one question, and this may be more appropriate for Mr. Kerlikowske in the next panel, but is there an effort across Government agencies to put in place—and the chairman was getting into this in his first round, as well—a consistent way to measure how we are doing, to measure success or lack of?

Mr. FORD. Actually, I will tell you what I know. It is my understanding that ONDCP is currently actually assessing the whole dynamic of how to measure performance. I don't know much about the details of what they are doing. I have talked to some of their staff and they have indicated they are revisiting this whole concept, but I just don't know what they are going to be doing on it.

Mr. JORDAN. I probably should know this, but on the other side, the success of treatment programs and measurements we have there, have you looked at some of that, as well?

Mr. FORD. To my knowledge, GAO has not looked at that extensively recently. The part of GAO that would normally do that work, my understanding is the last time they looked at this issue was at least 10 years ago.

Mr. JORDAN. Really?

Mr. FORD. So I am not aware we have done any major, significant work on treatment; however, for the record I will go back and check, just to make sure that I am right on this.

Mr. JORDAN. All right. Do you happen to know how much money taxpayers have put in to treatment programs?

Mr. FORD. I don't have that number in front of me. I know that is in the ONDCP budget announcement, but I don't have the exact amount in front of me so I can't estimate what number that is.

Mr. JORDAN. But certainly something we should be measuring and finding out how we are doing.

Mr. FORD. I would agree with that. I think all aspects of our drug program should be evaluated. I agree with that.

Mr. JORDAN. OK. Thank you.

Mr. KUCINICH. Mr. Ford, the subcommittee will have some final questions to present to you in the next few days, but we appreciate your presence here and your service to our country.

Mr. FORD. Thank you, sir.

Mr. KUCINICH. You are dismissed as a witness and we are going to call the next panel.

I will introduce the next panel as our staffer helps prepare this table for their testimony.

Mr. Gil Kerlikowske is the Director of National Drug Control Policy. Mr. Kerlikowske brings nearly four decades of law enforcement and drug policy experience to the position, most recently serving 9 years as the Chief of Police for the Seattle Police Department. He also served as Deputy Director for the U.S. Department of Justice, Office of Community Oriented Policing Services.

Ambassador David Johnson has served as the Assistant Secretary for the Bureau of International Narcotics and Law Enforcement Affairs at the State Department since October 2007. In addition to numerous other distinguished posts within the Federal Government, Mr. Johnson served as Afghan Coordinator for the United States from May 2002 to July 2003.

Finally on this panel William Wechsler is the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats. In

that capacity he leads the Department's counternarcotics policies and operations around the world. Mr. Wechsler has previously served as Special Advisor to the Secretary of the Treasury and on the staff of the National Security Council.

I want to thank each of the witnesses for being here. Your service to our Nation is duly noted and appreciated.

It is the policy of our Committee on Oversight and Government Reform to swear in all witnesses before they testify. I would ask that you rise, raise your right hands.

[Witnesses sworn.]

Mr. KUCINICH. Thank you very much.

Let the record reflect that each of the witnesses answered in the affirmative.

As with the gentleman on the first panel, we ask that each witness give an oral summary of your testimony. Keep in mind that your entire statement will be included in the record of the hearing. We ask that you try to keep it to 5 minutes in duration.

Director Kerlikowske, let's begin with you. Thank you.

STATEMENTS OF R. GIL KERLIKOWSKE, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY; DAVID T. JOHNSON, ASSISTANT SECRETARY OF STATE, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT, U.S. STATE DEPARTMENT; AND WILLIAM F. WECHSLER, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR COUNTERNARCOTICS AND GLOBAL THREATS, U.S. DEPARTMENT OF DEFENSE

STATEMENT OF R. GIL KERLIKOWSKE

Mr. KERLIKOWSKE. Thank you, Chairman Kucinich and Ranking Member Jordan, distinguished members of the committee. I look forward to answering all of their questions in just a few minutes.

I am happy to discuss ONDCP's national drug control strategy, which, as the chairman knows, was not available at our last hearing but has since been released by President Obama from the Oval Office. It is a comprehensive drug strategy that includes prevention, treatment, domestic enforcement, and recognizes the importance of interdiction, cooperation with partner nations, to reduce the supply of illicit drugs.

You have asked us to focus on the international supply reduction programs and interdiction, which together constitute, as you mentioned, about 40 percent of the annual drug control budget. These programs benefit the United States as well as our foreign partners in our efforts against drug trafficking organizations, reduce the supply of drugs available on American streets, while our allies increase their own capacity to resist the crime, violence, and corrupting influence of drug production and trafficking.

This partnership to promote the rule of law and strengthen democratic institutions while dismantling drug cartels not only reduces domestic drug availability; it helps to achieve broader national security objectives.

The international narcotics programs present a tool kit of initiatives, and these tools include interdiction, eradication, extradition, economic development assistance, institutional capacity building, law enforcement, human rights, judicial training, and international

demand reduction assistance. How these tools are used depends in particular on the drug challenge, the available resources, the current capabilities, and the political will found in respective host nations.

Where we have a strong and sustained commitment from elected leaders, such as in Colombia, the United States' support can significantly strengthen the nations' security, human rights, and economic environment while reducing drug production.

The globalized illicit drug trade requires collaborative solutions. The traffickers do not respect any borders. Both Colombia and Mexico have benefited from the brave and decisive leaders who insist on bringing traffickers to justice, and are gaining full control of their countries. The United States must continue to provide direct assistance to these two nations, as well as forge other partnerships in the western hemisphere, the European Union, the Federation of Russian, and Afghanistan as they address their respective drug challenges.

Multilateral collaboration is another fundamental part of our international efforts. I had the opportunity to lead the U.S. delegation this year to the United Nation Commission on Narcotics, a drug meeting in Vienna, where we presented our policies on drugged driving, access to treatment, and achieved approval of the U.S.' resolutions on community-based prevention and prescription drugs.

Throughout the year, the U.S. agencies work with these international organizations such as the U.N. and OAS to address drug trafficking, money laundering, precursor chemical division, and to promote institution building, law enforcement, and international demand reduction programs. These international efforts have resulted in some significant accomplishments, and in June I joined U.N. ODC Executive Director Antonia Costa and the Russian Director, their Drug Czar, Chairman Ivanov, for the release of the United Nations' 2010 World Drug Report.

The report highlights the recent significant decline in cocaine consumption in the United States. The conclusions of this report correspond with the progress reported in multiple domestic data sets, such as declining cocaine prevalence found in the surveys of youth, adults, and arrestees, as well as law enforcement reporting on the drop in purity and the rising price per pure gram of cocaine on U.S. streets since 2006.

It is difficult to prove direct cause and effect, and I believe it is noteworthy that multiple U.S. drug indicators reflect positive domestic changes concurrently with a 43 percent decline in cocaine production in Colombia between 2006 and 2008. Cocaine provides a good example of how our international efforts work.

Nevertheless, we must continually adjust and fine tune our mix of programs. In fact, we are doing a performance reporting system that Mr. Ford just referred to. We are displeased and unhappy with the performance metrics that are out there, and the President's drug control strategy has devoted an entire chapter to working on improving the domestic measures and also improving the quality of the measures internationally.

I look forward to answering your questions. Thank you, Mr. Chairman.

[The prepared statement of Mr. Kerlikowske follows:]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

"International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance Other Foreign Policy Goals?"

House Committee on Oversight and Government Reform
Subcommittee on Domestic Policy

Wednesday, July 21, 2010
10:00 a.m.
2247 Rayburn House Office Building

Written Statement
of
R. Gil Kerlikowske
Director of National Drug Control Policy

House Oversight and Government Reform Committee
Domestic Policy Subcommittee
July 21, 2010

Written Statement of R. Gil Kerlikowske
Director, National Drug Control Policy

Chairman Kucinich, Ranking Member Jordan, distinguished Members of the Subcommittee, it is a great pleasure to be here with you today to discuss the Administration's 2010 *National Drug Control Strategy (Strategy)* with respect to countering foreign production and trafficking of illicit narcotics. As the Subcommittee Members know from the previous opportunities you have provided to me and ONDCP Deputy Director Tom McLellan to testify, President Obama strongly supports a balanced drug strategy, which includes a strong emphasis on prevention, treatment, recovery, enforcement, and international partnerships.

Although drug consumption markets have globalized, with cocaine consumption in particular having increased substantially in Europe, Asia, and the developing world, the United States still accounts for a disproportionate share of the revenue generated by international drug cartels, and thus, we have a special obligation to help our partners respond to the serious international consequences of drug production and trafficking. Additionally, drug use is a severe problem that threatens American citizens. Approximately 23 million Americans suffer from either substance abuse or dependence, which jeopardizes their health, productivity, and relationships, ultimately eroding inhibitory control, turning drug seeking into compulsion, and erasing motivation for normally pleasurable human relationships. I welcome today's Subcommittee hearing to discuss Administration priorities related to international drug priorities, including promotion of the rule of law, enhanced multilateral and bilateral collaboration, and continued efforts to support both alternative development and the reduction of illicit drug production and availability.

A Balanced Drug Strategy at Home

The Office of National Drug Control Policy (ONDCP), as indicated in Section 201 of our 2006 reauthorization [P.L. 109-469], is required to produce an annual national strategy. This Administration's *National Drug Control Strategy* was the result of broad consultation among Federal, state, local, and tribal officials, as well as non-governmental experts, around the Nation and in Washington. The extensive input of the Federal drug control departments and agencies was instrumental in the drafting of the document and continues to be a key element of the *Strategy's* implementation. The *Strategy* is comprehensive, covering all aspects of drug control policy, and is designed to reduce drug use and its consequences. The document includes 106 specific action items and assigns lead and supporting departments or agencies for each of the items to ensure accountability. ONDCP, in partnership with the Office of Management and Budget and the Domestic Policy Council, has recently provided budget guidance directing every drug control agency to include in their FY 2012 Budget submissions, sufficient funds to begin implementation of those *Strategy* action items for which they are responsible.

As outlined in the *Strategy* and highlighted in the Administration's FY 2011 Budget request, there is much that must be done at home to ensure communities have access to

prevention programs; citizens have access to drug treatment and screening services through their healthcare programs; drug users on probation, parole, or in prison receive the supervision they require to effectively address their drug problems; and those who have successfully completed treatment for the disease of addiction are supported in their recovery. All of these domestic policy topics are of great interest to ONDCP, and I would be glad to discuss them in greater detail during questions and answers.

Obama Administration Approach to Drug Control Policy

After spending the bulk of my career as a law enforcement professional – most recently serving as Chief of Police in Seattle – I was deeply honored to have the opportunity to serve as ONDCP Director. My experience as a police chief, meeting with people and organizations with vastly different perspectives, taught me that there is no one simple solution to a problem as complicated and multifaceted as illegal drug use and its consequences on drug users and their families and neighborhoods. Just as I believed the drug challenge in Seattle could not be solved only by law enforcement or only by treatment, I also believe international drug problems cannot be solved just by demand reduction at home or drug crop eradication abroad. A diverse range of tools spanning the areas of demand and supply are required. While traditionally, we have broken down drug control into these two main components – demand and supply –effective policy requires both elements. Demand and supply are inextricably linked, and it is upon this fundamental view that we are basing our efforts.

An example of this can be found in our domestic criminal justice system. Traditionally, law enforcement has been seen as a way to reduce supply and, thus, the availability of drugs on the street. However, innovative criminal justice programs are irrefutably demonstrating law enforcement's important role in reducing demand. Law enforcement professionals understand they must work in partnership with treatment providers, housing providers, and other social service agencies if we are to adequately address the consequences of drug use in our communities.

Thus, when we talk about a balanced approach to drug control in the 2010 *Strategy*, we do not just mean providing treatment services (demand reduction) and locking up drug dealers (supply reduction) in a particular community. Instead, we intend to promote widespread coordination between demand reduction and criminal justice initiatives, such as through drug courts or through everyday cooperation by probation officers and treatment service providers. It is only through combining the best elements of demand reduction and supply reduction within individual communities that we will make significant and lasting progress in reducing drug use and its consequences. Similarly, we intend to combine the best available programs and initiatives to protect people from illicit drugs produced abroad while simultaneously helping our allies respond to the drug threats they face, thereby improving global public health and safety and strengthening our Nation's international partnerships.

The Key Elements of International Drug Control

Virtually all of the interdiction and international items identified in the President's *National Drug Control Strategy* have dual purposes – they are designed both to reduce the threat to people posed by illicit drugs and violent transnational criminal organizations, and to help our allies abroad increase their own capacity to resist the crime, violence, and corrupting influence of

drug production and trafficking within their own nations. We always seek to do this in a manner that respects the territorial rights of each nation while upholding the human rights of their citizens. American drug policy in the international arena seeks to reduce drug flows to the United States. However, there is significant utility in long-term programs that help develop capacity and resilience within partner nations.

International narcotics programs are best thought of as a toolkit of initiatives. Which tools are applied, where, and in what sequence depends on the situation in each nation, as well as available resources, current capabilities, and political will. Of course, all U.S. funded activities are conducted through agreements with host governments, and therefore not all tools are available at all times. This often means activities with potential for significant short-term impact in disrupting drug trafficking cannot be applied, or can only be partially applied. Many programs start small and build over time, as host countries develop more capability and experience.

One tool within our international counterdrug program is disruption of drug production (such as coca or poppy). These source country programs often combine illicit crop eradication efforts with alternative development and alternative livelihood initiatives to provide a viable means of economic survival for those who may depend on income from drug crop production to support themselves and their families. Eradication efforts within this framework can be effective because the illicit product is at its most vulnerable stage: it is a static target on the ground where it is most easily confronted. Once the plant is turned into an illicit drug, the product is in an increasingly compact form that is more difficult to interdict, and may already have provided revenue to the first-level criminal organization that traffics it. This is the case in Colombia, where the Revolutionary Armed Forces of Colombia (FARC) has been significantly weakened through aerial and manual eradication, causing serious damage to its financial viability, which had benefited from profits generated by its increased involvement in narcotics trafficking.

In source countries as well as transit countries, additional tools enhance the capacity of host nations to grapple with all aspects of drug production and trafficking organizations. Institution building initiatives, such as law enforcement training and judicial reform, enable countries to investigate, arrest, try, convict, and incarcerate drug criminals. Due to the wealth and violence of drug traffickers, significant efforts are often required over a sustained period to reduce institutional vulnerability to intimidation and corruption. Where legally appropriate, extradition to the United States for major drug criminals may relieve some of the pressure on host nations' institutions and has been used with good effect as an added deterrent in Colombia and Mexico.

Strong law enforcement and judicial institutions are required to reduce corruption and sustain organizational attack against drug trafficking groups – another key element of our international drug control efforts. Organizational attacks are systematic efforts to undermine the effective functioning of drug producing and trafficking organizations, as well as efforts to prevent their corruptive penetration of legitimate institutions. The arrest of organization leaders is a vital feature of organizational dismantlement, as are efforts to disrupt recruitment and replacement of organization members. Operational tempo is important in organizational attack, as take-downs must be followed by increased pressure, before the target groups can recoup and re-establish equilibrium. Effective actions against organizational threats, such as those currently being pursued in Mexico, must be sustained and comprehensive across multiple institutions.

Interdiction efforts, either within countries, along borders, or on the high seas, are also a major instrument of international drug control. U.S. and partner nation interdiction programs, which in the Western Hemisphere are coordinated by the U.S. Southern Command's Joint Inter-Agency Task Force-South (JIATF-South), require detection, monitoring and surveillance, and are dependent on well-developed, actionable intelligence regarding drug movements. Although border infrastructure and fixed interior checkpoints impede drug trafficker operations and increase the costs of their movement of drugs, personnel, weapons, and illicit proceeds, detailed knowledge of trafficker operations – developed through confidential informants, controlled delivery, or electronic monitoring – increases interdiction success and presents a significant threat to drug trafficking organizations.

Another vital tool for international drug control programs is to deny revenue to trafficking groups by capturing the economic value the trade produces, seizing cash, valuable properties, or profits in whatever means they are stored and moved. The physical movement of drug transaction cash, the laundering of illicit proceeds, and the digital transfer and transformation of illicit value must all be targets for interdiction. Barriers must be built between the illicit proceeds and licit banking and commerce, which will require non-corrupted licit economic agents to cooperate in a broad defense of legitimate finance. This activity must be complemented by programs to strengthen institutional integrity in host and transit nations through aggressive anti-corruption programs and the building of reliable, vetted units in the military and law enforcement.

Not all the tools in the international narcotics toolkit can or should be used in all partner nations. Country programs must be tailored to the circumstances, preferences, and capabilities of host governments. It is often necessary to sequence the use of tools so their impact is maximized. For example, alternative development programs need to be accessible prior to crop eradication. But as we have seen in Colombia and other countries, when complementary initiatives are applied for an appropriate length of time, significant benefits accrue both to the host nation and to the United States.

Assessing International Narcotics Programs

The Administration seeks intensified evaluation and review of all our counternarcotics programs, at home and abroad. Evaluation of programs for effectiveness serves both to establish an invaluable feedback loop to refine current initiatives and as a mechanism to prioritize our most effective programs. Effectively evaluating international programs' impact on domestic drug markets pose some challenges.

For many domestic drug control programs, a standard comparison between a program or treatment group and a separate but similar control group is often viable. These types of analyses have shown, for instance, the positive impact of drug courts in reducing recidivism, and more recently, the utility of probation reform in Hawaii. However, it is difficult to isolate the features of any specific international program from other accompanying initiatives, let alone to identify a sufficiently similar "control" with which to compare the intervention. We are working toward alternative approaches that will enable us to gain an understanding of these programs' impacts and cost effectiveness.

Another approach to assessing impact, and an analytical methodology which has some limited utility when applied to international programs, is what is termed a "natural experiment," where two similar countries adopt different approaches to the same problem. Within the United States, we often have the ability to compare the results of different policies in different states. However, this approach has limitations, because just as states have differing laws, policies, demographic make ups, and terrain, no two foreign countries, even if they share a border, are identical.

When assessing international programs, such as the effort to reduce cocaine availability in the United States, there is often much debate regarding the impact of these programs, but there are also many indications of significant progress. Multiple indicators that corroborate each other, or show important correlations, are key features of our assessment.

The System to Receive Information on Drug Evidence (STRIDE) data set shows rising cocaine prices per pure gram and reduced purity, at the same time as our domestic indicators (use and initiation, workplace drug tests, and treatment admissions – see charts) also indicate declines in cocaine use. The National Survey on Drug Use and Health shows significant declines in current cocaine use in 2007 and 2008 compared to 2002-2006 by 18 to 25 year olds, the age group with the highest use rates. Examination of trends for chronic cocaine users, such as arrestees, has also shown declines. For example, data from the Arrestee Drug Abuse Monitoring II program indicate reduced cocaine use by arrestees. Urinalysis test results for male arrestees showed significant declines from 2007/2008 to 2009 in cocaine positive rates in 8 of the 10 sites surveyed. In cases like Sacramento, the trend was dramatic—21.4 percent of arrestees tested positive in 2007, while 10.5 percent tested positive in 2009. We are hopeful that the 2010 information, currently being collected, will show a continuation of this encouraging progress.

Figure 1: Price Per Pure Gram and Purity of Cocaine Purchases

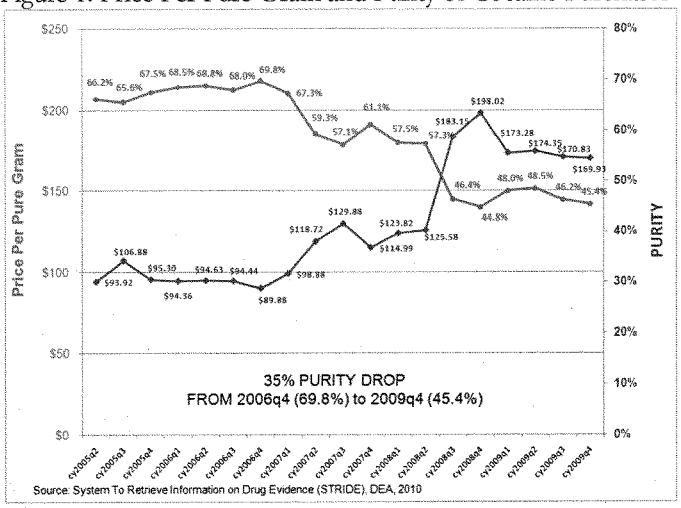


Figure 2: Current Cocaine Use and Initiation

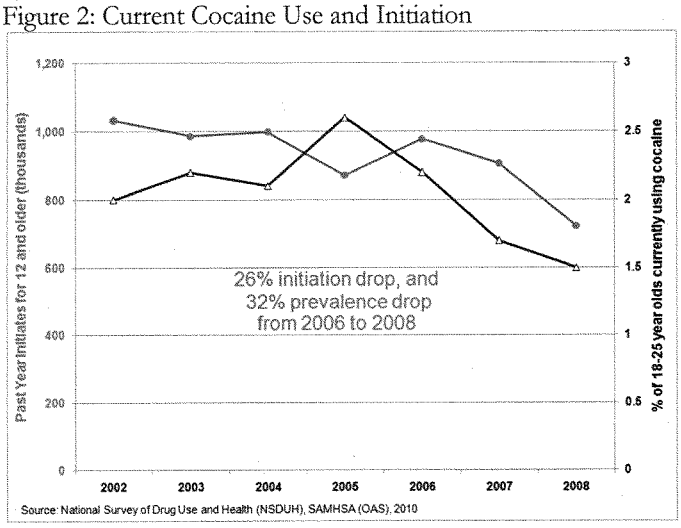


Figure 3: Percent of Primary Treatment Admissions by Drug

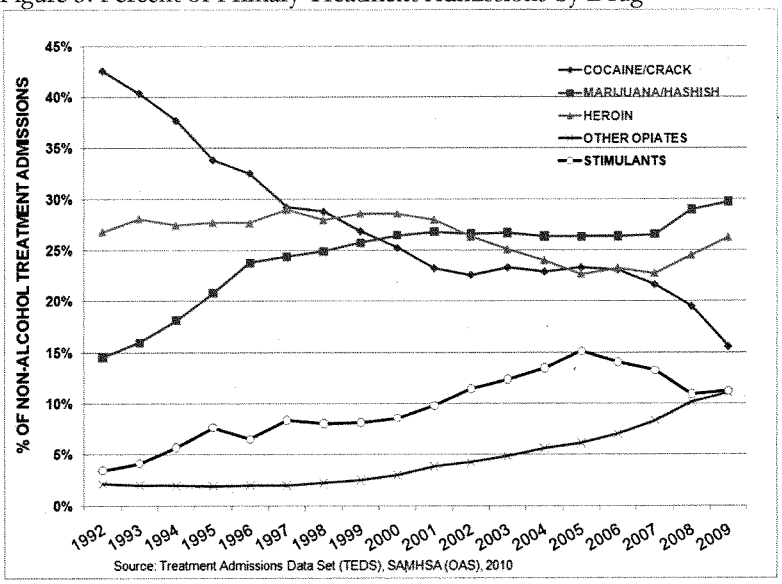
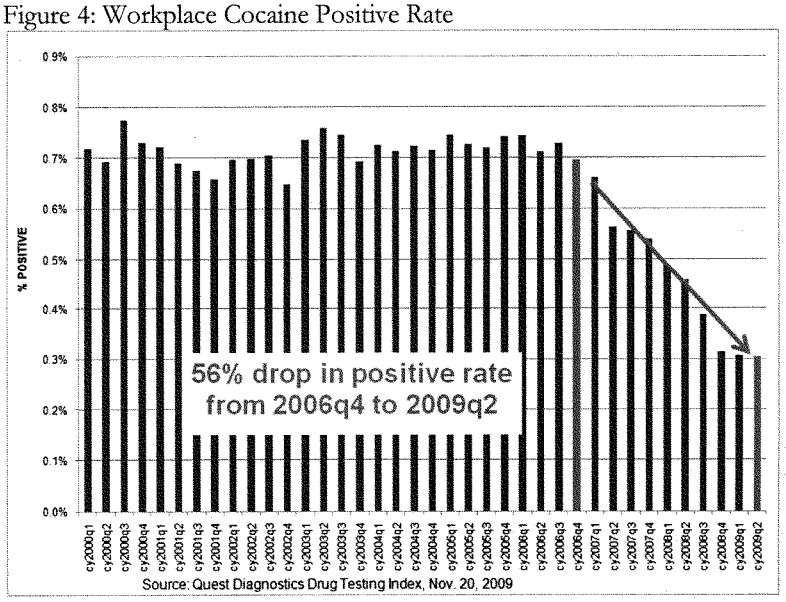


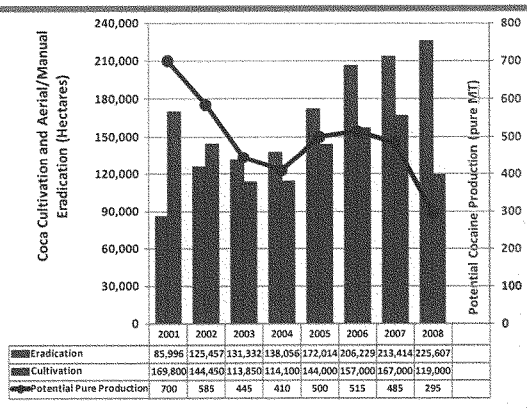
Figure 4: Workplace Cocaine Positive Rate



We believe our counternarcotics programs in source countries are contributing directly to these positive results. Our coca crop and production analysis shows total potential production of cocaine in the entire Andean region is down, from 1,055 metric tons in 2001, to 705 metric tons in 2008, a decline of 33 percent. Thus, our own array of production and consumption data sets, as well as the international analysis incorporated into the UN World Drug Report, indicates there has been significant progress made in addressing the cocaine threat to the United States. One factor is Colombia's sustained counternarcotics efforts. Another contributing factor is Mexico's attack against the cartels, which, combined with intra-trafficker fighting over a diminished market, has contributed to disruptions in the cocaine trade. Of course, the sustained organizational attack by Federal, state, and local law enforcement agencies, combined with intensified DHS border enforcement, also makes a contribution, as does interdiction in the transit zone. Domestic prevention, education, treatment, and criminal justice policies must be considered, as well.

Examination of the mix of eradication and interdiction programs in the three Andean coca-producing countries, using the comparison of Andean nation approaches, may also be informative. Colombia, through eradication, interdiction, law enforcement, and alternative development programs, has achieved a significant decline in coca production (see Figure 5). Peru, in turn, with manual eradication and other efforts, has shown only a modest return. Bolivia, by contrast, with reduced enforcement efforts, is now experiencing coca crop increases. Such a comparison does suggest significant benefits to Colombia's use of the international drug control toolkit. The chart below, which focuses specifically on Colombia's application of eradication, highlights the progress they have made.

Figure 5: ***Colombian Coca Cultivation, Eradication Pressure, And Potential Cocaine Production, 2001-2008***



	2001	2002	2003	2004	2005	2006	2007	2008
Eradication	85,996	125,457	131,332	138,056	172,014	206,229	213,414	225,607
Cultivation	169,800	144,450	113,850	114,100	144,000	157,000	167,000	119,000
Potential Pure Production	700	585	445	410	500	515	485	295

Sources: U.S. Government, *Major Illicit-Drug-Producing Nations, Cultivation and Production Estimates, 2004-08* (2009) and earlier; Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *Air Wing Report* (January 2009)) and Government of Colombia for manual eradication data.

Together, the use of international counternarcotics tools against cocaine – at the source, in the transit zone, in the arrival zone, and within the United States – has made a significant difference to the United States. The results of these anti-cocaine efforts over the last several

years have been worthwhile. Nevertheless, we should continually adjust and fine-tune our mix of programs and initiatives, based both on careful evaluation of each component of these efforts, as well as in response to ever-evolving tactics by drug trafficking groups. In fact, the Administration's efforts, highlighted in Chapter Seven of the *Strategy,* are designed to help in this process to enhance and refine data collection across the full spectrum of U.S.-funded counternarcotics programs, at home and abroad.

Drug Trafficking and National Security

U.S.-supported international narcotics programs can have positive effects on foreign policy and national security goals, as well as the overall bilateral relationships between our Nation and host countries. Law enforcement training not only builds capacity, but also bolsters the commitment of host countries to partner with the United States in addressing an array of criminal activities. Moreover, in countries where counternarcotics partnerships have undermined the revenue streams of trafficking groups and fractured their organizational structure, broad national security objectives are promoted by weakening these organizations and providing opportunities for countries to promote the rule of law, build their economies, and develop stronger government institutions.

When we help partner nations grapple with drug trafficking organizations, we also contribute to addressing the growing global public safety and security threat posed by transnational organized crime. This challenge was described in the President's 2010 *National Security Strategy* as follows:

> *"Transnational criminal threats and illicit trafficking networks continue to expand dramatically in size, scope, and influence—posing significant national security challenges for the United States and our partner countries. These threats cross borders and continents and undermine the stability of nations, subverting government institutions through corruption and harming citizens worldwide. Transnational criminal organizations have accumulated unprecedented wealth and power through trafficking and other illicit activities, penetrating legitimate financial systems and destabilizing commercial markets. They extend their reach by forming alliances with government officials and some state security services. The crime-terror nexus is a serious concern as terrorists use criminal networks for logistical support and funding. Increasingly, these networks are involved in cyber crime, which cost consumers billions of dollars annually, while undermining global confidence in the international financial system."*

U.S.-Supported International Drug Programs

Southwest Border

The Southwest border remains a major focus of our efforts both to stop the entry of illicit drugs into the United States, as well as to prevent the flow of bulk currency and weapons into Mexico. Our objective is to interdict these items before they cross the border, but just as importantly, we seek to disrupt and dismantle drug trafficking organizations that direct this trade. Thus, information and intelligence collection and exchange and targeted investigations on trafficker operations are critical. Information must then be available to state, local, tribal, and

Federal law enforcement agents who have a need to know. Much of this investigation is done through Federally supported task forces, such as those run by ONDCP's High Intensity Drug Trafficking Areas (HIDTA) program, the Department of Justice's Organized Crime Drug Enforcement Task Force (OCDETF) program, and the Department of Homeland Security's Border Enforcement Security Task Forces. These, and related task force programs, are critical to our efforts to address border smuggling and provide vital assistance to Customs and Border Patrol agents stationed along our 2,000 mile border with Mexico.

ONDCP plays a leading role in coordinating the Executive Branch Departments to address the threat drug trafficking poses to the United States and Mexico along our shared border through the development and implementation of the Administration's Southwest Border Counternarcotics Strategy. In June 2009, Secretary Napolitano, Attorney General Holder, and I publicly released the second National Southwest Border Counternarcotics Strategy (Border Strategy). The Border Strategy is a key component of our comprehensive national response to the threat along the border. This response includes: cooperation with Mexico through the Merida Initiative, the Administration's increases in border-related personnel and equipment, and our national effort to reduce the demand for illegal drugs at home. I have heard from many of my former colleagues in state and local law enforcement about the importance of working together as one U.S. team to stem the flow of drugs into our country. Strengthening this national partnership is central to the National Southwest Border Counternarcotics Strategy and critical to our efforts to stop the outbound flow of bulk currency and weapons from the United States to Mexico. To ensure the effective coordination of the resources and initiatives related to the Border Strategy, I have formed a Southwest Border Strategy Executive Steering Group, comprised of high-level interagency officials, which oversees Border Strategy implementation and addresses any issues that have the potential to impede our progress.

Mexico/Merida Initiative

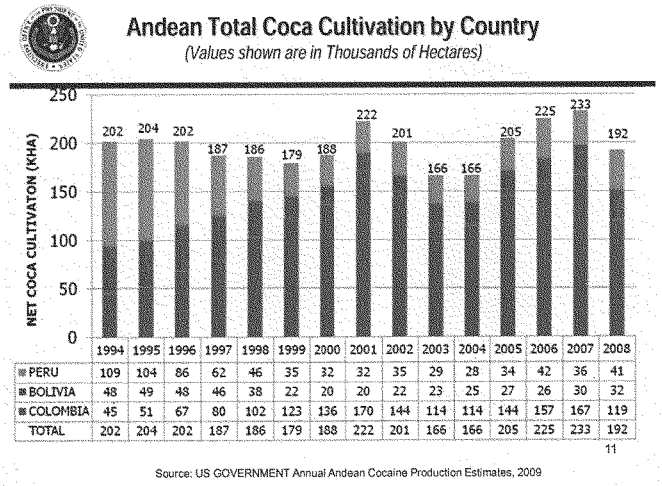
The inauguration of President Calderon in December 2006 ushered in an era of renewed cooperation between the United States and Mexico. In October 2007, the United States and Mexico announced the Merida Initiative, an unprecedented partnership between our two countries to fight organized crime and associated violence while respecting human rights and the rule of law. To further that partnership, I have made three trips to Mexico. I have met with President Calderon and many of his cabinet secretaries to listen to their challenges and discuss our priority counternarcotics objectives. Our common goal – to reduce drug trafficking and related violence – has helped the U.S. and Mexico establish an extremely strong and productive bilateral counternarcotics relationship. The Secretary for Public Security, the Interior Secretary, and both the former and current Attorney Generals have consistently asked ONDCP to reduce U.S. demand for illegal drugs and, thus, appreciated our *Strategy's* focus on prevention, early intervention, and treatment. The Minister of Health and Mexico's first lady, Ms. Margarita Zavala, showed me a treatment center in Mexico City, and we met some of the courageous youth who are struggling with drug use at an early age. Ms. Zavala and I share a strong desire to prevent children in both countries from ever being exposed to the dangers of drugs, and the emphasis on drug prevention in this Administration is unprecedented. The U.S. and Mexican Governors along the Southwest Border discussed with me the unique circumstances of citizens who live in border communities. These people cross the border as part of their daily routine from home to school to work and back, and understanding their communities helps our broader efforts to impact drug trafficking on a community level.

Through the Merida Initiative, the United States committed to provide Mexico with $1.4 billion in equipment and training. Mexico has taken the lead in directly confronting transnational criminal organizations that threaten its national security. In response to this threat, President Calderon has temporarily enlisted the military in the effort against drug cartels, while he moves to rapidly train and equip federal law enforcement officers who will subsequently assume this critical mission. There is wide consensus both in the United States and in Mexico that the long-term solution is to have anti-cartel operations directed primarily by civilian law enforcement, but in the interim, the military plays a vital role in reinforcing these efforts. I am confident that our strategic partnership with Mexico is currently on the right track, and am pleased with the intensive, and unprecedented, tempo of operational information sharing and exchange between our two governments. We further pledged to improve our communications and information sharing with Mexico and Central American and Caribbean countries in support of anti-drug and anti-crime programs.

Colombia

Colombia has been our staunchest strategic partner over the last decade in combating illicit drug production and trafficking. I have met with President Uribe twice and have participated in additional visits with Minister of Defense Silva and Colombian National Police Director Naranjo. In addition to meetings in Bogota, I have traveled south to Tumaco in Nariño Department to assess first-hand aerial and manual eradication effectiveness as well as alternative development efforts in that critical coca-producing sector of Colombia. Colombia is a prime example of a source country where all of the elements have come together to make eradication a successful tool in their overall strategy, as evidenced by a 30 percent drop in coca cultivation from 170,000 hectares in 2001 to 119,000 hectares in 2008 (see figure), and, more significantly, a 58 percent drop in cocaine production from 700 metric tons in 2001 to 295 metric tons in 2008 (see figure 5). The U.S. has long focused on the threats posed by drugs within our hemisphere, and Colombia has been a leader in directly facing those threats.

Figure 6:



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PERU	109	104	86	62	46	35	32	32	35	29	28	34	42	36	41
BOLIVIA	48	49	48	46	38	22	20	20	22	23	25	27	26	30	32
COLOMBIA	45	51	67	80	102	123	136	170	144	114	114	144	157	167	119
TOTAL	202	204	202	187	186	179	188	222	201	166	166	205	225	233	192

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Source: US GOVERNMENT Annual Andean Cocaine Production Estimates, 2009

Colombia has made significant progress in reducing violence domestically and in disrupting the major drug trafficking organizations, which include groups identified as foreign terrorist organizations. The United States will continue to partner with Colombia in attacking all aspects of the drug trade. That support includes reinforcing the Government of Colombia's efforts to take back control of the country from armed drug-trafficking groups, as well as its successful efforts to establish state control over those areas of the country that have never had a meaningful or sustained government presence. To address this problem, Colombia announced a National Consolidation Plan in April 2009. The plan, which provides for an expansion of governance into parts of rural Colombia, will accomplish several objectives: it will decrease the ability of terrorist and criminal groups to threaten the Colombian state; decrease their ability to cultivate illicit crops; reduce their capacity to traffic narcotics, weapons, and ammunition; and decrease their ability to perpetrate violence against Colombian citizens. It will also provide the secure environment needed for alternative development programs to succeed. The alternative development programs play a key role in the success of the counternarcotics strategy by creating licit employment opportunities and reducing dependence on illicit activities.

As we have seen, success against potential production must be complemented by programs that build government presence and the rule of law. The Government of Colombia has developed a consolidation plan that concentrates its public security forces in key coca cultivation areas. In pursuit of this effort, the Colombian government is carrying out multiple missions. They are: establishing a state presence/government control; eradicating illicit crops (voluntarily, aerially or manually); and putting law enforcement forces in place. Additionally, the Government of Colombia has completely reformed its judicial system, converting the entire country to an oral/accusatorial system that has increased convictions and reduced impunity. The result of these efforts has been a dramatic improvement in Colombia's security since August of 2002: kidnappings are down by 95 percent, the homicide rate has dropped by 44 percent, and

terrorist attacks are down 79 percent. Over 50,000 terrorists have demobilized under the Uribe Administration. With at least minimal security assured, the Colombian government, with U.S. and international assistance, can now extend alternative development, justice reform, and social improvements to the affected areas to permanently suppress and replace the illicit economy in the region. Ultimately, it is the presence of the state and the rule of law that will ensure that coca and poppy are no longer grown in Colombia.

Peru

Peru is the world's second-largest coca cultivator and producer of cocaine. According to U.S. Government estimates, coca cultivation in Peru dropped three percent from 2008 to 2009, from 41,000 to 40,000 hectares, but potential cocaine production increased five percent, from 215 to 225 metric tons, due to a higher percentage of mature fields. Peru eradicated 10,025 hectares of illicit coca in 2009. Our assistance to Peru focuses on strengthening governance and creating opportunities for legal activities in isolated areas where drug traffickers and terrorists operate, using aggressive eradication, interdiction, and control of precursor chemicals, coupled with alternative development to reduce dependence on illicit coca cultivation. The United States also provides support for the Government of Peru's efforts to improve its counter-terrorism initiatives and to increase public awareness of the links between drug production and crime, environmental degradation, quality of life, and economic development. The increasing concentration of coca production in areas controlled by the Sendero Luminoso is of particular concern. The remaining remnants of this terrorist group are reliant on drug trafficking to fund their operations. Since 2006, 33 Peruvian National Police have been killed in Sendero Luminoso attacks.

Bolivia

Since the inauguration of President Morales in 2006, relations with Bolivia have been strained. But, despite this, the U.S. Government continues to provide support that enables training for Bolivian National Police officers in modern money laundering and terrorism financing investigative techniques and on trafficking in persons and human rights. The Department of State also supports a number of institutional developmental projects, including a basic and advanced law enforcement training program. The U.S. Government, through USAID, continues to collaborate with the Bolivian Government on alternative development activities in the Yungas region, helping farmers to diversify production and adopt viable alternatives to coca cultivation. These activities also help expand access to water and sanitation services, educational facilities, and health posts, and improve and maintain farm-to-market roads.

Unfortunately, the Bolivian Government's policies favoring the expansion of coca cultivation contribute to rising excess coca cultivation and threaten to result in dramatic increases in potential cocaine production. The U.S. Government encourages the Government of Bolivia to revise its policies on licit, traditional coca cultivation, and to develop and implement a national eradication strategy that will improve the efficiency and effectiveness of eradication of illicit coca. Taken together, these actions could lead to net reductions in coca cultivation and consequently lead to a net reduction in cocaine production potential. It is of note that Bolivian cocaine is not currently a significant, direct threat to the American people, as less than one

percent of the cocaine tested originates in Bolivia[1]. However, with DEA recently expelled from that country, it is a concern that rising Bolivian production might in the future pose a more significant threat, both to the U.S. and the region.

Afghanistan

Afghan narcotics currently account for only a small portion of the illegal drugs consumed in the United States. Nonetheless, because of the amount of opium poppy produced there, relative to the rest of the world, there is potential for increased Afghan drug trade penetration of the United States market. Further, illicit proceeds are used in part to fund attacks against allied forces. Due to the pervasive negative impact the drug economy has on development, security, and stability in Afghanistan and across the region, ONDCP remains a key partner, along with the President's Special Representative for Afghanistan and Pakistan (SRAP), the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL), the DEA, the Department of Defense, and other inter-agency elements in formulating and implementing the U.S. policy for counternarcotics in Afghanistan.

The United States Counternarcotics Strategy for Afghanistan is designed to help secure the Afghan populace by working with the Government of the Islamic Republic of Afghanistan (GIRoA) and other international partners to foster sustainable alternative licit economic opportunities and to develop increasingly self-reliant and effective counternarcotics law enforcement entities. The Strategy specifically focuses resources on those programs that will contribute directly to breaking the narcotics-insurgency-corruption symbiosis and on those efforts that will help connect the people of Afghanistan to their government.

The Counternarcotics Strategy for Afghanistan (CN Strategy) is integrated with the U.S. Agriculture Assistance Strategy for Afghanistan, which focuses on the redevelopment of the agricultural sector as an engine for job growth and higher incomes for rural families, enabling farmers to choose licit alternatives to poppy. The CN Strategy also emphasizes the interdiction of drugs and precursor materials, capacity building, arresting drug lords, and reducing the demand for drugs in Afghanistan. As part of the U.S. Government's "whole of government" approach to assisting the GIRoA in waging its counterinsurgency, the CN Strategy supports the United States Government Integrated Civilian-Military Campaign Plan for Support to Afghanistan and the United States Government Integrated Civilian-Military Campaign Plan for Support to Pakistan. Essential to this strategy is its integration with U.S. Government efforts to redevelop the agricultural sector, creating jobs and improving incomes of those who choose planting and harvesting of licit crops over growing poppy. By targeting the narcotics-insurgency and corruption-insurgency nexus, the U.S. Government links counternarcotics to the counterinsurgency strategy and ultimately helps the Afghan people rid their country of the pervasive threat that is the narcotics trade.

Russia

The Administration's approach to drug control policy is centered on a comprehensive, balanced, and "whole-of-government" approach that resonates with our international partners. Our engagement with the Russian Federation is indicative of the success of this approach. Since

[1] According to the Drug Enforcement Administration's special testing lab analysis of U.S. domestic cocaine seizures over many years

the creation of the United States-Russian Bilateral Presidential Commission last July, the Counternarcotics Working Group, co-chaired by myself and Russian Federal Drug Control Service Director (FSKN) Viktor Ivanov, has improved bilateral cooperation in many areas. These initiatives include: a comprehensive package of information sharing; exchange of best practices; joint operations and international controlled deliveries; money laundering and financial crime techniques; evidence-based drug prevention, treatment, and recovery programs; establishing legal standards; adopting drug courts; and securing prosecution of drug traffickers. This bilateral cooperation has had a positive impact throughout the international community. Our ability to gain a meaningful relationship with our Russian counterparts, especially regarding the importance of prevention, treatment, and recovery, is complemented by an effective partnership in supply reduction efforts. Although we may have differences of opinion on specific supply reduction programs with respect to Afghanistan opium and heroin, the Russians are open to our demand reduction programs, as they develop their own balanced approach. Success in the international arena requires dedication to both demand and supply reduction efforts, not a focus on one aspect at the detriment of the other.

Transit Zone Interdiction

The Administration's National Drug Control Strategy seeks to increase the cost of doing business for drug trafficking organizations, to the point where routine losses are no longer sustainable. The means by which we increase the cost of doing business include suppressing the cultivation/production of illicit drugs, interdicting their shipment to the United States, and seizing them as they enter the United States and once they are on our streets. These activities increase the risk to the traffickers and, thus, the cost of production and transportation, which result in higher prices for consumers. Cocaine, heroin and marijuana are agricultural products that require relatively simple and inexpensive processing. If it were not for source country programs, interdiction, and domestic law enforcement, illicit drugs would be no more expensive than legitimate agricultural products that have been processed for commercial use. Research has demonstrated that users are responsive to price [and quality], increasing or decreasing their use as prices fall or rise—in general, higher prices result in lower prevalence of use—and that "if the Nation can increase the effectiveness of source country programs, interdiction, and domestic law enforcement, then drug abuse can be reduced appreciably"[2].

Achieving that goal will not be easy. U.S. Government interagency forces, with the help of our international partners, have had notable success in seizing increasing amounts of cocaine in the transit zone. But we must do better. ONDCP, in its role as United States Interdiction Coordinator and working through The Interdiction Committee, is currently engaged in a comprehensive interagency study, entitled the Western Hemisphere Transit Zone Performance Gap Analysis. The study will determine the resources required to improve seizures, and will provide a better basis for interagency budget requests to attain this objective. The Performance Gap Analysis will establish a comprehensive baseline for the capability and capacity required by U.S. agencies as well as our international partners. It can also serve as the requirements document for several related initiatives, including the ongoing Merida Initiative, particularly the Central American Regional Security Initiative (CARSI); the Caribbean Basin Security Initiative;

[2] Rhodes, W et al 2002 Illicit Drugs Price Elasticity of Demand and Supply Abt Associates

and the Maritime Interdiction Investment Plan (MIIP). Led by the Coast Guard, with State Department support, and incorporating input from Defense, Homeland Security, and Justice, the MIIP working group will provide non-binding guidance to The Interdiction Committee regarding maritime interdiction investment priorities within the Western Hemisphere.

All of these initiatives have been developed to foster an interagency approach designed to maximize the return on investment of current and proposed counternarcotics funding mechanisms. This coordinated effort will be even more essential in today's austere budget climate. We will also endeavor to include partner nations in this process to ensure they can leverage these initiatives to maximize the return on their investments as well.

Multilateral Cooperation and the Commission on Narcotics Drugs

The United States seeks to work bilaterally as well as on a regional or multilateral basis. Well-established international mechanisms, including the United Nations Office on Drugs and Crime (UNODC), the International Narcotics Control Board (INCB), the Organization of American States Inter-American Drug Abuse Control Commission (OAS/CICAD), and the Colombo Plan offer unique opportunities to advance international drug initiatives. The United States works with multilateral organizations on the full spectrum of issues.

This year's UNODC 53rd Commission on Narcotic Drugs (CND) is an example of how the United States is effectively collaborating with our international partners via multilateral organizations. I had the honor of leading the interagency U.S. delegation to the meeting in Vienna, Austria, where two U.S.-drafted resolutions, which provide policy guidance to all UN Member States and the UNODC, were adopted on the final day of CND meeting. The first resolution, on community-based prevention, calls on all countries to prioritize community-based drug prevention initiatives in their anti-drug policies and emphasizes the need to support services for families, youth, and women, and to tailor messages to the unique socioeconomic and cultural environments present in each community. The second resolution, on prescription drugs, highlights the risks of diversion and abuse of powerful narcotics, while supporting access for legitimate medical need, under the proper controls. The prescription drug abuse problem, with which the U.S. has been grappling for several years, is emerging around the world as a major drug threat[3].

The U.S. also cosponsored several other resolutions, including one by the European Union, focused on achieving universal access to prevention, treatment, care, and support for drug users, including those living with or affected by HIV. The resolution calls for increasing member country capacity and resources for the provision of comprehensive prevention programs, treatment, and related support services, in full compliance with the international drug control conventions. ONDCP Deputy Director McLellan also attended a portion of the 2010 CND. He addressed the conference on "Measures to Improve the Understanding of Drug Addiction as a Chronic but Treatable Multi-Factoral Health Disorder," participated in a U.S.-organized event on the public safety threat of drugged driving, in light of growing fatalities in the United States and other countries, and spoke on a World Health Organization/UNODC panel, "Toward Universal Access for Drug Dependence Treatment and Care." We are looking forward to building on this

[3] The full texts of the resolutions are available at: http://www.unodc.org/unodc/en/commissions/CND/session/53-draft-resolutions.html.

progress at the 2011 CND where, at the request of the U.S. delegation, drugged driving is expected to be on the plenary agenda.

The CND just represents one opportunity for the U.S. to collaborate with other nations on international demand reduction. The United States also works closely via the Organization of American States Inter-American Drug Control Commission (OAD/CICAD) to exchange best practices and other information about effective prevention, treatment, and early intervention programs. Further, we participate in efforts to promote effective U.S. programs, such as drug courts and community coalitions, through bilateral partnerships. In particular, we have intensified cooperation on these issues with the Government of Mexico and are exploring similar opportunities with other Western Hemisphere nations.

Multilateral Cooperation and Interdiction

We are currently in the midst of an unprecedented period of international cooperation which has been spurred by the realization by many nations that illicit trafficking is a global threat. Our South and Central American neighbors realize the rapidly growing threat to their civil and social systems and are calling for regional cooperative efforts against the drug trafficking organizations (DTOs). The recent disruptions in cocaine supply have created a window of opportunity for a coordinated international effort to address this common threat through cooperative multilateral efforts.

The U.S. Government already collaborates extensively with our hemispheric and European partners to interdict shipments of illicit narcotics as close to the source as possible. Interdicting large loads measured in metric tons is far more efficient and cost effective than interdicting them once they have been broken down into smaller loads. For years, our European partners have supported this approach, and have provided ships, aircraft, and investigative personnel under the tactical control of the Joint Inter-Agency Task Force South (JIATF South), an interagency and international organization which functions as both an intelligence fusion center and a command node for detecting, monitoring, and intercepting the flow of illicit drugs. The Europeans have also established the Maritime Analysis and Operations Centre – Narcotics (MAOC-N) in Lisbon, Portugal in response to the increasing east-ward flow of illicit narcotics across the Atlantic Ocean. JIATF South has established a permanent liaison at the MAOC-N to ensure a seamless flow of tactical and investigative information. Continued U.S. Government engagement in multinational, cooperative investigations and interdiction operations is an essential force multiplier, and provides critical support to smaller democracies countering the significant threats posed by powerful DTOs.

Methamphetamine Precursor Chemical Control

One of the most effective methods for preventing methamphetamine production is restricting access to the vital precursor chemicals required for manufacture of the drug. These chemicals, primarily pseudoephedrine, ephedrine, and closely related substances, are the focus of our efforts. Significant progress has been made in restricting the availability of these substances. The United States, led by the Drug Enforcement Administration, has worked bilaterally and multilaterally on this issue for many years. The primary precursor chemical-producing countries – India, China, and Germany – all have made serious efforts to restrict diversion of chemical precursors for methamphetamine production. All three of these producing countries cooperate

closely with the INCB, which, through its pre-export notification online system, seeks to block suspicious shipments.

These efforts were boosted by a joint effort by ONDCP, the State Department, and DEA to get the UN's CND to enact a resolution on precursor chemical control in March 2006. This resolution encouraged countries to provide estimates of the annual licit needs for meth precursor chemicals, promoted broader sharing of information on chemical shipments, and asked for enhanced efforts to prevent diversion of combination products. This resolution, combined with continuing bilateral programs and international investigations coordinated by the INCB, have continued to put pressure on meth producers. Earlier this year, with DEA and the Department of State, I met with major precursor chemical producing and transit nations to review progress of these efforts. At this meeting, attended by representatives of China, India, Germany, the European Union, Mexico, Australia, Argentina, Chile, Canada, Spain, the United Kingdom, and the Organization of American States, I reiterated the importance of countries continuing to do all they can to prevent diversion of precursor chemicals. This meeting also provided a forum for the head of INCB's precursor unit to present the latest data on precursor diversion and call for a continuation of INCB-coordinated law enforcement initiatives which help identify the countries and companies diverting meth precursors.

Illicit Finance/Revenue Denial

Profits are what drive the illegal drug trade and what tie drug trafficking to other transnational threats, including international organized crime and terrorism. The United States must marshal its resources in a coordinated fashion to target illegal revenue streams of all kinds. The United States must also engage the international community in major anti-money laundering and anti-cartel profit initiatives. Traffickers have updated their methods for moving money around the globe. They have turned to using stored value cards and other new mechanisms to evade law enforcement, but also rely on traditional money exchange systems, while they continue to smuggle large amounts of bulk cash. International terrorist organizations often engage in drug-related money-laundering or cash-smuggling operations to generate funds for their operations. Thus, efforts to address illicit finance must include a focus on the drug-terror nexus. United States agencies have developed an array of techniques to target illicit finance. These efforts, which include regulatory initiatives and the highly effective targeted sanctions and financial enforcement actions led by the Treasury Department, particularly its Office of Foreign Assets Control, must be further intensified and expanded. United States agencies should assess the current approach and look for opportunities to update and expand these efforts, including through rapid implementation of the *Strategy* Action Items from Chapter Five, *Disrupt Illicit Financial Networks by Exploiting Cash Seizures*, and Chapter Six*: Target the Illicit Finances of Drug Trafficking Organizations*.

Performance Reporting System

We recognize the importance of evaluating programs and measuring their outcomes. Therefore, ONDCP is currently establishing a Performance Reporting System (PRS) that will provide timely, critical assessments of interagency progress towards achieving the Goals and Objectives of the *National Drug Control Strategy*. We will report on progress in the 2011 and in subsequent *National Drug Control Strategies* and reports. This information will help inform policymaking, planning, and resource allocation about the *Strategy's* effectiveness.

The 2010 *Strategy* established an ambitious set of five-year goals. The PRS will identify specific performance measures and targets that indicate the extent of progress towards these goals and the associated objectives. The PRS will also identify agencies that contribute to each performance target. The system will be supported by a database that enables efficient reporting and analysis of performance information.

The PRS is being developed with the active participation of interagency subject-area experts. Five working groups are currently identifying relevant interagency measures and targets. PRS implementation will commence in 2011 after the design is completed this year. The system will be assessed and refined as needed in Fiscal Years 2012 and 2013. Refinements will focus on incorporating interagency performance targets for which data sources do not currently exist, identifying and rectifying gaps, and recalibrating metrics in response to new and emerging drug control threats.

Conclusion

The globalized illicit drug trade requires collaborative solutions. International drug traffickers do not respect borders. Traffickers not only seek to sell their drugs and collect their illicit proceeds outside the borders of the countries where they are based, they also often purchase precursor chemicals, weapons, and other equipment from international sources. Success against international drug-trafficking organizations will require close and sustained partnerships with other countries. Both Colombia and Mexico have benefited from brave and decisive leaders who insist on bringing the traffickers to justice and regaining full control of their territory. The United States should continue our direct assistance to these two countries, as well as work with partners in every area of the world to develop a complementary regional approach to illegal drug consumption, production, and transit issues. These efforts abroad will reinforce and support our vital demand reduction programs at home, while helping our international partners respond to the threat organized criminal groups pose to all of us.

I greatly appreciate your commitment to reducing the use of illegal drugs in the United States, and I am equally grateful for your concerns about the production and trafficking of illicit drugs in other regions of the globe. Thank you very much for the opportunity to testify, and for the support of the Committee on these vital issues.

Mr. KUCINICH. Thank you very much.

Ambassador Johnson, you may proceed.

STATEMENT OF DAVID T. JOHNSON

Ambassador JOHNSON. Thank you, Mr. Chairman.

Mr. Chairman, Ranking Member Jordan, members of the subcommittee, I am grateful for the opportunity today to testify about the State Department's foreign assistance programs, programs that seek to diminish counternarcotics production and trafficking abroad and combat the illicit networks with which they are linked.

Drug trafficking organizations show time and again that they have neither decency nor respect for the law, and certainly no respect for human life. Cartels and traffickers demonstrate every day their only motive is profit. And profit they do, often overwhelming or circumventing the capacity of government resources to shut them down and corrupting public officials who stand in their way.

This undermines public security, weakens democratic principles and institutions, and, if left unchecked, provides a fertile breeding ground for the instability that can threaten our own national security here at home.

That is where we at the State Department come in. As the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, much of the work that the team I lead does involves foreign assistance programs that give our foreign partners the tools to isolate and disrupt drug trafficking organizations abroad.

Our programs directly impact and improve foreign government capacity, building a platform for joint work between our foreign partners and American law enforcement agencies. Our primary focus is to improve the criminal justice sectors, police, prosecutors, courts, and corrections, of foreign governments so that they can confront threats directly on their own home turf before those threats can reach our own borders.

In key drug source countries, State's assistance has disrupted drug trafficking operations and organizations in Colombia, weaned farmers away from drug crops in Afghanistan, and educated and treated populations affected by drugs or drug violence throughout Latin America and the Caribbean.

After more than 10 years of U.S. support for Colombia's quest to secure their country, they have begun to self-administer the counternarcotics eradication and alternative development programs that we helped to introduce. In fact, Colombia's consolidation plan to nationalize our joint programs is well underway.

Although one of the initial goals of Plan Colombia, reducing the actual area of coca cultivation by 50 percent, has not been met, current cocaine production potential is approximately 295 metric tons, a 58 percent decline from the 2001 high of 700 tons, a significant achievement. This decline reflects not only gains through eradication, but also a significantly enhanced interdiction capability, with more than 280 metric tons of cocaine and character base seized in 2009 by Colombian authorities. Most of these drugs would have otherwise ended up on the hometown streets of America, or our partners and allies.

Our experiences in Colombia have also informed U.S. support initiatives in Mexico, Central America, and the Caribbean, where drug supply or transit threatens our own national security. We know and have factored this into our strategic planning, that criminal justice sector capacity building for the host government is the only long-term effective program, that the process is long-term and difficult, that political will is essential, but that the results can be well worth the investment.

Mr. Chairman, the title for your hearing today is very important, "International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance Other Foreign Policy Goals?" As a diplomat who has spent his life representing our Nation's interest abroad, my experience has been that our national security objectives and our domestic security objectives are always directly linked.

As Director Kerlikowske has noted, we, the U.S. Government and the American people, are already taking some steps on the domestic front. State's efforts abroad to build partner capacity is one additional piece of the administration's larger U.S. drug control policy to reduce the demand for and use of illegal drugs.

Thank you for the opportunity to illustrate the role of the Department's foreign assistance programs. I will do my best to address any of your questions.

[The prepared statement of Ambassador Johnson follows:]

Written Testimony of Ambassador David T. Johnson
Assistant Secretary of State for International Narcotics and Law Enforcement Affairs
Before the House Oversight and Government Reform Subcommittee on Domestic Policy
Hearing, "International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals"
Wednesday, July 21, 2010

Chairman Kucinich, Ranking Member Jordan, and Members of the Subcommittee, thank you for the invitation to testify about the State Department's role in counternarcotics and criminal justice sector reform efforts around the globe. It is my pleasure to be here today on behalf of Secretary of State Hillary Clinton. As the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs (INL), I oversee the Department's foreign assistance programs that help our international partners strengthen their own criminal justice sectors and their capacity to provide their own citizens with security under the rule of law. Many of our programs are relevant to the topic of this hearing, as our assistance efforts help foreign governments to curtail illicit crime such as narcotics production and trafficking, and develop the capacity to govern justly.

The State Department's foreign assistance programs are crafted to address unique conditions on the ground in each of our partner countries where there is a demonstrated need and desire for security and justice sector reform, and where political will exists to counter illicit crime and bring criminals to justice. Through our assistance programs, the State Department contributes a vital set of tools to protect United States national security, including programs to advance our national policy goals identified by the White House and its Executive Offices, including the Office of National Drug Control Policy.

The role of the State Department

The initiatives that I have the privilege to steward on behalf of the State Department represent our nation's assistance to bilateral or multilateral partners that enhance those partners' governance capacity. Many of these programs involve efforts to isolate, minimize, and neutralize transnational drug enterprises by enhancing security on the ground. In the context of our diplomatic engagements, INL assistance programs have helped our partners to develop, train, and empower civilian law enforcement to fight crime, including illicit narcotics networks, in a number of countries in Latin America and the Middle East; design and launch public education campaigns about the danger of narcotics in South Central Asia; extend the host government's rule of law and governance into regions where they did not before exist in Colombia and Peru; foster safe, secure, and humane corrections systems that can serve as platforms for addiction treatment and educational assistance to treat and improve prison populations; and develop drug treatment centers for vulnerable populations including women and children in Afghanistan.

Borrowing a term from my colleagues at the Department of Defense, INL's activities are the tip of the spear in terms of U.S. foreign assistance engagement. Our assistance programs

directly impact and improve foreign government capacity, and provide the platform for follow-on assistance from our interagency and multilateral partners.

Diplomacy through teamwork

To accomplish our goal of empowering partner nations to combat criminal enterprises, the State Department partners with experts from within our own Federal, State and local governments to bring expertise to bear. The DEA, ICE, and the FBI regularly provide high level skill training and mentoring in INL program countries, U.S. State and local law enforcement officers mentor and train their counterparts on investigations, community policing, and corrections systems, and Non Governmental Organizations (NGOs) are often enlisted to develop educational curriculum and anti-drug campaigns unique to specific cultures and communities.

State Department and USAID programs also enhance international cooperation and coordination among states providing alternative development, economic, and education programs where they can be most useful. We work with groups such as the United Nations, the Organization of American States, the G-8, the European Union, and the Financial Action Task Force and its regional sub-groups, and with foreign governments to set international counterdrug and anti-crime standards, deny safe-havens to criminal groups, pool skills and resources, and improve cross-border cooperation.

Two of our new international legal tools to combat organized crime are the UN Convention against Transnational Organized Crime (UNTOC) and its protocols against human trafficking and smuggling, and the UN Convention against Corruption (UNCAC). These international instruments, along with the three UN counter-drug conventions, create broad standards as well as a legal framework for mutual legal assistance, extradition, and law enforcement cooperation. They also contain unique provisions, such as those on asset recovery found in the UNCAC, providing new tools for U.S. law enforcement. The Justice Department, for example, has used the relatively new Convention Against Transnational Organized Crime on more than 35 occasions as the basis to augment existing extradition authorities and to make mutual legal assistance requests, including for illegal arms dealing, money laundering and fraud prosecutions.

Country Programs and Results

Colombia - Ten years ago, the United States and Colombia forged a close partnership under the rubric of Plan Colombia. Our goals were ambitious, but important to restoring stability in Colombia, disrupting the drug trade and protecting the citizens of the United States from illegal narcotics. Under the leadership of Presidents Pastrana and Uribe and with the help of U.S. training, equipment and political support, Colombia is now a stronger democracy and able to share the expertise it has developed with countries such as Afghanistan, Mexico, Haiti and other Latin American nations. As a result of progress under Plan Colombia and its follow-on programs, more than 50,000 paramilitary members and guerilla combatants have demobilized, coca cultivation and cocaine production potential have been significantly reduced, a new oral accusatory system of justice is improving transparency and efficiency, and local capacity has grown to a level where we are now able to transfer responsibility for management and funding of

several counternarcotics programs we helped to develop to Colombian control. Most important, public security has improved enormously over the past decade.

All of this real success does not, however, mean that the job in Colombia is done or that there are not serious challenges remaining. As Secretary Clinton has noted, due to the continued high rate of drug use in the United States, our government has a "shared responsibility" to keep working closely with drug-producing and transiting countries, while also strengthening demand prevention and treatment programs at home. In Colombia, drug cultivation and narcotics trafficking remains a source of instability and violence. Criminal organizations, some of which contain demobilized paramilitaries, are waging an internal war over drug corridors and control in some of Colombia's major cities. Human rights violations and official impunity persist albeit reduced in recent years and being increasingly addressed. And the Revolutionary Armed Forces of Colombia (FARC) and other terrorist groups, although weakened, continue to engage in the drug trade and other criminal activity.

Current U.S. counternarcotics and rule of law assistance is focused on solidifying the successes of the last decade while helping Colombia expand the presence of the state in former conflict regions. In support of the Colombian government's National Consolidation Plan, U.S. foreign assistance programs are closely integrated in areas where insecurity, the drug trade and a lack of economic opportunities remain impediments to stability and democracy and where much of the country's violence is generated.

According to the United Nations Office on Drugs and Crime, coca cultivation dropped 16 percent and cocaine production potential fell 9 percent throughout Colombia in 2009. Looking specifically at six municipalities in the Colombia department of Meta that were the initial pilots for the consolidated model of government, local and international officials estimate that coca cultivation has fallen 85 percent and cocaine production declined 88 percent from 2005-2009.

The United States Government's estimate supports the overall trend of a reduction in coca and cocaine in Colombia. The latest U.S. Government report from 2009 outlines a 29 percent reduction in coca cultivation in 2008 accompanied by a 39 percent reduction in cocaine production potential in Colombia compared to 2007 estimates. Although one of the initial goals of Plan Colombia - reducing coca cultivation by 50 percent - has not been achieved, current cocaine production potential is approximately 295 metric tons, which is a 58 percent decline from the 2001 high of 700 metric tons in Colombia. In addition to the gains made through eradication, the United States has helped bolster Colombia's interdiction capabilities. In 2009, Colombian security forces seized over 280 metric tons of cocaine and coca base.

Our efforts in Colombia have not only kept hundreds of metric tons of cocaine and heroin from the United States, our experiences there have also informed U.S.-supported initiatives in Mexico, Central America and the Caribbean. We have found that a commitment from officials at all levels – national, regional and local – is fundamental to achieving progress. Plan Colombia and its successor programs have been effective largely because there is political will, beginning at the President's Office and filtering to the local level. Additionally, it has become increasingly clear that before alternative development and justice programs can make a difference, security must also be established. Once a permanent government security presence is in place, a

comprehensive assistance program that includes counternarcotics, rule of law and economic development, has proven successful in making these achievements more durable.

Peru - Elsewhere in the Andean Region, we still look to Peru as a key U.S. partner. We continue to maintain close coordination with senior Peruvian government officials on strategies for countering the international drug trade. The Garcia Administration's counternarcotics plan coincides with U.S. goals and clearly links interdiction and eradication with alternative development and prevention. On a recent visit to Lima, I spoke with Peruvian counterparts about expanding the basis of our cooperation beyond what has been perceived in the past as an almost exclusive focus on eradication. By moving more U.S. assistance into areas such as expanding the geographic reach of the Peruvian justice system, and promoting programs such as anti-money laundering, asset forfeiture, precursor chemical control, and community policing, we can help to make Peru an even more capable partner.

Bolivia – In Bolivia, the Government's decision last year to expel all DEA personnel has clearly undermined counternarcotics efforts. We are concerned with the Bolivian Government's weakened capability to identify drug kingpins and to dismantle major trafficking organizations. The DEA provided Bolivia with intelligence and investigative capabilities that cannot be easily replaced. Nonetheless, Bolivian and U.S. officials still meet regularly to coordinate program activities and to resolve issues. We continue reaching out to Bolivia in pursuit of a cooperative counternarcotics relationship that achieves concrete results. This year, we will provide $20 million in logistics and training to support Bolivian counternarcotics efforts.

Venezuela - As noted in the UNODC World Drug Report, Venezuela is one of the principal drug-transit countries in the Western Hemisphere. Venezuela's geographic position offers access to the Caribbean Sea and Atlantic Ocean, and its extensive land border with Colombia make it a natural choice for trafficker smuggling routes. Drug trafficking is a multinational problem that requires close cooperation among all countries. More effective counternarcotics cooperation between Venezuela, Colombia, the United States and others is critical to addressing the region's drug trafficking problem. Venezuela unilaterally terminated nearly all counterdrug cooperation with the United States in 2005, and bilateral cooperation is currently limited to coordination on vessel interdiction on the high seas, and restricted, informal information exchanges between law enforcement authorities. Even so, the United States is prepared to renew counternarcotics cooperation with Venezuela. In particular, we would welcome the Venezuelan Government's signing of the outstanding Addendum to the 1978 U.S.-GoV Bilateral Counternarcotics Memorandum of Understanding, which would allow us to move forward on a mutual understanding of our joint efforts.

Mexico - In Mexico, our collaboration with President Calderon is based on the Merida Initiative, part of which has supported the growth of the federal police force, part of the Secretariat of Public Security (SSP), and its efforts to interdict illicit drugs and counter drug violence. With our support, the Government of Mexico is building capacity and credibility in its federal police force and working to further extend its reach far outside of Mexico City. Merida programs have also provided technological assistance such as non-intrusive inspection equipment and K-9 training, both of which are critical to Mexico's developing narcotics search and seizure operations along our shared border. Each of INL's assistance programs in Mexico

responds to specific requirements defined within letters of agreement between our two countries for each fiscal year, which ensures that we are both striving toward shared programmatic objectives and a shared understanding of the timing for program implementation.

Through FY09, $982 million of Merida Initiative International Narcotics and Law Enforcement (INCLE) funding has been obligated to provide support to counternarcotics programs. These obligations can be grouped into two broad efforts: purchase of equipment, or building capacity of personnel or systems.

U.S. foreign assistance programs and law enforcement collaboration with Mexico is showing tangible results. In 2009 alone Mexico extradited 107 fugitives to the United States, exceeding the highest previous number – 95 extraditions in 2008. Mexican operations have disrupted the illicit operations of powerful drug trafficking organizations, including removing top leadership, such as Arturo Beltran Leyva (killed during attempted arrest) in December 2009, the arrest of Carlos Beltran Leyva in December 2009, the arrest of Eduardo Teodoro "El Teo" Garcia Simental (Arellano Felix Cartel) in January 2010, the arrest of Jose Antonio "Don Pepe" Medina Arreguin, March 2010, and the arrest of Gerardo "El Indio" Alvarez Vasquez in April 2010.

This unprecedented level of cooperation continues north of the border, where the multi-agency Project Coronado resulted in the arrest of 1,186 alleged members of the drug trafficking organization La Familia Michoacana in October 2009. In February 2009, more than 750 individuals were arrested on narcotics-related charges under Operation Xcellerator, a multinational effort that targeted the Sinaloa cartel, seizing $59 million, hundreds of firearms, more than 12,000 kilos of cocaine, and 5,500 kilos of methamphetamine. On June 10, Attorney General Holder announced the arrest of more than 2,200 individuals on narcotics-related charges in the United States and the seizure of more than 74.1 tons of illegal drugs as part of a 22-month multi-agency law enforcement investigation known as "Project Deliverance" -- a U.S.-Mexico, interagency, cross-border operation.

In 2008, President Calderon signed a constitutional amendment, approved by the Mexican Congress and the majority of states, which paved the way to transition from its old inquisitorial judicial system to an accusatory system that uses transparent oral trials and relies more heavily on physical evidence. The new system, which by law must be implemented by 2016, should make it more difficult to corrupt or disrupt the judicial process. While the federal government and parliament has been slow to make the changes necessary to implement the accusatory system – for example, developing and passing a new criminal procedures code and a new penal code – fifteen Mexican states have begun reforming their own judicial systems in this direction. Six states are already using oral trials.

In order to tackle pervasive corruption, the Government of Mexico began systematically removing from duty thousands of corrupt policemen, customs officials, law enforcement officials and prosecutors, including high-level officials. In re-building these institutions, the Government of Mexico is working towards developing extensive internal controls which should mitigate systemic corruption. They are developing career tracks, with increased salaries, building an esprit de corps, enhancing management skills and integrating offices of professional

responsibility and/or internal affairs, into each and every justice institution. To prevent corrupt police from being hired in another state or municipality, the government has developed a National Police Registry, which will include advanced biometric technology. In the Attorney General's office, or PGR, the Government of Mexico has developed a modern, computerized case management system with sophisticated checks and balances to make it much more difficult for prosecutors to lose case files, or improperly influence a case. The system is to be online and operational across most parts of the country in 2011, with country-wide operability in 2012.

The Government of Mexico is now targeting entire criminal organizations, from drivers to financiers, and hit-men to middle-managers. The joint U.S. Government-Government of Mexico High Value Target List is an important element, but is not the only focus. The United States is supporting Mexico's specialized units with training, equipment, and technical advice. We are working on complex money laundering investigations, asset forfeiture issues and weapons trafficking. We are building mechanisms to share information vital to the investigation and arrest of Mexican criminals. U.S. assistance has also successfully expanded Plataforma Mexico, which provides sophisticated information technology equipment to law enforcement entities, and contributes equipment to enhance the security of law enforcement and judicial officials throughout Mexico. Finally, the record number of extraditions from Mexico to the United States during the last three years has demonstrated Mexico's efforts to bring serious violent offenders to justice.

The State Department is also helping Mexico build strong and effective institutions to sustain the rule of law and protect human rights. The United States is supporting Mexico's reform of its criminal justice sector – from the police, to prosecutors, customs, corrections and the judiciary. For example, U.S. Federal, State, and local law enforcement officers were instrumental in training over 4,300 new Federal Police investigators in investigative techniques, including securing a crime scene, interviewing suspects and witnesses, surveillance, evidence collection, and testifying in oral trials. We are providing expertise and funding for prosecutorial training in all 31 Mexican states and the federal district this year, focusing on the new judicial reforms. We are currently working with Mexican Customs to provide assistance for their new academy, and we have provided training for law enforcement K-9 programs and their handlers. In one of the more innovative programs, we are working with the U.S. states of Colorado and New Mexico to provide training and technical assistance for corrections officers, not only from Mexico, but also from Central America. We are working with the Government of Mexico now to determine how best to engage with their State and local institutions. We know that State and local entities are key to the long-term effectiveness and sustainability of our cooperative justice sector reform efforts in Mexico.

The State Department is also committed to helping Mexico improve and develop its border security capabilities, improving and modernizing their inspection efforts in line with 21st century practices. The U.S. and Mexican governments have launched a range of initiatives that challenge the traditional view and are developing a framework for a new vision of 21st century border management. In the short term, U.S. assistance is contributing non-intrusive inspection equipment and K-9 programs to detect drugs and other contraband moving north, and guns and cash moving south. The State Department is working with a number of interagency colleagues

to help build new capabilities within Mexico's border forces, as well as enhance our information sharing and better coordinate our operations on the U.S. side of the border.

Finally, we are working to build strong and resilient communities in Mexico. We know that communities are key to deterring the influence of criminal organizations, whether through anonymous tips, socio-economic alternatives, or educational opportunities. State Department assistance in this area will help build a culture of lawfulness through continued engagement and education with schools, the media, law enforcement officials and civil society. Our assistance will also be expanded to devote increased resources to the prevention and treatment of substance use and its consequences – goals reflected in our National Drug Control Strategy. This year, the Office of National Drug Control Policy and the Department of State hosted a delegation from Mexico at a Bi-national Demand reduction conference to share information and develop next steps for reducing illicit drug consumption on both sides of our shared border – consumption that is fueling the violence. The State Department is also working closely with the Government of Mexico to enhance tip lines and emergency call centers so that the police will be more accountable and responsive to the communities they serve and foster greater public confidence.

We have also agreed with the Government of Mexico to work together in several of the most affected Mexican communities, like Ciudad Juarez. In February and June, our governments held bilateral planning sessions to discuss options for improving the situation in Juarez. Our discussions spanned various topics including: 1) improving information collection and analysis and using it to lead law enforcement operations and investigations; 2) developing law enforcement task forces to best utilize resources for patrols, investigations, and visible policing; 3) promoting enhanced cooperation in investigations between Federal, State, and local police officers and the military; 4) augmenting expert prosecutors in Juarez and developing procedures for cooperation between Federal and State prosecutions; 5) developing standard procedures for securing a crime scene and collecting evidence; 6) elaborating a plan for safe, secure and humane detention facilities; and 7) establishing procedures to vet active state and local police officers and weed out corrupt actors.

We are working closely with Mexican officials to direct U.S. assistance where it can best be applied in Juarez. The range of assistance being offered includes: measures to reform State and local police, internal controls, assistance to prosecutors and judges, corrections training, equipment, including complex IT and communications equipment, as well as technical assistance and advice on running task forces, sharing information, and developing actionable law enforcement information. Because Chihuahua has already converted to an accusatory system, State police and judicial officials in Juarez begin their work with a presumption of innocence, and are relying on evidence for their cases, while Federal officials, including a recently-deployed cadre of SSP officers are still working in the old inquisitorial system. These examples do not prohibit work in Juarez, but they do provide a sense of how complex the situation is and how there are conflicting systems that require time-consuming coordination.

Afghanistan - On the other side of the world, the United States has been taking steps to counter a very different drug threat. Like Colombia, Afghanistan is the world's largest producer of an illegal set of drugs; in this case opiates. Unlike Colombia, most of these drugs do not come to the United States but either remain in the region or go to Europe, Russia, China, the Middle

East or West Africa However, the drug trade poses a threat to Coalition efforts to stabilize the region and Afghanistan itself. Funding from the drug trade supports the Taliban other insurgent groups trying to overthrow the Afghan government. It also fuels the extensive corruption that undermines the ability of the Government of Afghanistan to provide security, expand development, and strengthen the rule of law.

To ensure a comprehensive and coordinated approach to the drug problem in Afghanistan, we are currently working with our interagency and international partners to target narcotics traffickers and drug lords – especially those with ties to the insurgency – and enhance the government's focus on agriculture, interdiction, demand reduction, public information, and rule of law. All of our efforts aim to connect the Afghan people to effective government institutions, build the capacity of central and provincial authorities, provide legal alternatives to poppy, and target – and dismantle – the very intersection where corruption, insurgency, and narcotics threaten the progress of Afghanistan, its neighbors, and the United States.

Central Asia - Most of the opiates produced in Afghanistan pass through Iran and Pakistan en route to regional and international markets. However, Central Asia is an important route for opiates destined for the Russian market. To help stem the flow of Afghan opium and heroin through Central Asia and onward to Europe and Russia we work closely with drug control agencies and border services in the region to improve interdiction, law enforcement information sharing, and border controls.

For my bureau, the central focus is Tajikistan, which shares a porous 828 mile border with Afghanistan. Since 2005, we have reconstructed border posts at nine key locations and provided training and equipment that have made the Tajik Drug Control Agency one of the best in the region. To enhance regional cooperation, we provide substantial political and financial support for the Central Asian Regional Information Coordination Center (CARICC) located in Kazakhstan, which serves as a hub for the Central Asian nations, Russia, and Azerbaijan to exchange law enforcement information and facilitate international cooperation on drug investigations. In 2009, CARICC conducted three international "controlled delivery" operations involving Central Asian governments, Russia, and Ukraine that led to the dismantling of three transnational criminal organizations. Prior to the creation of CARICC, there was no such regional coordination mechanism at the operational level. In southern and central Europe, the Southeast European Cooperative Initiative's Center for Combating Trans-border Crime (or SECI Center), which the Department of State helps to support, plays a similar coordinating role among 13 states. Both organizations represent important steps forward in regionalizing law enforcement efforts and strategies in order to match the transnational reach of criminal organizations.

West Africa - About 40 percent of the cocaine trafficked to Europe transits through West Africa. Since law enforcement there is generally weak, under-resourced, and notoriously corrupt in almost all of the countries, these states can offer a series of safe havens where traffickers can operate with impunity. Even where police are able and willing to make arrests, convictions are rare and prison sentences even rarer. The power of traffickers has become pervasive in Guinea Bissau. Such areas serve as a natural magnet for other crime groups – whether trafficking in persons, firearms, or other contraband. This illicit commerce could eventually attract terrorist

groups seeking to train and operate with minimal interference. Finally, there is clear evidence that Colombian cartels have branched out and are now operating on the ground in some West African states. This creates an additional source of income that strengthens the mother organizations back in South America.

The State Department led interagency assessments throughout the region. AFRICOM, DEA, and other USG agencies participate. These have been a valuable source of information on how narco-trafficking is affecting West African countries, the capability and will of regional governments to confront narco-trafficking, and the steps our international partners are taking to address the problem. Our goals in the region are to create an inhospitable operating environment for international drug trafficking organizations by strengthening host nation criminal justice institutions and to improve West African counterdrug cooperation with the United States. Since some EU states are also stepping up their activities there, Department coordination with the EU promotes mutually reinforcing programs.

Demand Reduction

Thus far, my remarks have focused on supply reduction, programs and initiatives to attack and disrupt organizations and the supply train at various points in the process and to change the economic environment that encourages drug production. The State Department also has programs to help foreign governments reduce their own domestic demand for drugs, an increasing problem for many societies that previously regarded themselves as largely immune to drug abuse. This includes many developing countries, some of which now have the highest rates of serious drug addiction in the world. In 2009, we worked with approximately 400 community groups in 30 countries.

As we say in my bureau, our demand reduction program punches above its weight. A little goes a long way. Department assistance to volatile regions of the world, for example, provides access to major Muslim-based organizations and networks that are critical for advancing America's national security interests in those parts of the world and helps prevent at-risk youth from falling into drug trafficking and terrorist organizations through programs to reduce drug abuse and drug-related violence. Collaboration in Afghanistan, Pakistan, and Indonesia with our network of Muslim-based, anti-drug programs that prevent and reduce drug use (e.g., outreach and drop-in centers) also provides additional alternatives to radical schools that recruit young people into terrorist organizations. The demand reduction network has provided an inroad into previously inaccessible enclaves such as mosques and madrassas in many societies that have helped establish a *prevention component* to our collective efforts to fight terrorism.

More generally, we have found that demand reduction assistance in source countries has made community leaders with whom we work more receptive to supply reduction efforts. Moreover, since a relatively small percentage of chronic drug users consume the majority of drugs in many foreign countries, getting such users into treatment not only reduces drug consumption, but also helps to undermine local drug markets and reduce the profitability of drug dealing. Our demand reduction programs not only improve the quality of life, but also help undermine the illicit networks, including those with insurgent and terrorist connections.

Conclusion

The State Department makes use of a broad range of tools to attack transnational drug and other criminal enterprises. Our primary focus is on improving the criminal justice sectors – police, prosecutors, courts, and administration – of foreign governments so that they can confront such threats directly on their home turf and before they reach our borders. In key drug source countries, this also includes support for drug crop elimination and assistance programs to wean farmers away from drug crops. By modernizing police methods and criminal laws, we also improve the ability of partner governments to cooperate with U.S. law enforcement agencies at the operational and prosecutorial level.

Mr. KUCINICH. Thank you, Ambassador.
Mr. Wechsler.

STATEMENT OF WILLIAM F. WECHSLER

Mr. WECHSLER. Thank you very much, Chairman Kucinich, Ranking Member Jordan. I appreciate the opportunity to discuss the Department of Defense's counternarcotics programs and, in particular, the steps we have taken and are taking to improve our performance management system, which I know is a strong interest of the committee. It is a pleasure to appear before you alongside my colleagues.

International illicit drug trade is a multifaceted national security concern for the United States, weakening the rule of law and preventing governments from effectively addressing other trans-national threats. The global and regional terrorists who threaten interests of the United States often finance their activities through narcotics trafficking.

Through its combatant commands, the military departments and Defense agencies, the Department of Defense provides unique capabilities and expertise in support, and that is critical, we are supporting agency on this mission set, in support of Federal, State, local, and foreign law enforcement agencies. Maintaining force readiness through demand reduction programs for the armed services is also a critical component of our counternarcotics efforts. Roughly half of our just slightly over $1 billion budget for fiscal year 2011 supports international efforts, and the other half supports domestic law enforcement, demand reduction, and intelligence and technology programs.

These efforts, coordinated through strong leadership of Director Kerlikowske and his team, are integrated into the Obama administration's wider whole of Government approach that has been discussed.

The narcotics threat has changed dramatically since the 1980's, when trafficking of cocaine directly into Florida made Miami Vice the hit television series. While the narcotic mission was not a principal focus of the Department, Congress recognized that Department of Defense was uniquely suited to conduct aerial and maritime surveillance of illicit drug shipments bound for the United States. Department of Defense programs primarily implemented by U.S. Southern Command and JIATF-South have made tremendous impact on the drug flow directly into Florida and the U.S. mainland since then.

While the counternarcotics mission was once slow to be embraced by some Defense policymakers, today the Department is widely recognized as a critical component of the national drug control strategy, and JIATF-South is viewed as a model for inter-agency coordination and regional engagement.

Drugs, of course, still come into Florida, but the scale and challenge of this part of the problem is a shadow of what we confronted in the 1980's.

During the late 1990's, the Department of Defense played a vital role in development and implementation of Plan Colombia by providing equipment, information sharing, and capacity building to the Colombian armed forces. In Colombia, Defense counternarcotics

programs as part of the whole of government integrated strategy led by the Department of State, including DEA and US AID, have helped the government of Colombia increase its presence throughout the country, reduce level of violence, disrupt drug production and trafficking, and dismantle drug trafficking organizations. Through these efforts, today Colombia is an exporter of security in the region.

Many challenges, of course, remain in Colombia, beginning with the diminished but continuing unacceptable levels of cocaine production there, but by any reasonable measures the situation in Colombia today is far, far better than that which we confronted in the 1990's.

In Mexico our programs are supporting President Calderon's continuing campaign to confront rising violence fueled by drug trafficking and other organized crime. Our support to Mexico complements the Merida Initiative, led by the State Department, and closely coordinated with our inter-agency partners, both at post and in Washington.

Today we are also applying the appropriate lessons learned in Colombia and elsewhere to confront heroin production and trafficking in Afghanistan. While the Department of Defense has traditionally provided counternarcotics support to law enforcement missions, in Afghanistan our law enforcement partners, such as DEA, are providing critical counternarcotics support for our military objectives. This support is critical because the drug revenues support the Taliban insurgency and undermine the rule of law by fueling corruption.

While Afghanistan presents unique and complex challenges, the interagency cooperation fostered in Colombia is paying dividends today in Afghanistan. The revised counternarcotics strategy that has been referred to previously for Afghanistan emphasizes the whole of government approach to counternarcotics mission that is incorporated into our overall counterinsurgency strategy.

Soon after coming into this office last year it became clear to me that the Department needed to do a much better job as it had before in evaluating the effectiveness of our programs. While performance measurements were being collected and reported, they were inconsistent, too focused on inputs and outputs, not adequately aligned with the national drug control strategy, and were rarely used as a basis for budgetary or policy decisions. Many of these issues have been highlighted in the GAO report released today.

Recognizing the need to improve these performance management systems for the Department's counternarcotics efforts, in June 2009, which was 1 month after I arrived, I launched a comprehensive review of the system. Based on this preliminary assessment, we identified corrective actions, and in May I issued new performance measurements procedures for all programs my office supports. We are now undergoing a very thorough process to further identify and execute those efforts.

In 2011 and beyond we will incorporate theater-specific data for each combatant command to further enhance the program's usefulness to leadership and program managers in the field.

I spent the last 8 years before returning to Government service as a management consultant. This subject is one that I am quite

passionate about, and I know that any successful performance management system must be useful to the implementers, as well as those making decisions from a programmatic level, so that they can effectively input the data that we are going to need to make the cost effectiveness decisions that we have to make.

Mr. Chairman, this concludes my prepared testimony. Thank you again for the opportunity to discuss these issues with you. I look forward to addressing any questions that you might have.

[The prepared statement of Mr. Wechsler follows:]

TESTIMONY

WILLIAM F. WECHSLER

DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR

COUNTERNARCOTICS AND GLOBAL THREATS

BEFORE THE SUBCOMMITTEE ON DOMESTIC POLICY

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

"International Supply Reduction and Interdiction Programs"

July 21, 2010

Chairman Kucinich, Representative Jordan, and other distinguished members of the Subcommittee, thank you for the opportunity to discuss the Department of Defense's (DoD) role in disrupting the production and trafficking of illicit narcotics bound for the United States. I'd like to begin by providing a brief overview of the DoD's counternarcotics (CN) program and what I consider to be a significant return on our investment by the demonstrable progress being made. I will then discuss the efforts we have undertaken to improve our performance management system.

Counternarcotics Program Overview

The transnational illicit drug trade is a multi-faceted national security concern for the United States. The drug trade is a powerful corrosive force that weakens the rule of law in affected countries, preventing governments from effectively addressing other transnational threats, such as terrorism, insurgency, organized crime, weapons trafficking, money laundering, human trafficking, and piracy. The global and regional terrorists who threaten interests of the United States finance their activities with the proceeds from narcotics trafficking. The inability of many nations to police themselves effectively and to work with their neighbors to ensure regional security represents a challenge to global security. Extremists and international criminal networks frequently exploit local geographical, political, or social conditions to establish safe havens from which they can operate with impunity.

The Department of Defense supports the *National Drug Control Strategy* by providing assistance to local, State, Federal, and foreign agencies to confront the drug trade and narco-terrorism. DoD support for law enforcement includes detecting and monitoring drug trafficking, sharing information, and helping countries build their capacity to confront drug trafficking. DoD CN efforts are also focused on maintaining force readiness through demand reduction programs for the Armed Services.

Through its Combatant Commands, the Military Departments, and the Defense Agencies, DoD provides unique military platforms, personnel, systems, and capabilities that support federal

law enforcement agencies and foreign security forces involved in CN missions. The DoD CN mission targets those terrorist groups worldwide that use narcotics trafficking to support terrorist activities by deploying CN assets in regions where terrorists benefit from illicit drug revenue or use drug smuggling systems.

The Office of the Deputy Assistant Secretary of Defense (DASD) for Counternarcotics and Global Threats (CN&GT) is the single focal point for DoD's CN activities, reporting to the Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict and Interdependent Capabilities and the Under Secretary of Defense for Policy. The office of the DASD (CN&GT) was established to ensure that DoD develops and implements a focused CN program with clear priorities and measured results. Consistent with applicable laws, authorities, regulations, and funding, the office ensures that sufficient resources are allocated to the CN mission to achieve high-impact results.

All DoD CN programs, with the exception of Active Duty military pay and Service operations tempo ("OPTEMPO"), are funded through the DoD Counternarcotics Central Transfer Account (CTA). The CTA was established by the FY 1989 Defense Appropriations Act and designed to allow for maximum flexibility to respond to ever-changing drug trafficking patterns. In FY 2011, the Department has requested $1.13 billion for CN efforts through the CTA. Of this total, approximately 12 percent would go to support demand reduction, 19 percent to support domestic law enforcement assistance, 18 percent to support intelligence and technology programs, and 51 percent to support international counternarcotics activities.

Return on DoD CN Investment

The narcotics threat has changed dramatically since the 1980's when the trafficking of cocaine directly into Florida made *Miami Vice* a hit television series during that time. While the counternarcotics mission was not a principal focus of the Department, it was soon recognized that DoD's aerial and maritime surveillance capability and command and control structure was uniquely suited for the detection and monitoring of illicit drug shipments bound for the United States. These DoD programs, primarily implemented by U.S. Southern Command, and its Joint

Interagency Task Force – South (JIATF-S), have made a tremendous impact on the drug flow directly into Florida and the U.S. mainland. While the counternarcotics mission was once slow to be embraced by some Defense policymakers, today the Department is widely recognized as a critical component of the *National Drug Control Strategy*, and JIATF-S is viewed as a model for interagency coordination and regional engagement.

During the late 1990's, DoD played a vital role in the development and implementation of Plan Colombia by providing equipment, information sharing, and capacity building to the Colombian armed forces. All recipients of DoD training assistance are required to undergo human rights vetting consistent with the Leahy Amendment. In Colombia, DoD CN programs, coordinated closely with the Department of State, DEA, and USAID, have helped the Government of Colombia increase its presence throughout the country, reduce levels of violence, disrupt drug production and trafficking, and dismantle drug trafficking organizations.

The U.S. Government coca crop estimate for Colombia highlights for the first time the results of scientific studies showing how eradication pressure is diminishing the productivity of existing coca fields. New productivity data show that Colombia's maximum potential production dropped to 295 metric tons of pure cocaine in 2008. Based on recent scientific field studies by DEA on the impact of eradication, we can now calculate that Colombia's maximum potential production of pure cocaine has fallen a full 58 percent since its high point in 2001 (from 700 metric tons to 295 metric tons). This success is directly attributable to the will of the Government of Colombia to attack trafficking at its source through eradication, increased Government of Colombia presence, improved security, and development programs to provide alternatives to coca cultivation. The declines in maximum potential production, combined with other effective law enforcement efforts, have contributed to the decline in cocaine purity and increase in cocaine prices in the United States.

By working with the governments of producing countries, we can eliminate illegal drug crops before they move to final production and interdict drug shipments before they are broken down into smaller loads, thereby removing the greatest amount of narcotics from the market. In so doing, we assist partner nations in strengthening public security and democratic institutions,

and strike powerful blows against terrorist groups and international organized crime by denying those criminal groups access to the profits from drug production at the beginning of the trafficking chain.

Despite these many successes, Colombia continues to face challenges, including increasingly porous borders with its neighbors, particularly Venezuela, where there is almost no control of cocaine flow from Colombia and no cooperation with the United States or other allies to pursue cocaine movement through and from its territory.

JIATF-S continues to produce extraordinary results every year. Led by a U.S. Coast Guard Rear Admiral, JIATF-S is comprised of individuals from all four Military Services, 14 different Executive branch agencies, and 13 partner nations. Its joint operating area covers nearly 42 million square miles, which is almost 21 percent of the earth's surface. In the 20 years it has been conducting operations in this region, 2,500 metric tons of cocaine have been seized, 705,000 pounds of marijuana interdicted, 4,600 traffickers arrested, 1,100 vessels captured, and a total of approximately $195 billion removed from the profits of the drug cartels.

In Mexico, the DoD CN program is supporting President Calderon's continuing campaign to confront rising violence fueled by drug trafficking and other organized crime. DoD CN support to Mexico is implemented primarily through U.S. Northern Command (NORTHCOM) and includes training, equipment, and information sharing as well as indirect support to units of the Mexican armed forces with counter-narcoterrorism missions. While outside of the scope of the Merida Initiative foreign assistance funding, DoD CN-funded support to Mexico complements Merida and is closely coordinated with our interagency partners both at post and in Washington. We are also working with SOUTHCOM and NORTHCOM to develop a joint security effort in the border region of Mexico, Guatemala, and Belize, that will complement the Merida Initiative and Central America Regional Security Initiative (CARSI).

Today, we are applying lessons from our experience in Colombia to the challenges we face in Afghanistan. While the two countries have vast differences and unique histories and circumstances, there are several key lessons that can and should be applied. First, we must

look at the CN problem in the wider context of counter-insurgency (COIN), counter-terrorism (CT), counter threat finance (CTF), anti-corruption, and other efforts to confront criminal activities. Second, in order to be successful, we must draw upon our interagency partners to apply a "whole of government" approach to this complex set of issues. In many ways, the experience of working side-by-side our interagency partners in Colombia is paying dividends in Afghanistan today, both strategically and operationally. While DoD has traditionally provided military support to law enforcement activities, in Afghanistan the opposite is also true. In Afghanistan, the expertise and authorities of our law enforcement partners are essential to our accomplishing our military objectives. While relatively little of the heroin produced in Afghanistan is ultimately bound for the United States today, U.S. law enforcement agencies such as DEA have been at the forefront of our CN efforts in support of broader U.S. national security interests. The revised counternarcotics strategy for Afghanistan emphasizes a CN mission that is incorporated into the overall counterinsurgency strategy and places greater emphasis on interdiction and alternative livelihoods.

Finally, I'd like to take the opportunity to discuss the positive impact made by the demand reduction programs my office supports. DoD drug prevention programs are critically important to the well-being of our Service members and their families and to the readiness and productivity of our Armed Services. All U.S. Service members are subjected to random drug testing throughout the year, whether in garrison or while deployed. Through the CTA account, my office provides approximately $140 million annually for seven separate programs designed to provide anti-drug education and support for random urinalysis drug screening for military and civilian Defense personnel. These programs are managed through the U.S. Army Medical command, the Army Center for Substance Abuse Program (ASCAP), the Naval Environmental Health Center, the Office of the Naval Alcohol and Drug Abuse Prevention (NADAP), the Air Force Substance Abuse Prevention and Treatment, and the Armed Forces Institute of Pathology (AFIP). We are proud of these efforts and the results they have achieved in maintaining a positive test rate of less than two percent for military members and less than one percent for civilian personnel.

Measuring Progress Towards CN Strategic Goals

Soon after coming into this office last year, it became clear to me that the Department needed to do a better job in evaluating program performance to evaluate the effectiveness of our programs. While performance measurements were being collected and reported, they were inconsistent, too focused on inputs and outputs (e.g. flying hours, pilots trained, etc.) rather than outcomes (e.g. successful interdictions, seizures, etc.), were not adequately aligned with the *National Drug Control Strategy* or the Department's CN strategy, and were rarely used as a basis for budgetary or policy decisions. Many of these issues have been highlighted in a Government Accountability Office (GAO) report released today.

As one of several Federal agencies supporting the *National Drug Control Strategy*, DoD is required to provide annual CN performance data to substantiate progress towards our strategic objectives. To comply with this requirement, DoD employs a Counternarcotics Performance Metric System to track and collect annual data from the Military Departments and Combatant Commands with authorized CTA-funded projects and to report this information to the Office National Drug Control Policy. In FY 2009, the Department collected data on 285 performance metrics (222 unclassified and 63 classified) that align with the CN program's three strategic objectives for detection and monitoring, information sharing, and partner nation capacity building.

Recognizing the need to improve the performance management system for the Department's CN efforts, in June 2009, my office launched a comprehensive review of the system to improve its quality and usefulness. As part of the review, each of the 285 metrics were analyzed based on the following criteria: 1) the direct applicability of the stated measure, 2) measure's objectivity; 3) the usefulness of the measure for management, 4) the link between the measure and its related goal, 5) the timeliness of the data collection and 6) the adequateness of the stated measure to capture the activity.

Based on this preliminary assessment, we identified the following four corrective actions to improve the office's performance management system.

1) Establish a CN strategic results framework cascading from the *National Drug Control Strategy* through the DASD-CN strategic goals and objectives, to the individual theater CN strategies of each Combatant Command.

2) Distill the performance indicators to a more manageable size built around a uniform and consistent set of measurements.

3) Establish meaningful performance targets consistent with annual planning, programming, budgeting, and execution timeline.

4) Expand CN performance measurement guidance to institutionalize the performance metric system.

On May 18, 2010, I issued standard operating procedures to be used to document performance for any activity funded through the Department's CTA. These guidelines will create a more informative performance metric architecture and better align Military Department and Combatant Command CN objectives and performance measures with the Department's CN strategy. We have also begun an effort to revise the current DoD CN strategy to reflect adjustments to the *National Drug Control Strategy* and to establish more precise goals and objectives for the Department's CN program.

In FY 2011 and beyond, we will incorporate theater CN strategies of the COCOMs to produce theater-specific outcome and output data to help program managers quickly evaluate program performance and make immediate adjustments if necessary. We have begun to incorporate performance management into the Program Objective Memorandum (POM) budget process for FY 2012-2016 to ensure that our out-year budgets presented to Congress are informed by performance data that is clear, consistent, objective, and closely linked to key strategic objectives. Looking ahead, it is important that we ensure that the implementers in the field have significant "buy-in" to the performance measurement process. In order to produce

meaningful results, a performance management system must incorporate information that is useful to both leadership and to the program managers in the field.

Mr. Chairman, this concludes my prepared testimony. Thank you again for the opportunity to discuss these issues with you. I look forward to addressing any questions that you or other Members of the Subcommittee may have.

Appendix A – U.S. Department of Defense Counternarcotics Authorities

Section 1004 of the National Defense Authorization Act for Fiscal Year 1991, as amended, extended, and restated provides the Secretary of Defense may provide support for the counter-drug activities of any other department or agency of the Federal Government or of any State, local, or foreign law enforcement agency for any of the purposes [listed in statute] if such support is requested.

Section 1033 of the National Defense Authorization Act for Fiscal Year 1998, as amended, provides that the Secretary of Defense may provide any of the foreign governments named [in the statute] with support, such as equipment, maintenance and repair of equipment, for the counter-drug activities of that government.

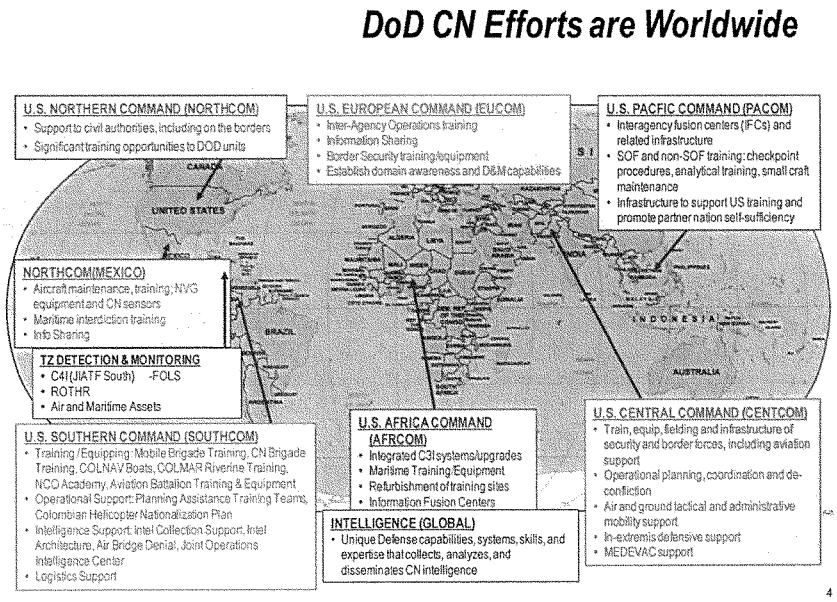
Section 1022 of the National Defense Authorization Act for Fiscal Year 2004, as amended, extended, and restated provides that a joint task force of the Department of Defense that provides support to law enforcement agencies conducting counter-drug activities may also provide support to law enforcement agencies conducting counter-terrorism activities.

Section 1021 of the National Defense Authorization Act for Fiscal Year 2005, as amended, provides that DoD may provide assistance to the Government of Colombia to support a unified campaign by the Government of Colombia against narcotics trafficking and against activities by organizations designated as terrorist organizations.

Section 112 of United States Code Title 32 provides that the Secretary of Defense may provide funds to the Governor of a State for state drug interdiction and counter-drug activities, including drug demand reduction activities.

10 U.S.C. 2576a authorizes the Secretary of Defense to transfer excess personal property, including small arms and ammunition, to Federal and State agencies for use in law enforcement activities, including counter-drug and counter-terrorism activities.

Appendix B – U.S. Department of Defense Counternarcotics Efforts Worldwide



Mr. KUCINICH. Thank you very much.

We are going to have at least two rounds of questions of the panel.

I would like to begin with Mr. Kerlikowske. We are looking at what is, without a doubt, a multi-billion-dollar enterprise in just about every country where drugs are produced. What kind of work do you do, and can you give this committee any insight into whether or not there are any banks in this country that end up being the repository of massive amounts of drug money, or banks through which drug money is being laundered, banks in the United States?

Mr. KERLIKOWSKE. Mr. Chairman, I don't know which banks would be involved in money laundering. I do know of a certain——

Mr. KUCINICH. Do you look to see if banks are involved?

Mr. KERLIKOWSKE. I don't look at the banks. I know that FINSEN, OFAC, the Treasury Department does. I am very familiar with Attorney General Goddard's settlement with Western Union, and I am very familiar with the Department of Homeland Security work that is being done to not only look for the threat when it comes to finances, but also to stop the bulk cash that goes south. So I know that there are a lot of Federal law enforcement agencies that are looking at that, and certainly some State and locals.

Mr. KUCINICH. Do either of the other witnesses have any experience or information relating to money being laundered through U.S. banks or drug money being deposited in U.S. banks?

Ambassador JOHNSON. Mr. Chairman, not in U.S. banks. I would use this opportunity, though, to underscore the steps that the Mexican government has taken in the last several weeks strictly to limit the amount of cash that can be deposited there as a way to provide a method for helping to combat the leakage into their own system.

Mr. KUCINICH. Mr. Wechsler.

Mr. WECHSLER. Yes, sir. I would greatly encourage you to ask the Treasury Department. As someone who used to work at the Treasury, we have come a long way since the 1990's when U.S. banks—and the Congress was the one who discovered this—U.S. banks were actively abetting, in some cases, drug trafficking organizations.

Mr. KUCINICH. With all the funny business that has gone on in Wall Street, it seems like it is an appropriate time to ask that question, and we will contact them.

Directing staff, we are going to talk to somebody in Treasury about following up on those questions.

Thank you.

I want to ask, I read your testimony, Ambassador Johnson. You said that to ensure a comprehensive and coordinated approach to the drug program in Afghanistan, we are currently working with our interagency and international partners to target narcotics traffickers and drug lords, especially those with ties to the insurgency. Are you also looking at those with ties to the central government?

Ambassador JOHNSON. The Drug Enforcement Administration has its largest deployment anywhere abroad, and a very comprehensive system to look at all forms of trafficking from wherever it is originating, and is working with the Afghan authorities, as well as authorities here, to develop cases. Those specific cases are

something that I am sure that no one would address during their development stage, but I will assure you that DEA is looking at this without regard to who may be involved.

The concentration on the traffickers who might be involved with the insurgency is a step that has been taken in order to complement the counterinsurgency strategy of the military, and so the targeting, the focus is of necessity there. But in terms of case development, it is without regard to person.

Mr. KUCINICH. But if the central government is involved in looking the other way or discouraging reduction and demand, it is quite possible that you ought to be looking at them, as well, isn't that true? You mention insurgents. There is an inflection there. I just wanted to see if that inflection represented an omission, a correction, or there was a lack of inclusion there. I am talking about the central government, which has become famous for corruption. I just wondered what you are doing.

Ambassador JOHNSON. The work has been, I think, of necessity focused as much as possible on where the insurgents are getting their cash and how they are operating in areas where we are seeking to prosecute the war. But to underscore again, the efforts that are being undertaken in the law enforcement area are without regard to origin.

Mr. KUCINICH. I am going to ask a question of Mr. Wechsler, and then I have a whole series of questions to ask you again about your testimony.

Mr. Wechsler, given your involvement here, do you ever see any evidence where U.S. resources, particularly those that are being used by contractors of the U.S. Government, are involved in either the production of or the shipment of narcotics? Have you ever looked at whether contractors who are said to be working for the United States are actually involved in any drug activities that move the drugs out of the countries in which we are involved militarily?

Mr. WECHSLER. Sir, I have not seen evidence of any contractors that are involved in the drug trafficking problems that we encountered in Afghanistan. No, sir.

Mr. KUCINICH. I saw the Secretary of Defense the other day made a statement he wasn't even sure how many people he had out there in terms of different contractors, so it seems to me it would be a fair question, is it not, that if you don't know how many people are out there and you have this big drug problem, to maybe do some kind of cursory review of what is going on with your contractors who may or may not be coming into contact with some of these drug supply routes.

Mr. WECHSLER. Yes, sir. I can speak to the ones that I know about in my programs, and I can say that I haven't seen that. The general question about contractors I know is one that has the attention at the very highest levels of the Department of Defense, and an awful lot of work is being done because of some of the wider concerns that you allude to today.

Mr. KUCINICH. You know, this whole hearing is about what are we doing to reduce the amount of drugs that are coming into this country and the effectiveness of the programs thereof. Since we have a proliferation of contractors, it seems to me that there is also

potential routes into the country that open up through these different contractors. I just thought I would share with you that observation.

Mr. WECHSLER. It is a very good point, and the general concern about the contractors and, more to the point, their subcontractors and their subcontractors is one that is very much the attention of the Department. Absolutely.

Mr. KUCINICH. And you are familiar with the Tierney report about how we contract out, and the contractors have subcontractors who actually end up shooting at our own troops.

Mr. WECHSLER. Yes, sir.

Mr. KUCINICH. So the drug issue comes up in that.

Mr. Jordan, thank you for your indulgence. Go on.

Mr. JORDAN. Thank you, Mr. Chairman. Again, I think just underscoring the need for the right kind of processes and structures to be in place so that we can measure all this.

Thank you all for being with us. Mr. Kerlikowske, thank you. I know you have been in front of our committee and Judiciary Committee several times, so we appreciate the work you do and your willingness to come here.

The National Drug Control Strategy issued in May of this year states that the administration firmly opposes the legalization of drugs, obviously a good statement to see, and that would include, Mr. Kerlikowske, legalization of marijuana?

Mr. KERLIKOWSKE. You are correct, Mr. Jordan.

Mr. JORDAN. In light of that, talk to me about what at least appears to be somewhat contradictory, the Justice Department's decision relative to the law in California with respect to marijuana and the National Drug Control Strategy issued just 2 months ago, and likely what may happen in here in the District relative to the substance of marijuana.

Mr. KERLIKOWSKE. The two issues are the legalization of drugs, including legalization of marijuana, and then the second part is the medical marijuana issue. Medical marijuana has been in California since 1996. I don't think there is anyone that doesn't recognize the explosion in the last several years of medical marijuana dispensaries and recommendations that have come out.

The Attorney General, and I believe rightly so, through his office issued guidelines to the 15 U.S. attorneys or 16 U.S. attorneys that operate within districts that have medical marijuana, essentially talking about the finite resources that they had, and that if a medical marijuana dispensary was operating clearly within the laws of that particular State, that the U.S. attorney should consider the use of finite resources, whether or not that would be appropriate. It didn't prohibit them from doing it.

The media had an absolute field day with that, and I believe that it was incredibly incorrectly interpreted, because if you read those guidelines he said that anything that involves violence, anything that involves for-profit, anything that involves under-age sales, and on and on, that all of the resources or resources that those U.S. attorneys and Federal law enforcement resources were appropriate. And we do know that cases have been made by the U.S. Attorney, and I am aware of active investigations that are going on. So that is the medical marijuana.

Drug legalization, marijuana legalization, the administration has firmly repeated that it is either a——

Mr. JORDAN. Let me ask you personally, as head of ONDCP, as the face of our efforts to curtail and hopefully stop the use of drugs in our country, do you think it is appropriate when States and/or the District of Columbia—well, let's just say it this way: do you agree with the whole medical marijuana approach, frankly, as is happening in California right now?

Mr. KERLIKOWSKE. I would tell you that I think that it is very clear that a number of the recommendations, doctors can't issue a prescription, the number of recommendations that are issued by physicians, and it is only a very small percentage of the physicians, are highly questionable. That being said, the medical marijuana question should be decided through the same process that science uses to decide and the U.S. Government uses to decide other——

Mr. JORDAN. I am asking you personally, with your extensive experience in law enforcement, the good work I think you are doing as the head of this agency, do you personally think these type of laws are beneficial to our country or harmful to our country?

Mr. KERLIKOWSKE. I think there is some benefits in further exploration of what could be helpful to patients as a result of marijuana. I clearly think that this mass amount of media attention that has been given to medical marijuana sends the wrong message and is inappropriate for young people in this country.

Mr. JORDAN. That is good to hear. Do you think when States have this medical marijuana statute in place that it makes it easier for—it is the first step toward legalization? Would you agree with that?

Mr. KERLIKOWSKE. I would tell you that I think that I have heard a number of statements from people that are in the pro-legalization business that medical marijuana issues were a gateway. I still think that there are also, though, some benefits that need to be further explored and further refined for people that could use marijuana in a medicinal way.

Mr. JORDAN. OK.

Mr. Chairman, I have another line of questioning, but I will wait until the next round. You are going to do another round?

Mr. KUCINICH. Yes.

First of all I want to say that we have been joined by Mr. Tierney, whose report I cited just before he came into the committee room. We appreciate your presence here. Thank you, sir.

Congress has provided over $6 billion to the Department of Defense counternarcotics program since 2005. GAO report said since 2006 cocaine removal rates from interdiction have declined and not reached any of the annual targets to date. The 2010 ONDCP strategy calls for the removal of 40 percent of the cocaine moving through the transit zone annually by 2015.

Mr. Wechsler, is this goal realistic? How much money will we have to spend to get to that percentage? And what outcomes do you expect as a result of these efforts?

Mr. WECHSLER. Yes, sir. The goal is realistic if we have the resources, and additional resources will be required to meet that higher goal. I think it is important to set goals that are not easily

achievable but that actually push the agencies to do the best that they can.

We are going through a process right now to figure out exactly what combination of additional assets and additional programs might be required to hit that goal, and that is where we are in that process.

Mr. KUCINICH. Is it cost effective? I mean, are you looking at the cost effectiveness of this?

Mr. WECHSLER. The answer is yes, and——

Mr. KUCINICH. It is cost effective now?

Mr. WECHSLER. The answer is yes that we are looking at that problem. Before you get to cost effectiveness you have to get to effectiveness in the first point, and that is—when we looked at the 285 different metrics that had been left to us by the last administration, we have been reviewing them for a whole variety of characteristics, and what we found is that some of them are applicable and some of them are not applicable for basic level effectiveness.

To get to cost effectiveness, then you have to look at that in the context of the budget process, which you run every year.

To be quite honest, we are not there yet, but we have a very, very thorough process to get us there in a way that won't just simply answer your question quickly but easily and then you will be asking the same question 2 years from now when someone else is sitting in this seat.

Mr. KUCINICH. You understand the importance of this, though, because Congress now, we are looking very seriously at theses questions. You don't just throw money at a problem.

Mr. WECHSLER. The challenges that you face with the budget are very, very well understood. I believe that one of my primary goals is a steward of U.S. taxpayer dollars on your behalf, and I want to make sure that the programs that we run are not only effective but are also cost effective.

A great amount of things that we do are effective. I would need to find out, and some of them that I have seen I can conclude are cost effective, but I am still doing additional work.

Mr. KUCINICH. We will go deeper into this.

I want to go to Ambassador Johnson just for a minute here.

You cited recent declines in production of cocaine in Colombia, but isn't it true that, despite fluctuations, coca production has been remarkably steady since before Plan Colombia even began? So after spending over $4 billion on these efforts, illicit crop reduction is, at best, slightly lower than it was before we started pouring money into the country's counternarcotics efforts? It doesn't seem to me to be a good use of taxpayers' dollars. And isn't it true that the production has increased in Peru and Bolivia to offset any gains made in Colombia? So why is eradication still being funded at such high levels, Ambassador?

Ambassador JOHNSON. The statement that you made about changes in Peru and in Bolivia are regrettably true. There have been some sustained——

Mr. KUCINICH. I like the way you put that. I mean, that was very artfully done. I just want to state that was artfully done.

Ambassador JOHNSON. Thank you, sir.

Mr. KUCINICH. Please continue.

Ambassador JOHNSON. There have been some sustained gains in Peru, based on programs that work very clearly and very much in a teamwork effort between the eradication efforts that we provide support for, as well as the alternative development and governance building efforts that AID, through the appropriations that it is provided, works with.

I think the change in Colombia is reflected over the time that you cite. There was a continued growth in area under cultivation and cocaine production for a substantial time after Plan Colombia was begun, and that corner was not turned for several years afterwards. But, as your previous witness has stated, there is a substantial decline measured over the course of the last several years in the amount of cocaine that is available from that production and the amount that is actually grown in Colombia.

Bolivia is a much more challenging situation. We have a program there where we have worked with the government there to address an eradication of a gross amount, but, due to changes on the ground there, including the attitude of the government toward coca production, the area under cultivation, in fact, grows in the neighborhood of 10 to 12 percent per annum over the course of the last several years.

Mr. KUCINICH. Thank you, Ambassador.

Mr. Jordan.

Mr. JORDAN. Thank you, Mr. Chairman.

Mr. Kerlikowske, when Mr. Ford was in front of the committee a few minutes ago I talked to him about whether the GAO had done any assessment of how effective your treatment programs the Federal Government is involved with. Can you elaborate and maybe tell us what the GAO has not looked at, your assessments of how you are doing on the treatment side?

Mr. KERLIKOWSKE. I think that I share your concerns, and certainly the Chair's concerns, over the lack of the timely, relevant data. When I was police chief and made decisions for 2,000 people with a several hundred million dollar budget, I actually had a lot more data and a lot more timely data to do that than I have seen here.

Mr. JORDAN. Yes.

Mr. KERLIKOWSKE. That is why the national drug control strategy has devoted an entire chapter to improving the quality of the data.

There are two things that make the assessment of the treatment programs difficult. One, there is a whole plethora of treatment programs that are out there. Many of the treatment programs report their results in very different ways, as far as recidivism within a month, recidivism within a year, and the fact that actually in treatment part of treatment is, in fact, that people relapse.

The other problem is that State and local communities often do, either through in-kind services or their own local tax dollars, an awful lot of treatment that we don't have control over.

It is interesting that in Mexico right now they are working very hard to consolidate how treatment is done and how it is measured, because they are seeing a growing addiction population in that country.

Mr. JORDAN. Sure.

Mr. KERLIKOWSKE. We could benefit here in the United States from doing the same.

Mr. JORDAN. The folks you contract with or the folks who provide the treatment, what percentage are faith-based groups or entities who are doing that work?

Mr. KERLIKOWSKE. An awful lot of the treatment is paid for, as you know, from the HHS block grant that flows to the States.

Mr. JORDAN. Yes.

Mr. KERLIKOWSKE. I do not know the percentage of faith-based, but it would tell you that the most recent meta analysis, for instance, on prevention talks about that if there are trusted messengers giving young people information—and I am talking in the prevention area here—that would include faith-based, that can have a positive effect on young people.

Mr. JORDAN. But you don't have any measure to say if faith-based approaches are working better or worse or more successful, less successful, than non-faith-based approach?

Mr. KERLIKOWSKE. I don't know.

Mr. JORDAN. That would certainly be something I would like to follow.

Let me just ask you, along those lines there is the Substance Abuse Mental Health Services Administration Modernization Act. I would like to get your thoughts on a provision contained within that act. This is sponsored by Representative Green and Representative Kennedy.

Let me just read a quick paragraph if I could, Mr. Chairman.

Again, this is to Mr. Kerlikowske: "With respect to any activity to be funded in whole or part through an award, a grant, a cooperative agreement, or contract under this title or any other statutory authority of the administration, the administrator, the director of the center involved may not make such an award unless the applicant agrees to refrain from considering religion or any profession of faith when making an employment decision regarding an individual who is or will be assigned to carry out the portion of the activity."

Do you think we need to place that kind of limitation on some of these faith-based groups who are doing the work of helping treat people with drug problems, this kind of limitation on a faith-based organization? It seems to me what is going to happen is if you place this kind of limitation on those they will say we just can't do the work any longer, we just can't apply because that violates their statement of faith.

Mr. KERLIKOWSKE. I would not want to see that, in particular, but what I would like to support is certainly on the hiring decisions that you are not going to discriminate against people coming into those programs based upon the religion, but I think that the faith-based programs can have beneficial effect, and I would be happy to followup with you and with SAMHSA on this.

Mr. JORDAN. I would like to be a little clearer, because it seems to me that what you just said is contradictory, because you said you want the faith-based groups to continue to do the work, but if they can't hire the people who support their statement of faith how are they going to continue to do the work? That is my point. It seems to me this act is going to undermine the ability of the faith-

based organizations, which you have said are doing some of this treatment and doing a good job at it. If we make this change, we are going to keep them from being able to do this kind of work.

Mr. KERLIKOWSKE. And I am not sure that I agree, Mr. Jordan, because I think if the bar is not to discriminate against somebody coming in, but yet not to prohibit the practice and the way that the organization does the treatment, I'm not sure they are mutually exclusive.

Mr. JORDAN. I think what we have to focus on is what is going to help the individual with the drug problem. That is what this whole thing is about today. That is what this hearing is about. That should be our focus. And if these groups are working, I don't think we need to be making this change.

Mr. KERLIKOWSKE. We will followup with that.

Mr. JORDAN. Thank you, Mr. Chairman.

Mr. KUCINICH. I thank the gentleman.

The Chair recognizes Mr. Tierney.

Mr. TIERNEY. Thank you.

It is good to see you again, Mr. Kerlikowske, and others. I thank you.

This is all about the money, right? I mean, that is what people are in this business for. Or does anybody have another suggestion? It is all about the money. We can treat people all day long, but as long as there is money involved they are going to keep pushing this thing around and find other people to deal with.

We can interdict it, and they are going to just find a different route to take it to market. We can sort of try to eradicate. They are just going to find another place to grow it.

So how do we go about getting the money? The first thing, corruption, obviously. If we are talking about a place like Afghanistan, you go after the corruption. You arrest the guys, including the brother or step-brother or whoever it might be in the chain there and show that you are serious about it, and you take them out of the loop and maybe get some progress there. We can talk about that in any country where it is there, but even that is going to be difficult unless you go to get the money. So how do we do that? What are our efforts so far in that regard? How successful have they been or not been? What aren't we doing that we should be doing, because until we take the money out of this I think we are behind the eight ball.

If I could just go left to right on that.

Mr. KERLIKOWSKE. I think that the money is absolutely critical, and I have been extremely impressed with the work that I have seen lately from FINSEN, from the Department of Treasury, from the Department of Homeland Security, also some of the State and local efforts. The recent settlement that Attorney General Goddard had with Western Union includes additional law enforcement training in how to detect the money issue for local law enforcement.

Quite often we think that it is going to be a Federal law enforcement agency that is going to go after the money. What we really need to do is to bring a whole other group of resources into that fight, and that is the deputy sheriffs and the State and local law enforcement who may not have either the tools or the training to

go after the money. We are actually seeing these kinds of training initiatives increase.

Along with that, the Department of Homeland Security license plate reader system, they can perhaps detect the suspect vehicles that may be going south with the bulk cash. A number of both back scatter x-ray systems and also x-ray vans that Customs on the south side of the border, Mexican Customs can use. As you know, it was not that common in the past for cars, once they had entered Mexico, to be searched by the government of Mexico Customs. That is changing pretty dramatically also.

I think also making the going after the money sexy is particularly important. We often spread out the drugs and see the perpetrators when it comes to seizures and weapons. We don't often spread out the money on the table and then make sure that people see what is going on.

I am sure Mr. Wechsler and Ambassador Johnson can tell you about some great work that has been done at interdicting bulk cash outside our borders.

Mr. TIERNEY. Ambassador.

Ambassador JOHNSON. Congressman, I think virtually every program that we have has some element in it that is dedicated exclusively to chasing cash for its own sake, but I think they also have to be looked at as a combined effort. There is not a single solution to this.

Mr. TIERNEY. I am going to interrupt you if I can, Ambassador, because just a moment ago Mr. Kerlikowske told me that we are under-resourced in those avenues of looking at the cash and looking for the money. So I guess with the real paucity of success that we have on interdiction, for instance, where all it does is move it from one place to another, why aren't we considering moving some of the resources from there to a place where we know it will have more affect?

Ambassador JOHNSON. What I was saying was we do have resources dedicated to this, but the resources to chasing the money sometimes don't appear directly there. We have resources that are dedicated to these devices and the training for the Mexicans so that they can detect the bulk cash. We have resources that are dedicated to training individuals in places all over the world to inspecting and knowing how to detect individuals who may be leaving through airports with substantial amounts of cash with them.

But there is also an element of, for example, the program in Colombia that has to do with reforming the judicial system that allows them to detect people, to prosecute them, who have been smuggling cash and engaging in money laundering.

So these elements, when taken together, I think form a whole. The exact proportion that might be spent more on non-intrusive inspection devices, for example, as opposed to ships at sea, I think that is worthy of some consideration, but it is a multi-variable calculation you are trying to make here.

Mr. TIERNEY. I guess it is, except that we have had years and years and years of experience of not doing very well with interdiction and with eradication. We have shown that we are just bounding the ball back and forth, whacking it off the wall. It seems to me that the one area we know these guys are interested in and

they have to have it is cash and money, and they have to launder it, and we are talking banks and everything else. Why don't we just focus there like a laser beam and make this unprofitable for them and the other stuff will take care of itself if you do that?

Mr. Wechsler.

Mr. WECHSLER. Yes, sir. Of course, the way the Department of Defense works is primarily focuses on this issue in the war zone, and you are exactly right. We have done a tremendous amount of work in the last year on this subject at a strategic level, at an operational level, and at a tactical level, and what we are doing today is tremendously different than where we were 18 months ago.

We built out the Afghan threat finance cell in Kabul, we are building out tactical level elements in Kandahar to work at this exact issue and the nexus of the money and the drugs and the insurgency in a coordinated, interagency approach so we can bring the military authorities where they are appropriate, but also bring together the law enforcement authorities and the Treasury Department's authorities where those are the appropriate tools to take against a given target.

We have a long way to go on this area, but we have had some significant successes recently, and the level of progress is one that I am very proud of.

Mr. TIERNEY. If I might, Mr. Chairman, for just 1 second, I get a little concerned when I see stories in the Wall Street Journal about $3 billion being put in cash on a plane and taken out of there. I know some of that is the war lord stuff that we investigated, and that is lining pockets and going out, but I am concerned that a lot of it is drug cash getting out of there, so we have a long, long way to go on that.

Thank you, Mr. Chairman.

Mr. KUCINICH. I want to say again that what Chairman Tierney did with his report was extremely important. I hope that all of you will have a chance, if you haven't already, to study it thoroughly, because when we consider how those people we are trying to work with are actually using U.S. resources to further their own avarice and to try to convert our resources into their own, and the potential of moving drug money out of the country, and we brought up before you came, Mr. Tierney, the issue of banks. We are going to get Treasury engaged in that. Maybe we can do that jointly.

I think that the points that he is making are absolutely critical. The underlying dynamics that are driving so much of this is the tremendous amounts of money that people are making, billions of dollars.

And it becomes even more perplexing when you understand that we have brave men and women whose lives are on the line in some of these countries who are totally dedicated to this country, and somebody, some groups, are making billions of dollars off of their presence there. There is something fundamentally wrong.

You gentlemen are each charged with a grave responsibility to try to bring some alignment in these policies.

I am just going to go to a final round of questions, and we will try to move through this as quickly as possible. I want to thank you for your indulgence and your time.

I want to ask all the witnesses if you think labeling international state-building programs like alternative livelihood programs, rule of law initiatives, and justice reform as counternarcotics policies, if it makes sense. Mr. Kerlikowske? Let's go right down the line.

Mr. KERLIKOWSKE. Right now we are in the process of reviewing the budgeting accounting system that we are using for drugs. I think, as you know, from the NAPA Report there was concern about how things were being accounted. We want to review this, and we are doing it. It will be done in the most transparent way possible.

Mr. KUCINICH. Can you answer the question, though? What about labeling these international state-building programs?

Mr. KERLIKOWSKE. I think there should be some portion of them that clearly do work for counternarcotics, and I would think that there are some in the domestic area that also could be in a counternarcotics mode also.

Mr. KUCINICH. I want to go down the line, and then I have a followup question to ask each of you. Go ahead.

Ambassador JOHNSON. I agree with the Director. Some portion of them should be. I think to label them 100 percent would be misleading. Cost accounting is hard, I know, but I think that in some cases alternative livelihood is an essential part of a program, for example, in Peru and in Afghanistan. In some areas those programs——

Mr. KUCINICH. I want to stop you for a second because you just said something about it, you know, potential for being misleading, because what I was wondering is whether or not there is a risk that labeling these programs as counternarcotics results in misguided policies because they are being judged based on how drug supplies diminished instead of improvements in good governments or socio-economic development.

Ambassador JOHNSON. I think that a durable, effective, long-term program will have to have some element, perhaps a significant element, particularly on the rule of law side. We have had, from my point of view, a successful eradication program in Colombia, but that program will be durable over time to the extent that the Colombian authorities, with our support, are able to extend the reach of the State and provide State services, particularly security services and rule of law in areas that are ungoverned or poorly governed.

Mr. KUCINICH. Mr. Wechsler.

Mr. WECHSLER. I will defer to my colleagues who run the programs for the accounting, but what I can say is what we have recognized is that we cannot succeed in our counternarcotics objectives based purely on the military approach to this and we need the alternative development efforts to be part of this integrated plan for our counternarcotics lines of operations to succeed as part of our wider counterinsurgency programs.

Mr. KUCINICH. So then what is the significance, Ambassador Johnson, of labeling these state-building programs as counternarcotics as opposed to just focusing on rule of law initiatives, justice reform? Why are they put into that ambit of counternarcotics?

Ambassador JOHNSON. Well, part of them have a positive counternarcotics effect. I am not sure what you are meaning by put in

the label of counternarcotics. The appropriation that we receive is international narcotics and law enforcement, and there are programs which go beyond counternarcotics for which I am responsible.

Mr. KUCINICH. You make a good point, which is something that this subcommittee should take note of, and that is that if our legislative and appropriation process guides those definitions, that also can drive a combining of programs or an overlap of programs. I thank you for making that point. That is a good point.

Director Kerlikowske, ONDCP cites the U.S. role in taking out some of the major drug cartel leaders in Mexico as a sign of the effectiveness of the U.S.'s participation in Mexico's war on drugs. Would you comment on the collateral consequences of taking out these cartel leaders, such as the destabilizing of the industry and creating a power vacuum, and does that cause more violence?

Mr. KERLIKOWSKE. I think that it does cause more violence when the heads of some of these organizations are taken out. The anecdotal information is that the people that replace them—and there are always people that will replace them—are not as sophisticated—probably a bad term there, but not as sophisticated as perhaps the more entrenched leadership, and that they, in fact, may be more reckless. I think that experience is true in what we have seen, whether it was in northern Ireland or here with our own organized crime.

Mr. KUCINICH. Let me just ask one final question. How endangered is the government of Mexico, itself, from these cartels? I mean, do these cartels have the power to capsize the government of Mexico?

Mr. KERLIKOWSKE. I do not think so.

Mr. KUCINICH. Ambassador Johnson.

Ambassador JOHNSON. No.

Mr. KUCINICH. Mr. Wechsler.

Mr. WECHSLER. No.

Mr. KUCINICH. OK. Mr. Jordan, a final round of questions.

Mr. JORDAN. Thank you, Mr. Chairman. Just one question. This will be for Ambassador Johnson, if we could.

In your testimony you talk about the experience in Bolivia where they expelled last year all DEA personnel, and yet in the final sentence in that same paragraph you say, We will provide $20 million in logistics and training support to Bolivia this year. They kicked all our guys out, and yet we are still giving them money. It is sort of the old line why pay people who don't like you, they will probably not like us for free. Why are we doing that when obviously they said take a hike, and yet we are still sending taxpayer dollars to the tune of $20 million?

Ambassador JOHNSON. Two points. We are not giving the government of Bolivia any money.

Mr. JORDAN. OK.

Ambassador JOHNSON. We are providing a service in cooperation with them to eradicate a substantial amount of standing coca, which is a program that we have operated there over several decades.

I think that you raise a legitimate question as to whether this program, in the face of the absence of political will on the part of

the Bolivian authorities clearly to combat these narcotics, is viable in the long term. I think that it is having the intended effect of eliminating a substantial portion of the crop.

Mr. JORDAN. Tell me how the money is being spent. If they kicked out our personnel and yet we are still spending $20 million there, who do we have there? Tell me how it is working.

Ambassador JOHNSON. We have a team of people who work with the Bolivians, provide them with support for aviation, logistical support for moving around their country for the destruction of standing crop, as well as interdiction operations. What is missing with the departure of the DEA is an ability to really point those interdiction operations based on solid intelligence.

Mr. JORDAN. Yes. I mean, the folks who are there on the ground are the ones handing out the money——

Ambassador JOHNSON. Excuse me. Nobody is handing out any money.

Mr. JORDAN. Not handing out the money, but spending the money, helping them, and the people who could enforce kind of the tough love part of it, they are going, No, we don't want those around. We just want the help part; we don't want the people around who are actually seeing if we are doing things in the right way.

Ambassador JOHNSON. I don't know the variety of motivations, but I think what is clear is that the program is working effectively as described, but it does not have the ability to work with a solid, intelligence-led interdiction effort in the absence of the DEA.

Mr. JORDAN. I would agree with that.

All right. Thank you, Mr. Chairman.

Mr. KUCINICH. Thank you very much, Mr. Jordan.

Mr. Tierney.

Mr. TIERNEY. Thank you.

Mr. Kerlikowske, I first want to thank you for your written responses following the hearing that we had back in March. We sent some written questions to you, and I want to appreciate the time and effort that you put in to answering them.

But some of what we explored in those were whether or not there was adequate data to make some of the determinations as to how to distinguish between what attempts are more successful than others in dealing with this issue. Part of your response indicated some $42 million, or $42.6 million of the President's budget to help collect the data. I am wondering if that is money well spent, given all the other studies that you cite from Rand and others that had very serious limitations in their usefulness.

Mr. KERLIKOWSKE. I think it is unbelievably well spent when we talk about the multi millions in the Federal drug budget. I am extremely disappointed to be having to cite 2006 or even 2007 data about who has died as a result of drugs, and then I tell you that this is the most recent data set available. Unfortunately, that is the case.

So, working with CDC, working with HHS to find out who is coming in to jail and what drug are they under the influence of, who is being admitted to an emergency department at a hospital and what kind of drug are they under the influence of, coroners' reports, all of those kinds of things are particularly helpful.

I truly believe that as we continue to focus an awful lot on marijuana and youth use, and appropriately so, over a number of years, we have this kind of skyrocketing number of people dying from prescription drugs that was just kind of out there. Greater numbers than from gunshot wounds. In 16 States greater numbers than from car crashes. It is kind of the 800-pound gorilla that nobody was actually recognizing. So I think the data improvement is very important.

Mr. TIERNEY. Thank you.

Mr. Wechsler, with respect to Afghanistan and the drug trade there, whatever, has the President made any designations under the Foreign Narcotics King Pin Designation Act of Afghan citizens?

Mr. WECHSLER. There have been designations, yes. I am going to have to defer you to the State Department and the Treasury Department, who run the various designation processes about how many there are and the various names.

Mr. TIERNEY. Wouldn't you think that you would know that, though? If you are seriously involved in that area, wouldn't that be one of the things that you would want to be following up on so that you know?

Mr. WECHSLER. We absolutely do. We coordinate on every single name and are encouraging this process to do these designations. Again, against any individual target that you are talking about, we want to go through a process to figure out is the Treasury or the State authorities the right one to use. Should we use a law enforcement approach to go after this individual target? Or in some cases do we want to use a military kinetic approach to go after that given target in Afghanistan, or a combination of them. Those are the efforts that are being made in the field on every note of the various networks that we have, the mapping in each individual case.

But there will be a different answer in each case about what the appropriate approach is.

Mr. TIERNEY. Which I guess is why I thought that you would have had the information, as well, because if you are coordinating this then I would think every one of you knows who these people are that you are going after and take every opportunity to go after them.

Mr. WECHSLER. Oh, yes.

Mr. TIERNEY. Assuming there are a limited number of people here that we are talking about, and probably few institutions because the banks aren't that prevalent. You are talking about other informal processes, right?

Mr. WECHSLER. The networks are not inextensive that we are talking about and there is no shortage of targets that we are going after. When it gets to the institutions, then you are correct, then there is a relatively small number. But when you are talking about individuals and organizations, unfortunately we don't lack for targets.

Mr. TIERNEY. Ambassador, the last time we went around I got the feeling I sort of cut you off. Is there something that you wanted to add to your last comment?

Ambassador JOHNSON. Only that the idea of going after the money is something we have been focused on for a very long time and have had extensive programs to address it, but it is also some-

thing where the adversary is extremely creative, and as we develop tools they develop ways to work around them. So the comprehensive effort that Mr. Wechsler described about how we are seeking to use new tools on the battlefield is something that we are working on every single day.

I may be the most aged person here, but when I was a bank examiner back in the 1970's we were working on this same problem with people buying expensive automobiles and then turning them in 15 minutes later to launder money. So it is an effort that goes on over time, and I think one of the key elements of the work that we do, particularly in Latin America, is on money laundering and civil asset forfeiture, which is the way to take away the proceeds of crime.

Mr. TIERNEY. Thank you. Again, I apologize if I did cut you off before.

So I am looking at this thing and I am thinking about choke points. We have a lot of money spread out in a little of different avenues from interdiction to eradication to hitting the demand side, to going after the money, to going after the precursors, all of that.

Is there any merit to the concept of picking one or two areas that we really think are the choke point in that and consolidating all of our attention and resources on those avenues and just really leaning hard and trying to get some international consensus on that as well as some interagency consensus and just going full bore at that one or two areas that we think have the most effect of shutting these people down?

I think we already know it is not eradication, it is already not interdiction, but maybe look at some of the remaining ones and say this is what we are just going to double down and put all of our resources into this and set a period of years that we think we should see some effect from it and just do it.

Mr. KERLIKOWSKE. Mr. Tierney, I think if we knew what worked that would probably be certainly the most helpful way. The sad fact is we don't actually know what works.

I would tell you that I think the President's strategy, this very comprehensive strategy, is the best way to go, and I would cite the most recent example when President Obama and President Medvedev last year and we started a bi-national on narcotics. It was only to look at drug traffickers and drug trafficking.

It became very clear, both to the Federation of Russian and to the United States, that was a narrow way to look at the drug problem, particularly Russia's drug problem with 2½ million heroin addicts, and it would have to be to look at prevention, it would have to be to look at what type of drug treatment systems are available to get these people back into the work force, and it would have to be to go after the money, the financiers, the traffickers, etc.

I think that balanced approach is probably the one that we have to put all our eggs spread across the spectrum rather than into the two or three things that we might think work.

Mr. TIERNEY. Interesting, because I think, again, I think we know what doesn't work, yet we keep doing it. The definition of insanity, I guess. It is part of it. It is not just this President, it is all the Presidents. It is all of us that have done this. We continue

to think that we are just going to keep throwing stuff at the wall and see what sticks here.

If we can't figure out what definitely works, if we can't get the data behind it to say this works, we are going to do it, we certainly can get the data behind what doesn't work and say, Well, we have been trying this for a few decades now, that certainly hasn't done it, because we have great enforcement agents and other people out there just beating their heads against the wall.

I know if you say to them we are going to stop doing one thing or the other they are going to be upset because every day they see results, but that is the point. Every day they see results because there is an endless group of people that will be doing that forever. You can just keep repeating it over and over and over again instead of finding the angle that finally shuts down the operation.

I am out of time. Thank you.

Mr. KUCINICH. Thank you very much, Mr. Tierney.

We are going to move on to the third panel in a moment. I just want to thank each one of you for your service, for the work that you do.

Mr. Tierney, as he often does, raised the question that requires some deeper level of analysis, and it seems that every time we hold these hearings—and this is the responsibility of this subcommittee, oversight over the Office of National Drug Control Policy. We are required to really ask some deeper questions about why, what drives this seemingly insatiable demand for drugs in our culture. That is beyond the scope of this particular hearing, but it sure is something that we need to have a national discussion about.

For all that you do that works and doesn't work, we can continue to go over this from now until kingdom come about what works, what doesn't work, but we are missing the deeper question. What is it in our culture that drives this tremendous demand for these various types of drugs?

I don't know the answer to that, but it is sure something that we need to get into, because otherwise all we are doing is shuffling policy this way, that way, and you still have this tremendous demand and supply that is readily available where people who are selling it are ready to risk life, limb to make billions of dollars.

Thank you for your service to the country. We will move on to the third panel, which I will introduce while the staff proceeds with the changing of the table there.

Our third panel includes Adam Isacson, senior associate for regional security at the Washington Office of Latin America. He joined the Washington Office of Latin America in 2010 after 14 years working on Latin American and Caribbean security issues with the Center for International Policy.

Vanda Felbab-Brown is a foreign policy fellow at the Brookings Institution. She focuses on the national security implications of illicit economies and strategies for managing them. She is an adjunct professor in the securities studies program at Georgetown University School of Foreign Service.

And Mark Kleiman is professor of public policy in the UCLA School of Public Affairs. Professor Kleiman is a renowned expert on drug policy, teaches courses on methods of policy analysis, on drug abuse, and crime control policy.

As with those on the first and second panel, we ask that each witness give an oral summary of his or her testimony. Keep the summary 5 minutes in duration. Your complete written statement is going to be included in the hearing record.

It is customary for all witnesses before our full committee and subcommittee to be sworn. I would ask that you raise your right hands.

[Witnesses sworn.]

Mr. KUCINICH. Thank you very much.

Let the record reflect that each of the witnesses has answered in the affirmative.

You may proceed with your testimony, Mr. Isacson. Please begin.

STATEMENTS OF ADAM ISACSON, SENIOR ASSOCIATE FOR REGIONAL SECURITY, WASHINGTON OFFICE ON LATIN AMERICA; VANDA FELBAB-BROWN, PH.D., FOREIGN POLICY FELLOW, THE BROOKINGS INSTITUTION; AND MARK KLEIMAN, M.P.P. AND PH.D., PROFESSOR OF PUBLIC POLICY, UCLA SCHOOL OF PUBLIC AFFAIRS

STATEMENT OF ADAM ISACSON

Mr. ISACSON. Chairman Kucinich, Ranking Member Jordan, Mr. Tierney, I want to say a big thank you for inviting me to participate in this hearing that I think is badly needed, and I congratulate you for holding it. I look forward to a good discussion.

A big part of my work at the Washington Office on Latin America is monitoring U.S. aid to that part of the world, and where Latin America is concerned U.S. aid really does mean counter-drug aid.

In the 10-years between 2000 and 2009, 48 percent of our aid dollars spent in Latin America, $9.9 billion, went through counternarcotics accounts in the State and Defense Departments budgets. When you look only at the military and police aid that went to the whole region, 85 percent is counter-drug aid.

So for all that have we managed to reduce drug supplies? I am afraid the answer is no. Look at cocaine, which is the only illegal drug produced entirely in Latin America, and by every measure, the tons produced, the price on U.S. streets, drug-related violence, these 10 years of aid did not reduce cocaine supplies. My written testimony provides the numbers comparing 2000 and 2009.

So where do we go from here? In fact, the experience of the past 10 years in Colombia and Mexico and elsewhere offers some compelling lessons. The first is that we have to do far more to reduce our own citizens' demand for illegal drugs. The new national drug control strategy puts a greater priority on drug treatment, which is welcome, and let's hope it translates into greater resources in the next several years' budgets. Also, community corrections programs like Hawaii's HOPE probation program, deserve more support.

In Latin America, meanwhile, the lessons really are pointing in two directions, broad directions: strengthening states and reducing impunity. While that sounds a bit like academic jargon, they deserve to be unpacked a bit.

First, strengthening states. Counternarcotics programs don't prosper in a vacuum of government. Whether that vacuum could be

a wild jungle coca growing region or it could be a gang-ridden slum in a Latin American city, drug trafficking will thrive there if there is no state presence.

Note I say state presence, not military occupation. Of course, I mean, you can't set up big economic aid programs without security of forces there to protect them, but military operations also fail when the civilian part of the government doesn't show up, I mean the part that provides public goods beyond just security—property rights, equal protection under law, farm-to-market roads, health, education, clean water, a stable financial system.

Second, impunity. Establishing a government presence, even a civilian government presence, isn't enough if it doesn't include a strong, credible judicial system alongside it. If a government is in a zone but it is acting abusively or corruptly toward its own people and it does so without fear of punishment, then that population is not going to support its government. State presence can actually make matters worse without a judiciary in place to ensure nobody is above the law.

Now, when the United States provides judicial aid, which we do, it has to include more for physical security, for judges, prosecutors, investigators, and witnesses. It has to help increase manpower, to reduce caseloads, and the investigators in these countries need technology, data bases, data security, crime labs, DNA, forensics.

This sort of strengthening states without impunity framework may be the best approach, but the thing is there is little specifically counternarcotics about it. Put plainly, it is nation building. Programs like consolidation or integrated action in Colombia, which has been going on the last couple of years in Colombia, are helping Mexico reform its police and judiciary. They are costly and they require long-term commitments. By now though I think we have seen that there is really no other shortcuts.

But is the U.S. Government set up to help in this way? The agencies that provide the most aid to Latin America who were represented on the last panel, INL at State, counternarcotics at Defense, they are counternarcotics agencies; they are not governance and development agencies. And the White House office providing policy direction, ONDCP, they are limited to a narrower counterdrug mandate, too.

These agencies have important contributions to make, but I think the natural lead agency for civilian governance aid would be US AID. Where judicial reform is involved it would be US AID and the Department of Justice. In the past, there has been aid for these priorities, but it has usually been channeled through the State Department's international narcotics control account. I think that is unnecessary and it adds an extra layer that slows the delivery of aid.

If we move in this direction, what will happen? If we expand the amount of territory that is governed and strengthen the rule of law in countries like Colombia and Mexico, those countries could become less hospitable to cocaine, but global demand for cocaine is likely to remain stable. The balloon effect tells us supply will move to other countries with weaker governance and greater impunity. Peru and Bolivia are seeing more cocaine right now. Central America is seeing more trans-shipment and cartel activity.

We have to be vigilant about where the trade is migrating and start working proactively with those governments to strengthen their own capacities, especially their civilian and judicial capacities.

Again, ONDCP and other counter-drug agencies will have an important role to play, but from now on it must be in support of a much larger governance and justice effort.

Thank you. I look forward to your questions.

[The prepared statement of Mr. Isacson follows:]

Testimony
of
Adam Isacson
Senior Associate for Regional Security Policy
Washington Office on Latin America

Domestic Policy Subcommittee
Oversight and Government Reform Committee
Wednesday, July 21, 2010
2247 Rayburn HOB
10:00 a.m.

"International Counternarcotics Policies:
Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals?"

First, let me express my gratitude to Chairman Kucinich, ranking member Jordan, and the Domestic Policy Subcommittee for inviting me to contribute to this badly needed hearing on international drug supply reduction programs. I congratulate you for holding it and look forward to a good discussion.

A big part of my work at the Washington Office on Latin America is monitoring U.S. assistance to Latin America and the Caribbean, and since 1997 I've worked, at WOLA and previously at the Center for International Policy, on a program that does just that.[1]

In Latin America, monitoring U.S. assistance means monitoring U.S. counter-drug programs. We've found that in the ten years between 2000 and 2009, the United States gave Latin America and the Caribbean about $20.8 billion in assistance, both military and economic aid. Of that amount, fully $9.9 billion — 48 percent — went through counternarcotics accounts in the State and Defense department budgets. Of the $9.2 billion in military and police aid during this 10-year-period, $7.8 billion — 85 percent — was paid for by counternarcotics programs.

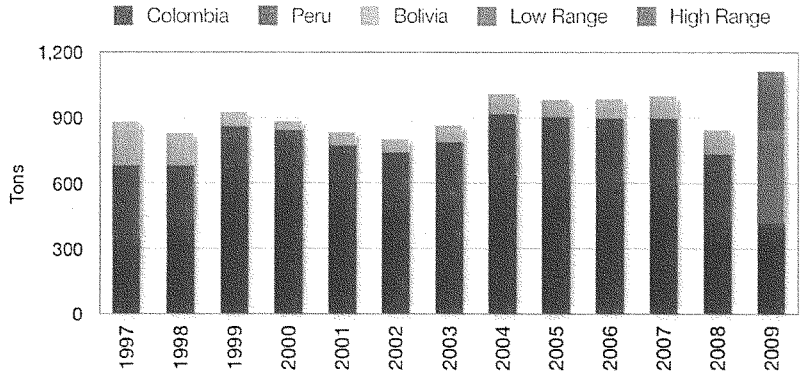
During the 2000s, a lot of aid money was spent to reduce drug supplies. But have these aid programs, in fact, helped to reduce drug supplies?

The answer is a clear "no." My testimony will focus on cocaine, the only illegal drug in the United States that is supplied entirely from Latin America. By every measure, these ten years of aid to the region **did not reduce cocaine supplies.**

- **Tons:** in 1999, according to the UN Office on Drugs and Crime, the region produced 925 tons of cocaine. In 2009, the same agency just reported, cocaine production was about the

same: a range between 842 and 1,111 tons of cocaine.[2] The Southern Command's estimate is higher: "between 1,250 and 1,500 metric tons of cocaine."[3]

Andean Cocaine Production is Unchanged



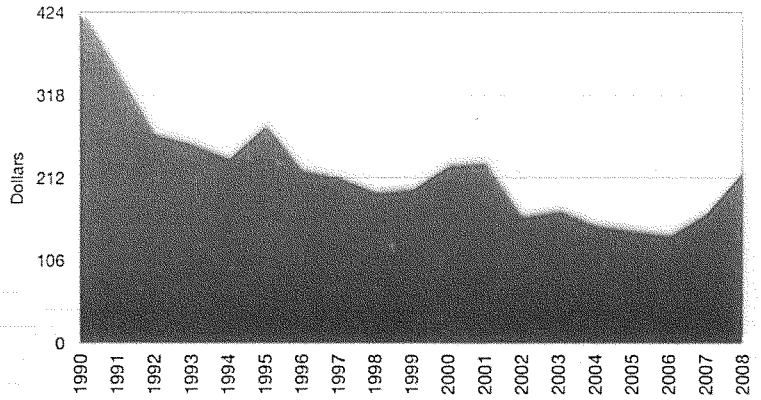
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Colombia	390	435	680	695	617	580	550	640	640	610	690	430	410
Peru	325	240	175	141	150	160	230	270	260	280	290	302	0
Bolivia	200	150	70	43	60	60	79	95	80	94	104	113	0
Estimated Range													842-1,111
Total	875	825	925	879	827	800	859	1,000	980	984	994	845	842-1,111

Source: UN Office on Drugs and Crime.

- **Street price:** In 2000, according to the UNODC's *World Drug Report,* the average purity and inflation adjusted price of a gram of cocaine on U.S. streets was $224. By 2008, that price was $216.[4] If price is the measure of how well supply is satisfying demand, then cocaine supplies are satisfying demand as well as ever.

- **Related violence:** The past ten years have seen an important reduction in drug- and conflict-related violence in Colombia. Though the war continues and violence levels remain very high, the Colombian people have paid for this progress with lives and resources, tripling their military and police budget and nearly doubling the size of their security forces. However, decreased violence in Colombia has been offset by a sharp rise in drug-related homicides in Mexico. Today, Mexico is the center of gravity for groups involved in illegal drug transshipment, which is by far the most profitable link in the drug trafficking chain.

Purity and Inflation Adjusted Street Price of a Gram of Cocaine, United States



1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
421	343	263	251	232	275	217	208	193	193	224	227	158	166	147	140	134	162	216

Source: UN Office on Drugs and Crime, *World Drug Report 2009*.

In the past year or two here in Washington, there has been more recognition that our strategy isn't reducing drug supplies. As a result, our strategy has been shifting — tentatively, but in an interesting direction.

This is not the first such shift; in fact, it's the latest in a series of them. But for the first time in memory, we are not hearing proposals for get-tough military and police offensives in the region. Instead, we are hearing more discussion about strengthening civilian governance, justice, and economic opportunity.

The Obama administration is launching, or re-launching, several big new aid programs in the region: the Colombia Security and Development Initiative, the "new" Mérida Initiative in Mexico, the Central America Regional Security Initiative and the Caribbean Basin Security Initiative. Official publications and statements about these programs seem to show a recognition that stopping drug trafficking and related violence requires more than just tough-looking eradication programs and military offensives. There is far more discussion of establishing a civilian state presence to create economic opportunity in historically ungoverned zones where the drug trade prospers, and more recognition that judicial institutions are central to the effort.

"Our counternarcotics efforts must apply all available tools to ensure improvements are permanent and sustainable by regional allies," reads the 2010 National Drug Control Strategy

published by the White House Office of National Drug Control Policy. "These efforts must include complementary assistance programs, such as those focused on sustainable alternative development and strengthened prevention, treatment, and law enforcement and judicial capacities."[5]

The policy may be moving, tentatively, in two critically important and badly needed directions. The first is helping partner nations to build a strong civilian government presence in stateless zones. The second is doing so with a strong judicial system in place to limit corruption and human rights abuse.

Of course, there may end up being a broad gap between the principles laid out in official documents and the way programs actually get carried out in practice. Still, this is encouraging. The United States should be moving quickly in the direction of encouraging capable civilian governance with strong judicial systems.

Colombia and Mexico

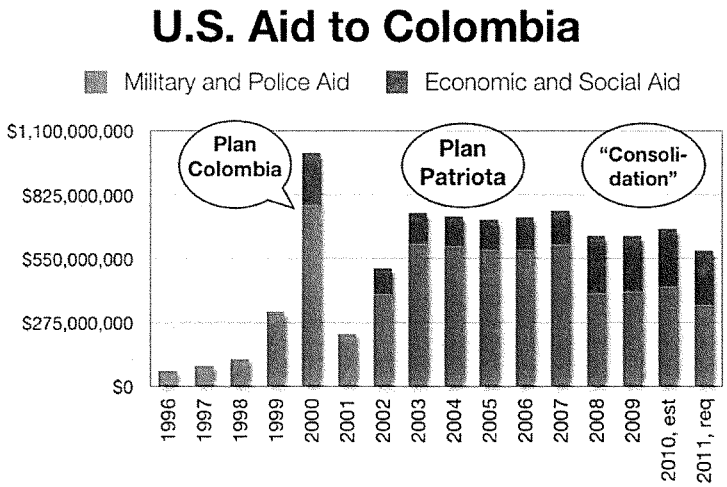
To illustrate why a shift toward civilian governance and rule of law is important, my testimony will focus on the two countries that have been by far the largest U.S. counter-drug aid recipients, accounting for over 70 percent of all military and police aid to the hemisphere between 2008 and 2010: Colombia and Mexico.

These are two very different countries. Mexico, which has 2 ½ times Colombia's population, has just barely transitioned to democracy from one-party rule. Colombia has had uninterrupted elections since 1958, open to all parties after 1974. Mexico has no serious rural insurgency or pro-government paramilitaries. Colombia has fought an internal armed conflict with two leftist guerrilla groups and several right-wing paramilitary groups since 1964.

However, both countries do have similarities. They are among the world's most unequal economically, with more than a third of their people living below the poverty line. Both have weak judicial systems; while Colombia's is more solidly institutionalized, it continues to produce very high rates of impunity for serious crimes. And both are beset by narcotrafficking organizations who prosper not just by carrying out brutal acts of violence, but by corrupting, infiltrating and penetrating the governments that are supposed to be confronting them.

Colombia: a strategy that has gone through several iterations

Since the 1980s, at least 90 percent of the cocaine consumed in the United States has been either produced in, or transshipped through, Colombia.[6] Over these years, the nature of the narcotrafficking challenge has changed, and U.S. supply reduction strategy in Colombia has gone through several iterations. One thing has been stubbornly constant, however: the supply of cocaine coming from Colombia.



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010, est	2011, req
Military and Police Aid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Economic and Social Aid	[illegible]	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: www.jsmf.org/Country?country=Colombia.

Late 80s-early 90s: cartels

During the late 1980s and early 1990s, the focus was twofold: on interdicting cocaine flows and on taking down the Medellín and Cali cartels, which dominated the cocaine trade at the time. In 1989, Congress made the Defense Department the single lead agency for overseas drug interdiction, and since then the U.S. military has actively sought to detect and monitor the planes and boats bringing the illegal product to the United States.

Meanwhile, the State Department and the DEA supported the Colombian National Police's campaign to decapitate and dismantle the Medellín and Cali cartels. At the time, the focus was on creating specialized, elite police intelligence and anti-drug units, with some attention to improving judicial and prosecutorial capacities. Colombia also appears to have chosen to fight the cartels sequentially, confronting Cali only after first dispatching Medellín. Colombia's armed forces played a supporting role, but generally avoided taking on the counternarcotics mission during this period. As a result, U.S. aid to the Colombian military was rather modest. Most of our "hard side" aid went to the Colombia's National Police, which led the campaign to capture Pablo Escobar and to force the collapse of the big cartels.

Mid-to-late 90s: fumigation

By the mid-1990s, both the Medellín and Cali cartels were taken down. This momentous change in the criminal underworld, however, barely registered as a blip in U.S cocaine supplies. Meanwhile, though U.S. interdiction began reducing the number of aircraft carrying illegal drugs from Colombia, traffickers quickly adapted by turning to the sea, using so-called "go-fast" boats and other craft.

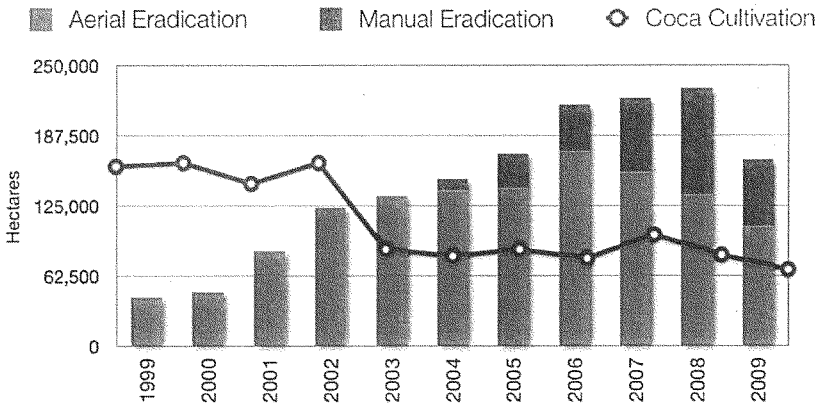
The Clinton administration decided to shift strategy, putting far more focus on eradicating crops. Starting in 1994 and intensifying after 1996, the U.S. government launched an ambitious program of aerial herbicide spraying over Colombia's fields of coca, the plant used to make cocaine. The reasoning behind this decision was that in the entire chain of cocaine production, from the Colombian countryside to the United States' streets, the link at which the product is most exposed — and easiest to find and eliminate — is when it is in the form of a field of plants.

Between 1994 and 1999, the United States supported Colombian police and contractors' spraying of the herbicide glyphosate over 100,000 hectares of coca-growing areas (1 hectare = 2½ acres; aid to Colombia's military remained minimal during this period). This spraying, which is not allowed in Bolivia or Peru, was not accompanied by any effort to establish a government presence on the ground in the affected areas. In fact, during this period the Clinton administration was in the process of closing down its USAID mission in Colombia. As a result, the coca-growers — most of them smallholding peasants with families — never saw the face of a representative of their government, only a plane overhead, anonymously spraying herbicides.

This did not work. Coca-growing peasants, with no other options in ungoverned zones, replanted quickly. In Colombia, the second half of the 1990s was a time of rapid increases in coca-growing. By 1999, Colombia accounted for 72% of all Andean coca-growing and 74% of cocaine production.[7]

Amid this rapid growth in cocaine production, guerrilla and paramilitary groups quickly filled some of the vacuum left by the cartels, and began to grow very wealthy by producing and transshipping cocaine. The FARC and AUC tripled or quadrupled in size between the early and late 1990s. By the end of the decade, both groups were killing thousands of innocent civilians each year. The FARC was kidnapping thousands, making the country's roads impassable, and winning key battles against military units in the countryside.

In Colombia, "Eradication" Hasn't Eradicated Coca



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Aerial Eradication	43246	47,371	84,251	122,695	132,817	136,555	138,775	171,613	153,133	133,496	104,771
Manual Eradication	0	0	0	0	0	10,991	31,285	42,111	66,805	95,731	60,544
Coca Cultivation	160,100	163,300	144,800	163,300	86,000	80,000	86,000	78,000	99,000	81,000	68,000

Early 2000s: Plan Colombia

In Washington, the Clinton administration and leaders of the U.S. Congress grew increasingly concerned. The result was Plan Colombia, which began with a $1.3 billion emergency supplemental appropriation, three-quarters of it military and police aid, in mid-2000.

Plan Colombia more than doubled the size of the fumigation program, but it also included some new elements. Plan Colombia was the first major outlay of aid to Colombia's armed forces since the Cold War, as the U.S. government helped set up a counternarcotics brigade in Colombia's Army and a riverine brigade in its Navy, while donating dozens of helicopters. On the other hand, it also represented a revival of USAID assistance, which made up about 20 percent of the aid package. The largest USAID program was a series of crop-substitution projects, most of them carried out by private contractors in very insecure zones, with little Colombian government involvement. Most of these early-2000s programs failed.

Plan Colombia included little focus on justice and impunity, other than programs to help speed judicial procedures. The U.S. government began ramping up aid to the Colombian military amid a flood of serious allegations that the armed forces were closely collaborating with the

paramilitaries, who at the time were responsible for about ¾ of mass killings and dealing hundreds of tons of cocaine.

Because of these concerns, U.S. appropriations under Plan Colombia included human rights protections. Among them was the "Leahy Law" restricting aid to military units worldwide that violate human rights with impunity, and Colombia-specific conditions freezing some military aid until the State Department could certify that Colombia's armed forces were severing links with paramilitaries and cooperating with human rights investigations. The State Department generally viewed these conditions more as an obstacle to be overcome than as a tool to secure human rights improvements; certification documents during the early 2000s were remarkably weak, and vetting of units for Leahy Law compliance was minimal.

Mid-2000s: "Plan Patriota"

When Plan Colombia began, many critics worried that the United States was involving itself in a long, complicated internal conflict. The Clinton administration assured them that since assistance was flowing through counter-drug accounts, the military aid package would stick to the counter-drug mission without mutating into a counter-insurgency commitment. This distinction did not hold for long. In 2002, U.S. foreign aid law changed to allow all counter-drug aid to Colombia to be used to fight guerrilla and paramilitary groups.

The largest non-drug operation supported with U.S. assistance was "Plan Patriota," a 2004-06 Colombian military offensive in a vast area of the country's south that had historically been a FARC stronghold. Almost 20,000 troops, advised and logistically supported by U.S. personnel and contractors, remained in expeditionary mode for months at a time, pursuing guerrillas and solidifying the military presence in town centers.

Plan Patriota knocked the FARC off-balance, dealing them a serious blow in an area they had long controlled. However, it resulted in the capture of few top leaders, and the military found it impossible to expand its control from the towns to the countryside, where the guerrilla presence remained abundant. Part of the problem was that Plan Patriota was an entirely military strategy: it lacked an effort to bring the rest of the government to areas that had been "re-taken" from the FARC. The troops were alone; when they had to re-deploy out of a zone, the guerrillas moved back in.

The mid-2000s was also a time of grave human rights scandals in Colombia. The AUC went through a partial demobilization process that reduced violence, but also resulted in revelations of extensive military-paramilitary collaboration at a time when U.S. aid was pouring in, as well as revelations that hundreds of local politicians and members of Congress, most of them government supporters, had been aiding and abetting the death squads. The presidential intelligence service, the DAS, was found to have been plotting with paramilitaries to kill labor and human rights activists, while wiretapping and spying on everyone from opposition

politicians to Supreme Court judges. And the Army stands accused of killing as many as 2,000 civilian non-combatants during the 2000s, in many cases falsely presenting their bodies as those of armed-group members killed in combat. Still, Colombia passed muster in the State Department's regular human rights certifications.

For all of its flaws, "Plan Patriota" was at least a partial recognition that Colombia needed to address its drug and violence problems by establishing a government presence on the ground: that vast "ungoverned spaces" could no longer be dealt with simply by spraying herbicides from a safe altitude. At this time, however, "government presence" almost entirely meant a *military* presence, and — as the scandals indicated — very little was being done to address the country's climate of impunity.

By 2007, UNODC statistics showed less land area cultivated with coca in Colombia. However, the agency was finding coca-growing to be slowly increasing once again, and no major change in the number of tons of cocaine Colombia was producing (from 680 tons in 1999 to 600 tons in 2007). Plan Colombia and Plan Patriota were proving to be poor anti-drug strategies.

Late 2000s-present: "consolidation"

2007 was the year that the Colombian government, with U.S. support, began a pilot program in La Macarena, a longtime guerrilla rearguard about 200 miles south of the capital. On paper, the program, called "Integrated Action" or "Consolidation," sought to apply some of the lessons of Plan Patriota's shortcomings — and of the U.S. Army's newly published counterinsurgency manual — by putting more emphasis on winning over the population and establishing a civilian state presence.

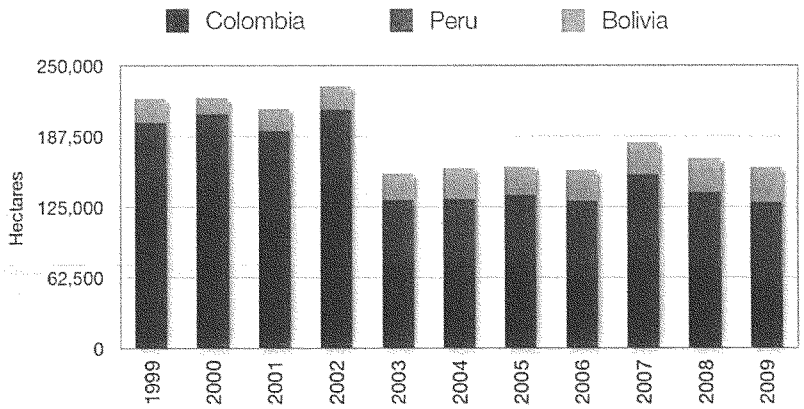
Here, and soon after in several other ungoverned zones around the country, the "Consolidation" plan has sought to introduce a government first through military force and then, in a phased, coordinated way as security conditions allow, by bringing in other, civilian government agencies. In La Macarena this has meant a beefed-up military presence, but also a large investment in infrastructure, development and food-security projects in "secured" areas.

"Consolidation" has a counternarcotics component. In La Macarena, this has principally been deployments of teams of manual eradicators, who pull coca plants out of the ground rather than fumigate from aircraft. The combination of manual eradication with better control of the territory has brought a sharp drop in coca-growing in La Macarena, which in turn has contributed to important post-2007 reductions in Colombia's overall coca-growing measures. In 2009, both aerial and manual eradication dropped by a combined 28 percent in Colombia, and fumigation was down by 39 percent from 2007 — yet coca-growing did not increase. UNODC, in fact, found a 16 percent single-year drop in 2009. It also estimates that Colombia's total cocaine tonnage dropped by 9 percent from 2008 to 2009, and almost a third from 2007 to 2009.

(Unfortunately, these reductions have been almost completely canceled out by measured increases in Bolivia and especially Peru. The "balloon effect" — the metaphor refers to squeezing part of a balloon, only to see the air expand elsewhere — remains fully operational as illegal drug suppliers work to meet a constant global demand.)

With all the caveats about the difficulty of measurement, the folly of extrapolating trends from short-term data, and the possible emergence of lagging indicators, the "Consolidation" concept is the first iteration of U.S. policy that has actually brought a reduction in Colombian cocaine supplies. The idea of bringing in a full state presence and governing territory with more than just a military occupation is showing promise.

In the Andes, Coca Cultivation is Steady since 2003



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Colombia	160,100	163,300	144,800	163,300	86,000	80,000	86,000	78,000	99,000	81,000	68,000
Peru	38,700	43,400	46,200	46,700	44,200	50,300	48,200	51,400	53,700	56,100	59,900
Bolivia	21,800	14,600	19,900	21,600	23,600	27,700	25,400	27,500	28,900	30,500	30,900
Total	222,599	223,300	212,901	233,602	155,803	160,004	161,605	156,906	183,607	169,608	160,809

Source: UN Office on Drugs and Crime

This is not to say that "Consolidation" doesn't have serious flaws, or even that it is beyond danger of failure. Civilian ministries and government agencies have been very slow to arrive in "consolidation" zones like La Macarena; if that does not change, the government presence could resemble martial law, with soldiers playing a host of non-military roles. The justice system is almost totally absent, making it difficult to denounce, investigate or punish abuse or corruption. In some areas, the plan depends on cooperation from local politicians who may have a history of

collaboration with narcotraffickers and armed groups. In regions where land tenure lies at the heart of the conflict, land titling has been proceeding with excruciating slowness.[8]

And too often, manual eradication isn't being coordinated with food-security or development aid. When that happens, leaving coca-growing families with no way to feed themselves does great harm to the government's "hearts and minds" effort. As in Afghanistan's poppy-growing areas, it is counterinsurgency in reverse.

Mexico: a very long way to go

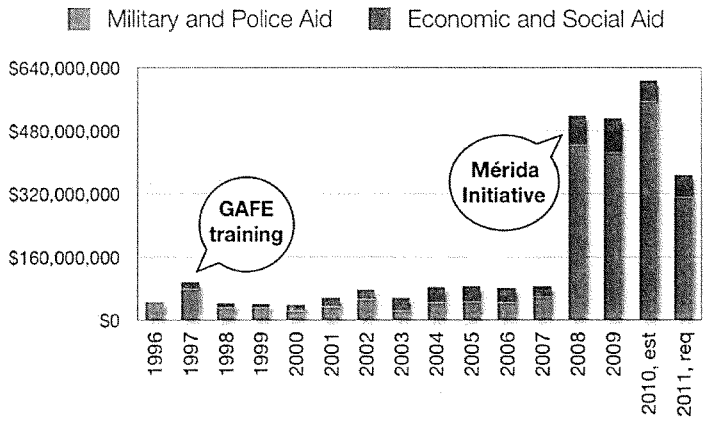
With its drug-related violence worsening for years and defying attempts to control it, Mexico often gets compared to Colombia. If anything, though, Mexico resembles the Colombia of twenty years ago, the heyday of the Medellín and Cali cartels.

Control of Mexico's drug-trafficking routes is disputed between at least seven principal cartels (Sinaloa, Beltrán Leyva, Gulf, Zetas, La Familia, Tijuana, Juárez) who occasionally cooperate and are frequently at war.[9] All of them seek to co-opt and infiltrate the government, including the country's multitude of state, local and federal police forces. (Colombia, by contrast, has a single National Police force.) When that fails, they seek to get their way through intimidation and terror, just as Colombia's cartels did two decades ago, when their leaders faced the threat of extradition to the United States.

Many observers, then, recommend that Mexico adopt an anti-cartel strategy similar to that taken in Colombia during the governments of Virgilio Barco (1986-1990) and César Gaviria (1990-1994).[10] They call for creating elite and highly vetted security-force units, sophisticated intelligence capabilities, and at least a portion of the justice system equipped to handle the problem. While Colombia's success against the cartels did not translate into success against cocaine supplies, it did at least weaken the big cartels that bore some resemblance to those Mexico faces today.

However, at least until very recently, Mexico was not following Colombia's early-1990s example. U.S anti-drug cooperation in Mexico has had more than its share of setbacks, some of them embarrassing. In the late 1990s the U.S. government granted Mexico 72 Vietnam-era helicopters, which Mexico returned a few years later complaining of their very poor condition.[11] At the same time an ambitious U.S. Special Forces training program helped Mexico's Army create an elite corps of Air-Mobile Special Forces or GAFEs; some of these GAFE agents allegedly left military service and became founding members of the Zetas, who were once the Gulf cartel's feared private army and are now one of Mexico's largest criminal syndicates.[12] Meanwhile U.S. policymakers had to endure the embarrassing 1997 revelation that a top partner, Mexican "drug czar" Gen. José de Jesús Gutiérrez Rebollo, was in the pay of, and passing U.S. secrets to, the Juárez cartel.

U.S. Aid to Mexico



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010, est	2011, req
Military and Police Aid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Economic and Social Aid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: www.justf.org/Country?country=Mexico. 2010 amount is a rough estimate pending data in the July 2010 release of the International Narcotics and Law Enforcement Affairs Program and Budget Guide.

All the while, the problem worsened. As law-enforcement efforts battered Colombia's cartels, Mexico's narcos took control of the lucrative transshipment routes between Colombia and the United States. An estimated 90 percent of the cocaine entering the United States now goes through Mexico.[13] Since December 2006, when Mexican President Felipe Calderón was inaugurated, drug-related violence has claimed nearly 24,000 lives in Mexico, while narcotraffickers have spawned parallel industries of kidnapping for ransom, extortion and contraband.[14]

Unlike Colombia's early-90s anti-cartel approach, President Calderón tried something that Colombia did not: he sent tens of thousands of Army troops into the cities and border zones under cartel influence, where they have been operating alongside the population, at times working with national police and often supplanting local police. The argument was that Mexico's police were outgunned and, in many jurisdictions, too corrupt to carry on the fight.

The U.S. government has generously aided President Calderón's strategy; since 2009 Mexico has actually surpassed Colombia as the hemisphere's number-one U.S. military and police aid recipient. In dollar terms, the vast bulk of aid under the Mérida Initiative has gone to Mexico's security forces, especially its army and navy. (It is perhaps more accurate to say it

"will go," because most military hardware has yet to be received; in fact, as of May 2010 only $159.2 million in Mérida aid, including training funds, had actually been delivered.[15]) However, a significant amount, especially training and equipment, is going to customs and migration agencies and to the justice system.

Three and a half years later, though, the militarization strategy has proved unsuccessful. Not only do drug flows remain robust, but violence levels continue to increase. Worse, with combat-trained soldiers operating alongside the population, complaints of human rights abuse have risen sharply. The Mexican government's human rights ombudsman (CNDH) received 182 complaints of military human rights violations in 2006; by 2009 that number had risen to 1,791 and, in the first 6 months of 2010 the CNDH received more than 2,200 more.[16] Almost none of these abuses is being investigated or prosecuted aggressively; nearly all cases, if they even become cases, are tried in Mexico's military court system. Of the most serious human rights complaints, the military justice system has brought only one to a guilty verdict during the entire three and a half years of Calderón's government.

The State Department must take this reality fully into account when it decides, probably this August, whether to certify that Mexico's human rights performance is improving. The data show very clearly that it is not.

Faced with disappointing results so far, the Obama administration and the Calderón government are promising a significant shift in strategy. Now that appropriations from 2008 through 2010 have "front-loaded" most of the military and police hardware, the plan — often called "Mérida 2.0" — appears to be to shift resources in a less lethal direction, helping Mexico to reform its civilian security sector and its justice system. The Calderón government is shifting gears as well; as of April, for instance, the Army was significantly relieved of its primary role in Ciudad Juárez — the most violent city in the continent, perhaps the world — and replaced with the Federal Police and "new" municipal police force. The government is promising new programs to improve state services and provide economic opportunity in the embattled city.[17]

These efforts are promising on a rhetorical level. The "new" Mérida strategy appears to be moving away from the militarized direction of Calderón's first three years, which did not bring a hoped-for reduction in violence. The strategy includes four pillars of assistance: "disruption and dismantling criminal organizations, institutionalizing the rule of law, building a 21st century border, and building strong and resilient communities." This appears to recognize that the state presence needed in narcotrafficking zones is more than just a military presence. And the shift towards institutional reform, including implementing Mexico's judicial reform, indicates that there is more focus than before on reducing impunity. This new direction is brand-new and barely under way, so its performance is still impossible to evaluate. But the rhetoric, at least, indicates that learning is taking place.

Lessons for U.S. Policy

The experience of U.S. cocaine supply-reduction efforts in Colombia and Mexico is frustrating. But it also offers some compelling lessons for how to go forward from here.

The first is that the United States must do far more than it is currently doing to reduce our own demand for illegal drugs. Most research points toward expanded access to treatment as the most effective way to do this. The new National Drug Control Strategy seeks to place a greater priority on drug treatment programs; let's hope that this translates into greatly increased resources in future budgets.

In Latin America, the subject of this hearing, the lessons point toward many initiatives that can be brought together in two broad categories: strengthening states and reducing impunity. While these sound a bit like academic jargon terms, they deserve a closer look.

Strengthening states

Colombia and Mexico make clear that counternarcotics efforts cannot prosper in a vacuum of government presence. Whether that vacuum is a wild jungle coca-growing area or a gang-ridden urban slum, drug trafficking — as well as other types of organized crime, and even insurgency — will prosper without a state in place to provide a series of public goods that U.S. citizens are fortunate enough to take for granted.

These go beyond just security. Past U.S.-funded programs have confused "state presence" with "military presence." Of course, as early alternative development programs in Colombia found, it is futile to set up ambitious economic-aid programs in insecure zones. But military occupations also fail when the civilian part of the government fails to show up: the part that provides public goods like property rights, equal protection under law, farm-to-market roads, access to health, education, clean water, a stable financial system.

Bringing civilian agencies to an ungoverned zone means quickly carrying out activities that bring tangible improvements to the population's well-being. Putting alternative livelihoods in place — focusing on development first — can not only "jump-start" the establishment of a civilian state presence, it can make unnecessary the kind of confrontational forced eradication programs that undermine the popular support on which the state presence depends.

The governments of Mexico and Colombia claim to want to go in this direction, and are increasing their own investment. The "Consolidation" plan in Colombia appears to get this — on paper at least. But moving from military to civilian governance is proving difficult and slow.

The only obstacle to these programs' civilianization should be security. Any other reason — especially civilian agencies' lack of budgets, capacities, coordination or political will — is inexcusable and must be remedied immediately.

Impunity

Strengthening state presence alone — even civilian state presence — is not enough if it doesn't include the presence of a strong and credible judicial system. Human rights abuses are a big risk in historically lawless areas where force is being applied. Meanwhile narcotrafficking and other criminal organizations are constantly seeking to corrupt government representatives, both civilian and military, and if the risk of detection and punishment is low, officials will easily be corrupted.

If a government acts abusively or corruptly toward the population, and does so without fear of judicial punishment, then the population will not support that government. If a judicial system is in place to ensure that nobody is above the law, quickly and transparently investigating and trying even those with money and guns, then the state presence will be seen as legitimate and will be far more likely to take root. Human rights concerns would also recede; if abuses are being systematically tried and punished, then conditions in U.S. law would not pose an obstacle to aid flows.

In Colombia, the "Consolidation" plan has done little so far to bring the country's overstretched, underfunded but relatively professional judicial system into new, previously ungoverned areas. In Mexico, a thorough overhaul of the judicial system appears to lie at the heart of President Calderón's plans and the "new" Mérida aid framework, although only 13 of Mexico's 31 states have even begun taking steps to implement a judicial reform law passed in 2008. It remains to be seen whether this goal will actually get the vast resources and political backing it deserves. The same goes for community-based violence prevention programs, which are badly needed and should be expanded significantly.

When the United States does provide judicial aid, this must go well beyond capacity-building programs or transitions to oral trial systems, though those are important. Judges, prosecutors, investigators and witnesses need credible guarantees of their own security. Judicial, prosecutorial and investigative bodies need greatly increased manpower to reduce caseloads. And investigators badly need technology: databases, data security, crime labs, DNA and forensic abilities, and much more. The U.S. government can help the region's justice systems meet all of these needs.

The U.S. government role

This "strengthening states without impunity" framework may be the best approach for reducing illegal drug supplies — or at least for moving illegal drug supplies into nations that have weaker states and greater impunity. However, there is little specifically "counternarcotic" about trying to help partner nations establish strong civilian states and justice systems.

In fact, this is a direction that the past twenty years of U.S. drug policy has sought to avoid taking. Put plainly, it is "nation-building." It is costly and requires a long-term commitment. It depends on a shared vision, energy and willingness to sacrifice on the part of local elites. (If local elites are not interested in governing their territory, the best the United States can hope to do is contain the problem through heightened interdiction — not forced eradication, which has proven to be counterproductive.)

This sort of commitment is daunting, and for years the U.S. government sought cheaper shortcuts that appeared to offer greater "bang for the buck," with aerial herbicide fumigation the classic example. Today, however — whether in Afghanistan, Colombia's "Consolidation" zones, or northern Mexico — it is becoming ever more apparent that there are no shortcuts.

But if the goal is to help build strong civilian states without impunity, is the U.S. government "set up" to help? The agencies that provide the greatest amount of aid to Latin America, the State Department's International Narcotics and Law Enforcement Affairs bureau and the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats, are counternarcotics agencies, not governance-and-development agencies. And one of the principal White House offices providing policy direction, the Office of National Drug Control Policy, is also limited to a narrower counter-drug mandate.

These agencies, plus the Drug Enforcement Administration, have important contributions to make in roles ranging from interdiction to foreign demand reduction to assistance in taking down organized crime. But in a "strengthening states without impunity" environment, their role must be part of a much bigger effort, and not the bulk of the effort as it has been for the past decade. The ironic but unavoidable reality is that, in order truly to reduce drug supplies, the supply-reduction agencies' role may have to be reduced to a supporting role subordinated to a larger, more complex, longer-term governance effort.

The natural lead agency for civilian governance aid would be the U.S. Agency for International Development, which already implements such assistance worldwide. Judicial reform assistance is the purview of USAID and the Department of Justice. In Colombia, Mexico and elsewhere, such aid in the past has often been channeled to USAID and USDOJ first through the State Department's International Narcotics Control and Law Enforcement (INCLE) account; this practice is unnecessary, however, and adds an extra layer of bureaucratic approval that slows delivery of aid.

If the U.S. government moves in this direction, what will happen? Expanding the amount of governed territory and strengthening the rule of law in Colombia and Mexico could, over the course of several years, make those countries less hospitable to cocaine supplies (among other benefits ranging from an improved human rights climate to an improved investment climate).

But demand for cocaine, in the United States and globally, is likely to remain stable. The "balloon effect" dictates that supply will likely move to other countries with weaker governance and greater impunity. Already, recent reductions in Colombian cocaine production are being undercut by increases in ungoverned territories of Peru (particularly the Ene and Apurímac valleys) and Bolivia (especially the Yungas de La Paz). Pressure applied in Mexico is causing criminality to worsen in the smaller, weaker states of Central America.

We must be vigilant about where the trade is migrating, and start working proactively with those governments to strengthen their own capacities. Again, ONDCP and other counter-drug agencies will have an important role to play. But from now on it must be a supporting role, in terms of both policy and resources.

[1] To see this program, and see how the statistics in the next paragraph are derived, visit "Just the Facts," www.justf.org, the regional security monitoring website maintained by WOLA, the Center for International Policy, and the Latin America Working Group.

[2] UN Office on Drugs and Crime, "Divergent coca crop cultivation trends in the Andean countries" (Vienna: UNODC, June 22, 2010) <http://www.unodc.org/unodc/en/frontpage/2010/June/divergent-coca-cultivation-trends-in-the-andean-countries.html>.

[3] United States Southern Command, "Posture Statement of General Douglas M. Fraser, United States Air Force, Commander, U.S. Southern Command, Before the 111th Congress House Armed Services Committee" (Washington. U.S. House of Representatives, March 18, 2010): 8 <http://armedservices.house.gov/pdfs/FC031810/Fraser_Testimony031810.pdf>.

[4] UN Office on Drugs and Crime, World Drug Report 2009 (Vienna, UNODC: 2009) <http://www.unodc.org/unodc/en/data-and-analysis/WDR-2009.html>.

[5] United States, White House Office of National Drug Control Policy, The President's National Drug Control Strategy 2010 (Washington: ONDCP, 2010): 77 <http://www.ondcp.gov/publications/policy/ndcs10/index.html>.

[6] United States, White House Office of National Drug Control Policy, "Targeting Cocaine at the Source" (Washington: ONDCP, 2008) <http://www.whitehousedrugpolicy.gov/publications/international/factsht/target_cocaine_src.html>.

[7] UN Office on Drugs and Crime, "Divergent coca crop cultivation trends in the Andean countries" (Vienna: UNODC, June 22, 2010) <http://www.unodc.org/unodc/en/frontpage/2010/June/divergent-coca-cultivation-trends-in-the-andean-countries.html>.

[8] For a fuller discussion of "Consolidation," see:

> Adam Isacson and Abigail Poe, "After Plan Colombia: Evaluating 'Integrated Action,' the next phase of U.S. assistance" (Washington: Center for International Policy, December 2009) <http://justf.org/content/after-plan-colombia>.
>
> Coletta A. Youngers and John M. Walsh, "Development First: A More Humane and Promising Approach to Reducing Cultivation of Crops for Illicit Markets" (Washington: Washington Office on Latin America, March 2010) <http://www.wola.org/index.php?option=com_content&task=viewp&id=1073&Itemid=33>.

[9] See the interactive map of approximate cartel territory posted recently to the website of National Public Radio at http://www.npr.org/templates/story/story.php?storyId=126890893.

[10] See, for instance, Robert C. Bonner, "The New Cocaine Cowboys," Foreign Affairs (July/August 2010) <http://www.foreignaffairs.com/articles/66472/robert-c-bonner/the-new-cocaine-cowboys>; Vanda Felbab-Brown, The Violent Drug Market in Mexico and Lessons from Colombia (Washington: Brookings Institution, March 2009) <http://www.brookings.edu/~/media/Files/rc/papers/2009/03_mexico_drug_market_felbabbrown/03_mexico_drug_market_felbabbrown.pdf>.

[11] Associated Press, "Mexico returns helicopters to U.S." (October 5, 1999) <http://www.helis.com/news/1999/mexret.htm>.

[12] Alejandro Suverza, "'Los Zetas' se salen de control," El Universal (Mexico City, January 12, 2008) <http://www.eluniversal.com.mx/nacion/156964.html>.

[13] United States, Department of State, Bureau of International Narcotics and Law Enforcement Affairs, International Narcotics Control Strategy Report (Washington: Department of State, March 2008) <http://www.state.gov/p/inl/rls/nrcrpt/2008/vol1/html/100777.htm>.

[14] Cable News Network, "Government: More than 22,000 dead in Mexico drug war" (April 14, 2010) <http://news.blogs.cnn.com/2010/04/14/government-more-than-22000-dead-in-mexico-drug-war/>.

[15] U.S. Senate, Committee on Foreign Relations, Common Enemy, Common Struggle: Progress in U.S.-Mexican Efforts to Defeat Organized Crime and Drug Trafficking (May 18, 2010): 23 <http://www.justf.org/files/primarydocs/100518mx.pdf>.

[16] Washington Office on Latin America and six other organizations, Memorandum to the U.S. Department of State (May 26, 2010) <http://www.wola.org/media/Mexico/2010/Merida%20Memo%20May%202010%20FINAL.pdf>.

Agénce France Presse, "Quejas contra militares han aumentado 300% en este año: CNDH" (July 8, 2010) <http://www.jornada.unam.mx/ultimas/2010/07/08/aumentaron-300-denuncias-en-mexico-por-dh-contra-militares-cndh>.

[17] Ken Ellingwood, "Mexico takes different tack on Juarez violence," The Los Angeles Times (Los Angeles: July 12, 2010) <http://www.latimes.com/news/nationworld/world/la-fg-mexico-juarez-20100713,0,249625.story>.

Mr. KUCINICH. Thank you.
Ms. Felbab-Brown, proceed.

STATEMENT OF VANDA FELBAB-BROWN

Ms. FELBAB-BROWN. Thank you, Mr. Chairman and Mr. Tierney. I am honored to have the opportunity to address you.

As long as there is strong demand for illicit narcotics, supply side measures should not be and cannot be expected to stop supply and prevent consumption; however, supply side policies do have a great impact on the level of threat that the drug trade and drug trafficking organizations and other non-state actors pose to state and societies in source and trans-shipment countries. They impact country intensity, institutional development, and human rights, and basic state society relations in source and trans-shipment countries. Often they do not do so in a positive way.

Let me now highlight some real general lessons about the effect of supply side policies on these broader issues, and I will be happy in the question period to talk specifically about Afghanistan, Mexico, or Colombia.

The drug trade generates multiple threats to the United States and other states and societies. It often threatens public safety, at times even national security, in supply and trans-shipment countries. It can also compromise the political systems by increasing corruption and penetration by criminal entities, and undermine legal economies.

At the same time, large populations around the world in areas of minimal state presence, great poverty, and social and political marginalization are dependent on illicit economies, including the drug trade, for basic survival and the satisfaction of other socio-economic needs.

Supply side measures such as eradication and interdiction have not yet succeeded in disrupting global supply of drugs in any lasting way; however, supply side measures have at times been effective in suppressing production in particular locales. A good security is a key condition for this success.

Short of great political oppression that is deeply inconsistent with U.S. values and interest, the second condition for success of supply side policy and suppressing production in particular locales is a multi-faceted state building effort that seeks to strengthen the bonds between the state and marginalized communities dependent or vulnerable to participation in the drug trade.

One component of such a program is the proper sequencing of alternative livelihood efforts and eradication, with eradication being implemented only when legal economic alternatives are in place.

Effective alternative livelihoods requires that it be designed as real funding, long-lasting, and comprehensive approach that does not merely center on searching for the replacement crop. It really amounts to either comprehensive rural development, and in places like Mexico or Brazil a complex urban planning.

The state building approach also needs to include other components of state presence such as the strengthening of law enforcement and justice and correction systems. But it needs to do so in a way that holds these other mechanisms and components in the state accountable to citizens.

Interdiction does play a critical part in supply side policies, including in ways to achieve these state building objectives, but it should not be conceived primarily as a mechanism to stop supply, but rather as a mechanism to beef up law enforcement, to prevent the ability of drug trafficking organizations to coerce or corrupt a state and societies.

Stopping weapons flows and anti money laundering measures add important components, but they should not be overstated in their effectiveness. They do not represent silver bullets and, indeed, they are often some of the least effective approaches to be undertaken.

Even when successful in particular locales, supply side measures have inevitably transferred the transshipment or supply problems to new locales, whether these are new areas within the country or they are new countries altogether.

The recognition of the balloon effect requires strategic prioritization of effort. The imperative to mitigate spill-over effects to other countries, however, should not give impetus to simply rush to assist with counternarcotics law enforcement efforts to new areas. Some of these areas, including in Central America and West Africa, have such weak state and law enforcement capacity and such high levels of corruption, the capacity to construct or absorb external assistance is limited.

In devising supply side policies, the United States needs to be aware of the limits to effectiveness of outside policy intervention and assistance. If we accept the proposition that supply side policies are a critical component of state building efforts and, indeed, should be construed as state building efforts, we need to realize that there is only so much an outside country can do to change the basic socio-economic and political arrangements that persist in countries. Indeed, these socio-political arrangements, such as taxation system, will have great affect on the effectiveness of counternarcotics policies.

It is imperative that the U.S. Congress demands of the Executive detailed reporting on the design and effects of counternarcotics policies abroad that focuses not simply on outputs but, indeed, outcomes.

Measures to reduce demand abroad must be a key component of U.S. counternarcotics policies. Many countries today have consumption levels on par or even greater than the United States. Many of these are located in Asia and Latin America.

Finally, it is important that consideration is given in the design of policies to second-degree effects and unintended consequences. A regular part of any policy analysis should be to consider where supply or smuggling would shift if counternarcotics efforts are successful in particular locales. What kind of illegal enterprises or economies will criminal groups turn if their proceeds from the drug trade are diminished? Will they, in fact, seek to penetrate to a greater degree the legal economies? And then do these developments pose a greater threat to the United States and partner countries than the current conditions?

Thank you.

[The prepared statement of Ms. Felbab-Brown follows:]

Vanda Felbab-Brown
Fellow
The Brookings Institution

Domestic Policy Subcommittee
Of the
Oversight and Government Reform Committee

Wednesday, July 21, 2010
2154 Rayburn HOB
10:00 a.m.

"International Counternarcotics Policies:

Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals?"

General Lessons Learned and Policy Designs in Afghanistan, Mexico, and Colombia

Mr. Chairman and Members of the Committee:

I am honored to have this opportunity to address the Subcommittee on the critical issue of the role supply-side counternarcotics policies play in reducing drug consumption in the United States and elsewhere and in advancing other U.S. foreign policy goals. The threats posed by the production and trafficking of illicit narcotics and by organized crime, and their impacts on U.S. and local security issues around the world, are the domain of my work, and the subject of my recent book, *Shooting Up: Counterinsurgency and the War on Drugs* (Brookings, 2009). I have conducted fieldwork on these issues in Latin America, Asia, and Africa.

While I will focus my comments on supply-side policies, I want to call attention to the fact that the Obama Administration has acknowledged the vital importance of reducing demand for illicit drugs and committed itself to reducing the demand in the United States.

Beyond enhancing international cooperation in the fight against illicit narcotics through an unequivocal acknowledgement of joint responsibility, a robust and well-funded commitment to demand reduction also greatly facilitates the effectiveness of supply-side measures. As long as there is a strong demand for illicit narcotics, supply-side measures cannot be expected to stop supply and prevent consumption. Despite the operational and funding priority given to supply-side measures over the past thirty years, they have not dramatically reduced consumption in the United States or elsewhere. In fact, in many countries, such as Brazil, Argentina, Mexico, Afghanistan, Pakistan, Russia, and China, demand for illicit narcotics has greatly increased over that period. In some of these countries, the per capita consumption of illicit narcotics rivals and even surpasses that of the United States or Western European countries.

However, supply-side policies do have great impact on the level of threat that the drug trade and drug trafficking organizations (DTOs) and other non-state armed actors pose to states and societies in source and transshipment countries.

In the rest of my statement, I will first briefly sketch the design of U.S. supply-side policies in Afghanistan, Mexico, and Colombia -- currently the principal focus of U.S. supply-side counternarcotics programs -- and outline the outstanding challenges and opportunities in these countries.

Second, I will outline broad lessons about the effectiveness of supply-side measures.

Afghanistan

The Obama Administration should be congratulated for having the courage in Afghanistan to break with ineffective, but entrenched supply-side policies that center on premature eradication. Eradication in conflict settings without legal alternative livelihoods in place neither accomplishes its siren song of bankrupting belligerents, nor does it sustainably reduce illicit crops. Indeed, it is counterproductive by increasing the bonds between belligerents, such as the Taliban, and the local population, and thus intensifying conflict, and by strengthening the structural drivers of illicit crop cultivation, such as insecurity.

The new U.S. strategy significantly scales back eradication, and instead focuses on interdiction (with a budget request of US$450 million) and rural development. The total request for economic assistance, which includes alternative livelihoods efforts, is US$ 3.3 billion. Although far from all economic programs necessarily impact the size of the drug trade in Afghanistan, including the level of illicit crop cultivation, it is important to understand that alternative livelihoods efforts require comprehensive rural development efforts and that job creation outside the rural sector may be critical for the reduction of the population's economic dependence on illicit crop cultivation.

Scaling back and defunding eradication in the current period allows for an optimization of counternarcotics policies with counterinsurgency. Given the economic and human security dependence of much of Afghanistan's rural population on the illicit economy and its role in Afghanistan's macroeconomic output, a rapid suppression of the illicit economy without legal alternatives in place will only push the population into the Taliban's hands, generate social and political instability, and significantly suppress even legal economic output.

However, the design of interdiction measures and alternative livelihoods efforts and the quality of their implementation will be critical for success. It is, for example, highly unlikely that interdiction measures can significantly reduce the Taliban's income and greatly limit its operational capacity. Interdiction measures have rarely succeeded in such an undertaking, and the Taliban likely derives half of its income from fundraising and taxing all other legal and illegal economic activity in the areas where its presence is strong, such as trucking, illegal logging, and development projects. Between 2002-2004, the Taliban was able to rebuild itself largely without access to proceeds from poppy cultivation in Afghanistan.

In addition to focusing on the Taliban local-level and larger drug financiers, interdiction and law enforcement efforts in Afghanistan also need to target government-linked traffickers to send a message that the era of impunity is over. Such efforts need to be accompanied by expanding the quality of and access to justice and dispute resolution mechanisms for the population and improving the capacity and quality of police, specialized counternarcotics units, the judicial system, and corrections facilities.

The Obama Administration has not revealed many details about the structure of the rural development and alternative livelihoods components of its Afghanistan counternarcotics policy. Administration officials were at times reported to emphasize that the new programs would focus "on the farm." Such focus is needed, but it should not take place at the expense of generating secure markets and value-added chains. Without this latter component, alternative livelihoods efforts have not been highly effective.

The programs also need to address all of the structural drivers of poppy cultivation. It was the right decision of the Obama Administration not to fund this year the wheat distribution program in Afghanistan, including the so-called Food Zone in Helmand, the hallmark of rural development efforts in Afghanistan last year and a program still funded by the United Kingdom. Subsequent evaluations of the wheat program pointed out many series deficiencies in its design and implementation and give a strong reason to remain skeptical about its long-term effectiveness. Because of land-intensity requirements for wheat cultivation, its limited ability to

generate employment, and the fact that neighboring countries dictate Afghanistan's wheat prices, wheat is overall not an effective substitute for poppy. The efforts should instead focus on high-value, high-labor intensive crops as well as on addressing the structural drivers of poppy cultivation.

A serious evaluation needs to be given to the sustainability of the development efforts and the economic and political and security dangers entailed in using economic development programs as short-term buyoffs of the population. It has been reported at times, for example, that Marja and areas around Kandahar City are being saturated with development money. U.S. officials have at times stated that 30,000 jobs have been created in southern Kandahar. Many of these jobs appear to be cash-for-work programs, such as paying young men for cleaning irrigation canals or building roads. Such programs, however, need to be treated with caution. Improving physical infrastructure and irrigation is intrinsically useful and important for development. From a counterinsurgency perspective, it is also crucial to find jobs for young men susceptible to the Taliban mobilization or those who abandon militancy through demobilization efforts. Some of these workers may even limit their participation in the poppy economy. Such cash for work programs are also the easiest to generate in weak economies in conflict settings.

However, the problem with such programs is that they often end very quickly – either after the road is built or the cash funding has run out and no sustainable jobs have been created. It is thus imperative that Congress does not expect that such programs will robustly diminish the poppy economy in Afghanistan. Even more dangerously, they create expectations on the part of the population that may not be met later on. Unmet expectations are a key driver of the insurgency and the disappointment with the Afghan government. Hiring several thousand men for a project one spring, while unable to employ them later although they continue to expect legal employment can drive some back to the Taliban or alienate them from the Afghan government and the international community.

Similarly, using economic programs to buy off the Afghan population through the distribution of economic handouts, such as diesel generators or building of wells and bridges, has largely not been effective in Afghanistan. Such approaches have neither generated reliable intelligence and secured the lasting sympathy of the population nor been the basis of sustainable rural development. In a counterinsurgency setting, it is crucial to win the hearts and minds of the population. Concentrating economic aid and quickly delivering visible economic improvements is an understandable component of such an effort. But great caution needs to be taken that such programs do not backfire by setting up unreasonable expectations that will be disappointed, such as when the fuel distributed for the diesel generators runs out or the medical stuff for the newly-built clinic does not show up, thus turning the population off the counterinsurgency effort. Often a smaller program that is sustainable if slower, but has lasting community ownership may be better for development, counternarcotics, and counterinsurgency.

It is also understandable, and often desirable to concentrate resources on key strategic and demonstration areas. Dispersing resources – whether military, development, or counternarcotics – over too large an area may prevent a program from achieving a sufficient momentum and intensity in any particular place, and thus failing throughout. But while it is understandable to concentrate U.S. counternarcotics and development funds in southern Afghanistan particularly,

such an allocation should not take place at the expense of starving the north and east of Afghanistan off economic development funds. Counternarcotics achievements in those areas are fragile, and the political repercussions of poppy bans and suppression have often been severe, including in terms of weakening tribal structures and popular allegiance to government authorities, such as in Achin, Shinwar, and Khogiani areas of Nanganhar, or the rise of criminality and outright Taliban mobilization and activity in the north of Afghanistan.

Other short-cuts, such as programs to compensate farmers for their own eradication of poppy crops adopted to some extent this year in Marja, for example, should be treated at most as short-term stopgap measures. Although preferable to forced eradication in the absence of legal livelihoods being in place, such programs do not have a good track record in Afghanistan or elsewhere in the world, lacking sustainability and even encouraging moral hazard.

The so-called Good Performers Initiative, rewarding provinces and governors who significantly reduce the size of poppy cultivation, should also be subjected to careful scrutiny. Often, such as in case of the province of Nangarhar, the Initiative rewards the output without regard to its sustainability, effects on political stability and counterinsurgency, the socio-economic needs of the population, or the goal of improving the quality of Afghan governance. Instead of rewarding the numbers of hectares eradicated or the decrease in cultivation through bans, the Initiative should disburse rewards for improving good governance and the socio-economic development of the province, measured by population-centric indicators. Such measures include a person's food security and access to water, land, microcredit, and education, for example.

Mexico

The new orientation of the Merida Initiative, the so-called *Beyond Merida*, puts the overall counternarcotics strategy in Mexico on the right track and should be greatly applauded. Indeed, the new design of the Merida Initiative is an example of the kind of multifaceted state-building approach to counternarcotics I call for later in my testimony. It represents a great improvement to the design of counternarcotics programs in Mexico and more broadly of U.S. supply-side programs.

The new strategy recognizes that there are no quick technological fixes to the threat that DTOs pose to the Mexican state and society. It also recognizes that high-value-targeting of drug capos, even while backed up by the Mexican military will not end the power of the Mexican DTOs.

Instead, the new strategy focuses on four pillars: a comprehensive effort to weaken the DTOs that goes beyond high-value decapitation; institutional development and capacity building, including in the civilian law enforcement, intelligence, and justice sectors; building a 21st century border to secure communities while encouraging economic trade and growth; and building communities resilient to participating in the drug trade or drug consumption.

As in the case of Afghanistan, even a great strategy is vulnerable to implementation problems. Deep obstacles persist in Mexico's political and economic arrangements and social organization that make effective implementation of such a strategy not easy. Notwithstanding the level of U.S. assistance so far, including having generated over several thousand newly trained Mexican federal police officers, Mexico's law enforcement remains deeply eviscerated, deficient in

combating street and organized crime, and corrupt. Police reform will require sustained commitment over a generation, and corruption problem persist even among the newly trained police. Expanding the investigative capacity of Mexico's police, especially during times of intense criminal violence when law enforcement tends to become overwhelmed, apathetic, and all the more susceptible to corruption, is imperative, but it is frequently a difficult component of police reform.

The persistence of monopolies in Mexico limits job creation, even in times of economic growth. The structural limitations of such efforts have already been manifested in "100 Days of Cuidad Juarez" unveiled by President Felipe Calderón in February. Although it is critical and laudable that the U.S. government has stressed the need to generate jobs in places such as Cuidad Juarez to employ the scores of young men who are available as cartel *sicarios* for a mere USD 500 a month, job generation there and throughout Mexico will be hampered by the violence and the broader marcoeconomic arrangements in Mexico. Land access and distribution encourage the persistence of illicit crop cultivation and poverty in Mexico's southern rural areas. The taxation system that poses a heavy burden on the middle class and the reality that more than forty percent of Mexico's economy is informal put great constraints on the fiscal capacity of the Mexican state and its ability to encourage socio-economic development.

Moreover, the new strategy does not guarantee that substantial drops in drug-related violence will take place quickly. Indeed, the way interdiction has been carried out so far – focusing on high-value-target decapitation – has contributed to the levels of violence. Yet it is critical that drug-related violence (which over the past three years surpassed 23,000 deaths) is brought down in Mexico. Such violence cannot be dismissed as irrelevant or hailed as success. At these levels, especially in highly affected communities, such as Cuidad Juarez, the intense violence undermines legal economic activity and eviscerates civil society. It is imperative that reducing violence becomes a critical part of the strategy, such as by encouraging Mexico to better integrate police and military efforts, focus on investigations and community policing by uncorrupt police while using the military mainly as back-up during highly violent confrontations with the DTOs.

Given the depth of the above-mentioned problems in Mexico, the U.S. funding request of US$310 million for next year is modest. But while greater funding would expand U.S. assistance opportunities, the modest funding request is not necessarily inappropriate. First of all, the Government of Mexico is devoting significantly greater resources to the effort. Second, counternarcotics programs can only be sustainable if embraced, including with respect to the funding responsibility, by the recipient country. Given the size of the U.S. assistance, it is also appropriate to focus U.S. resource selectively on demonstration areas, such as one or two cities in Mexico's North, where the four pillars and Mexico's efforts can be brought together.

While recognizing the need for local ownership and sustainability, it is of concern to see that the 4th pillar of the strategy – developing resilient communities by focusing on addressing their socio-economic needs – will receive only small funding from the United States. Such funding appropriation is all the more worrisome since the Mexican government's own funding of such efforts is likely to remain more limited than its funding of law enforcement measures. But just as in Afghanistan, care needs to be taken not to overpromise outcomes and speed of social progress

to a community, and thus disappoint its expectations. And once again, U.S. assistance and the socio-economic programs more broadly should not be conceived as limited handouts to pacify a community or secure intelligence flows. Rather, they must be conceived as a systematic, robust, and long-term urban planning. U.S. assistance may perhaps be best spent by concentrating U.S. resources on demonstration areas, such as a city or even a neighborhood, and by encouraging and assisting the government of Mexico in undertaking the necessary structural economic and law enforcement efforts needed and by encouraging them to maintain such political will regardless of what political party is in power.

Similarly, U.S. counternarcotics efforts in Mexico should also encourage rural development in areas of illegal poppy and marijuana cultivation. The Government of Mexico has so far exhibited only a limited interest in such programs, preferring to deal with illicit crops there through eradication. However, addressing the socio-economic needs of the marginalized areas of both the northern urban belt as well as southern rural areas is critical for reducing the recruitment pool for the drug trafficking organizations, severing the bonds between marginalized communities and criminal elements, and resurrecting the hope of many Mexican citizens that the Mexican state and legal behavior can best advance their future.

U.S. assistance to Mexico in its reform of the judicial system and implementation of the accusatorial system, including in terms of training prosecutors, can be particularly fruitful. Urgent attention also needs to be given to prison reform in Mexico, currently a breeding ground and schooling for current and potential members of drug trafficking organizations.

Colombia

Over the past nine years, reflecting the results of U.S. assistance under Plan Colombia and the Andean Counterdrug Initiative, Colombia has experienced significant progress. Yet while significant, the success remains worrisomely incomplete. It is important not to be blinded by the success and present Colombia as a model to be emulated, including in Mexico. While its accomplishments, including in police reform and the impressive strengthening of the judicial system, should be recognized and indeed may serve as a model, the limitations of progress equally need to be stressed for it is important to continue working with Colombia of areas of deficient progress and avoid repeating these failures elsewhere in the world.

Colombia has experienced especially strong progress in combating illegal armed groups, such as the leftist guerrilla movement, the *Fuerzas Armadas Revolucionarias de Colombia* (FARC). Its numbers have been halved, its ability to operate substantially weakened, and the guerrillas have been pushed away from strategic corridors. The Government of Colombia also demobilized the rightist paramilitaries, the *Autodefensas de Colombia* (AUC). Kidnapping and murder rates have fallen substantially.

Yet critical weaknesses in security remain. In much of the territory cleared of illegal armed actors, security is still tenuous. Frequently, government presence, even in terms of public safety, remains sporadic and spotty. Often, illegal armed actors reign a short distance from major roads and government officials can enter many municipalities only with permission of the local armed actors. The FARC can still conduct a robust terrorist campaign and often controls extensive territories, including in areas of difficult terrain.

Despite the formal demobilization of the paramilitary groups, new paramilitary groups, referred to by the Government of Colombia as *bandas criminales*, have emerged and by some accounts number ten thousand. They participate in the drug trade and undermine public safety in ways analogous to the former paramilitaries. Such paramilitary groups have also penetrated the political structures in Colombia at both the local and national levels, distorting democratic processes, accountability, and socio-economic development, often to the detriment of the most needy. New conflicts over land have increased once again and displacement of populations from land persists at very high levels. Homicides and kidnapping murders are up in Bogotá and Medellín, once hailed as a model success.

Although the National Consolidation Plan of the Government of Colombia recognizes the importance of addressing the socio-economic needs of the populations previously controlled by illegal armed actors, state presence in many areas remains highly limited and many socio-economic programs exist only on paper, but not on the ground. This is also the case in many of the seventeen specially-designated "strategic zones" where the Government of Colombia focuses its efforts. Civilian presence, such as in terms of rural development, often remains the weakest. Many of these deficiencies are described in the USAID-contracted, independent-expert *Assessment of the Implementation of the United States Government's Support for Plan Colombia's Illicit Crop Reduction Components* (below referred to as *Assessment*), in which I participated during 2008 and 2009. The Assessment can be accessed at http://www.brookings.edu/reports/2009/0417_plan_colombia_felbabbrown.aspx.

Despite the most intensive aerial eradication campaign in history and steadily increasing level of manual eradication, the cultivation of coca persists at high levels (119,000 hectares). Rural development efforts remain limited and reach only a small segment of the population cultivating illicit crops or vulnerable to cultivation. There are no consistent data regarding the number of *cocaleros* in Colombia, with estimates ranging from 90,000 to 300,000 families (not including those vulnerable to, but not currently cultivating coca).

Despite the drop in the U.S. funding request for Colombia, at US$460.1 million, the funding still remains one of the highest counternarcotics source-country programs, surpassed only by the funding for Afghanistan. Although the funding – structured as US$202.9 million for socio-economic and civilian institutional development and US$257.2 for eradication and military efforts – cannot be expected to bring about comprehensive rural development throughout Colombia or pay for the fight against illegal armed actors, a decrease in funding is not inappropriate. The Government of Colombia has a far greater capacity to pay for its efforts than it used to in the 1990s. Such local ownership and commitment is also necessary for long-term sustainability of the effort.

It is encouraging that the Obama Administration has maintained the funding trend over the past two years of balancing more socio-economic efforts in relation to law enforcement and security efforts (military operations and drug eradication and interdiction), with a 44% to 46% distribution from what used to be a 25% to 75% distribution in the much of the 2000s. Not cutting funding for socio-economic programs is especially important. Given the immensity of socio-economic needs in Colombia and the relatively small size of the U.S. programs, focusing on critical areas, such as the strategic zones, in this phase of U.S. assistance is appropriate in

terms of rural development efforts. However, it is important to recognize that U.S.-funded rural development efforts operate in the context of problematic political-economic arrangements that greatly limit the effectiveness of alternative livelihoods programs. For example, powerful agricultural lobbies oppose land reform and the rural poor frequently have only limited access to land and credit. The taxation system taxes land very lightly, while it taxes labor, especially the middle class, very heavily, giving rise to land speculation and economic growth that does not generate many jobs.

The May presidential elections in Colombia represent a new opportunity for the Colombian government and for the United States. The new Colombian government of President Juan Manuel Santos should recognize that while perseverance in security and public safety efforts, including in combating the new paramilitary groups/*bandas criminales* is critical, it must be accompanied by far more robust efforts to address the socio-economic needs of the marginalized populations and combat poverty and political and economic inequality. President Santos has indeed committed himself to doing so, and the United States should make such socio-economic development in Colombia a key component of its partnership with Colombia.

For the counternarcotics efforts, the arrival of a new administration in Colombia presents an opportunity to move away from the ineffective and counterproductive zero-coca policy of President Alvaro Uribe's Administration. Detailed in the above- mentioned independent *Assessment*, the policy conditions all economic aid on a total eradication of all coca crops from a particular locality. Even a small-scale violation by one family disqualifies the area, such as a municipality, from receiving any economic assistance from the Government of Colombia and often also cooperating international partners. Such a policy thus disqualifies the most marginalized and coca-dependent communities from receiving assistance to sustainably abandon illicit crop cultivation, subjects them to food insecurity and often also physical insecurity, pushes them into the hands of illegal armed groups, and adopts the wrong sequencing approach to supply-side counternarcotics policies. In cooperating with the new administration in Colombia, the United States government should encourage the new Colombian leadership to drop this counterproductive policy.

Lessons Learned about the Effectiveness of Supply-Side Policies

In the rest of my testimony, I will briefly sketch some key lessons from forty years of counternarcotics efforts by the United States and other countries.

I. The drug trade generates multiple threats to the United States and other states and societies. Not only does it feed drug addiction and abuse in consuming countries, but also it also often threatens public safety, at times even national security, in supply and transshipment countries. And it can compromise their political systems by increasing corruption and penetration by criminal entities and undermine their legal economies.

At the same time, large populations around the world in areas with minimal state presence, great poverty, and social and political marginalization are dependent on illicit economies, including the drug trade, for economic survival and the satisfaction of other socio-economic needs. They are thus susceptible to becoming dependent on and supporters of criminal entities and belligerent

actors who sponsor the drug trade. In turn, such dangerous non-state actors derive large financial benefits and political capital from the drug trade.

II. Supply-side measures, such as eradication of illicit crops and interdiction of transshipment, have *not yet succeeded in disrupting the global supply of drugs in a lasting way*. At most, simultaneous supply-sides measures in critical production areas and along critical smuggling routes have generated relatively brief disruptions of global supply, reflected in increased, but temporary shortage of narcotics. After a short period, usually no more than two years, global supply has recovered whether through renewed production in the original source area, the relocation of production to new areas, or the use of new transshipment methods or routes by drug trafficking organizations.

III. Supply-side measures, however, have been *at times effective in suppressing production in a lasting way in particular locales*. Such durable suppression of illicit crops has required two elements: The first requirement has been that military conflict in the particular area must have ended and the state or even nonstate authorities must have firm control throughout the entire territory of the country. The second has been that the state imposing eradication of illicit crops must be capable and willing to sustain prolonged repression of populations dependent on illicit crop cultivation (the China under Mao model), or that alternative livelihoods are put in place to offset the economic losses and resulting human insecurity of the marginalized populations (the Thailand model).

IV. Given that the repression-based approach is deeply inconsistent with U.S. interests and values, only the second model that includes legal economic alternatives should be adopted by the United States and other countries. For the second model to be effective, however, it needs to be construed a *multifaceted state-building effort that seeks to strengthen the bonds between the state and marginalized communities* dependent on or vulnerable to participation in the drug trade for reasons of economic survival and physical insecurity. The goal of supply-side measures should not only be a narrow suppression of the symptoms of illegality and state-weakness, such as suppression of illicit crops or interdiction of illicit flows, but rather to reduce the threat that the drug trade poses from one of a national security concern to one of public safety problem that does not threaten the state or the society at large.

Such a multifaceted approach in turn requires that the state addresses all the complex reasons why populations turn to illegality, including law enforcement deficiencies and physical insecurity, economic poverty, and social marginalization. Efforts need to focus on ensuring that peoples and communities will obey laws – by increasing the likelihood that illegal behavior and corruption will be punished, but also by creating the social, economic, and political environment in which the laws are consistent with the needs of the people so that the laws can be seen as legitimate and hence be internalized. The reorientation of the Merida Initiative toward such a multifaceted approach is an example of the needed reconceptualization of the drug trade threat and is a very encouraging development.

In the case of narcotics suppression, one aspect of such a multifaceted approach that seeks to strengthen the bonds between the state and society and weaken the bonds between marginalized populations and criminal and armed actors is the *proper sequencing of eradication and the*

development of economic alternatives. For many years, the United States has emphasized eradication of illicit crops, including forced eradication, above rural development, such as alternative livelihoods efforts. Worse yet, the United States has also insisted on eradication first. Such an approach has been at odds with -- in fact, the reverse of -- the counternarcotics policy of the European Union and many individual Western European countries. Such sequencing and emphasis has also been at odds with the lessons learned from the most successful rural development effort in the context of illicit crop cultivation, Thailand. Indeed, Thailand offers the only example where rural development succeeded in eliminating illicit crop cultivation at a country-wide level.

I am encouraged that the Obama administration is cognizant of the need to *focus on rural development and sequence it properly with eradication.* The new U.S. policy in Afghanistan is a prime example of this deeper understanding. Yet such effective sequencing of alternative development and eradication is far from the norm in many U.S. assistance programs, including in Peru and in Colombia where eradication often takes place in the absence of economic assistance. In Mexico, to a large extent reflecting the preferences of the Government of Mexico, the United States does not fund alternative livelihoods efforts in the countryside where marijuana and opium poppy are grown and where methamphetamines are produced, providing livelihoods to marginalized populations in places such as Guerrero, Oaxaca, and Michoacán. Yet the United States becomes concerned when eradication measures failed to prevent an increase in cultivation in those areas.

V. Effective rural development does require not only proper sequencing with eradication and security, but also a *well-funded, long-lasting, and comprehensive approach* that does not center merely on searching for the replacement crop. Alternative development efforts need to address all the structural drivers of why communities participate in illegal economies -- such as access to markets and their development, deficiencies in infrastructure and irrigation systems, access to microcredit, and the establishment of value-added chains.

Such economic approaches to reducing illegality and crime should not be limited only to rural areas: there is great need for such programs even in urban areas afflicted by extensive and pervasive illegality where communities are vulnerable to capture by organized crime, such as in Mexico.

Indeed, a primary focus on legal job creation – whether on or off-farm – should be a key component of U.S. counternarcotics programs wherever marginalized populations are dependent on illegal enterprises for basic livelihood. Such an effort is in fact at the core of economic and social development the United States often considers an important goal of its policies abroad. Job generation is however no easy undertaking. In fact, the single most difficult problem of economic development often is the job creation in the legal economy, at times requiring overall GDP growth and deep changes in structural economic and political arrangements. Creating legal jobs has been a major problem in Mexico, Colombia, Afghanistan, and Pakistan, and will continue to be so for the foreseeable future.

Often alternative livelihoods efforts are dismissed as destined to be ineffective because jobs in the legal economy cannot possibly match profits from an illegal enterprise, especially the drug

trade. Indeed, price profitability of illegal economies, including illicit crop cultivation, overall is greater than price profitability of legal economic undertakings.

But price profitability is not the sole, and often not the most important driver of behavior and the reason people participate in illicit economies. Indeed, illicit crop farmers in places like Afghanistan, Colombia, or Burma sometimes even make less money on cultivation poppy or coca than they would have if they cultivated legal crops, such as vegetables. But their choice in their livelihoods undertaking is constrained by structural drivers, such as insecurity, lack of access to markets, and lack of access to microcredit. If these other structural determinants are addressed and legal economic alternatives that satisfy their needs and bring a hope of progress are in place, farmers and other participants in illegal enterprises are often willing to sacrifice profits and eschew participation in the illegal economy. Moreover, cultivation of illicit crops often generates its own physical insecurity, in terms of abusive drug traffickers, armed groups, and law enforcement. If basic socio-economic needs can be satisfied legally, many will choose to become legal and valued members of society and be consistent with their sense of morality, ideology, or religion. Those who have access to legal economic opportunities and yet persist in illicit crop cultivation or criminal behavior, should appropriately be subject to law enforcement. If sufficient legal economic alternatives are in place, eradication, including forced eradication, may well be an appropriate tool to use.

VI. The state-building approach also needs to include strengthening the *justice and corrections systems* in countries threatened by organized crime. Merely arresting offenders, without being able to successfully prosecute and rehabilitate them, only increases the recruitment pool for drug trafficking organizations. Thus, the great increase in arrests in Mexico to more than 70,000 since the beginning of President Felipe Calderón Administration should be a source of concern as much as applause, since it is likely that many of the arrestees will only develop stronger links to Mexico's drug trafficking organizations while in prison. Improving justice and corrections systems abroad also involves expanding citizen access to justice and peaceful dispute resolution mechanisms. Such efforts are badly needed in Afghanistan, Colombia, as well as parts of Mexico.

VII. Consistent with the evidence of the meager effectiveness of supply-side measures in suppressing global supply, and with the proposed framework for reconceptualizing the fight against illegal drugs to one of state-building, is a *reconceptualization of interdiction*. Instead of singularly focusing on stopping illicit flows and thus reducing supply, interdiction measures should equally focus on reducing the power of drug trafficking organizations to corrupt and coerce the states or societies in areas of their operations. Such a reconceptualization may dictate different targeting patterns and methods as well as measures of success. However, such reconceptualization of interdiction should not create the false impression that interdiction can provide a silver bullet for counternarcotics efforts.

Nor are other complementary programs, such as anti-money-laundering efforts or interdicting weapons flows. While cracking down on illegal arms sales to drug trafficking organizations and increasing anti-money-laundering measures are highly desirable, neither on its own is likely to significantly hamper the operations of organized crime groups. Anti-money-lauding measures effectiveness is very difficult to estimate, but such measures are often thought to capture less

than ten percent of the illicit money flows. Thus, the Obama Administration's goal of "increasing the cost of doing business for the DTOs, to the point where routine losses are no longer sustainable"[1] will likely be elusive. DTOs tend to be flexible and highly capable of adapting to measures, such as high-value targeting, anti-money-laundering efforts, or weapons interdiction.

A comprehensive dismantling of DTOs through arrests of middle and top leaders has proved highly effective in the United States. A multilayered targeting of the Medellín and Cali cartels were also critical for their demise, even though in the Medellín case, rival DTOs significantly contributed to the incapacitation of the cartel. Moreover, after successful incapacitation of particular DTOs, the illegal drug trade business did not end. Instead, new DTOs moved in and took control of the trade. The purpose of interdiction should thus be to steadily weaken the DTOs' power to threaten the state and society and to prevent them from accumulating power -- an unending, but vital function of law enforcement.

Nor are interdiction efforts likely to bankrupt belligerent groups, as the Obama Administration seeks to accomplish in Afghanistan. Neither eradication nor interdiction has yet resulted in bankrupting one single significant belligerent group to the point of sustainably and significantly weakening its military capabilities.
Belligerent groups tend to have multiple sources of funding and find it not difficult to move from one illicit economy and one funding source to others. The Taliban in Afghanistan, for example, receives as much funding from taxation of legal economic activities, such as the trucking of supplies or economic aid projects, in areas it controls as it does from the drug trade. It also participates in illegal logging, illegal trade in wildlife, and obtains great financial revenues from fundraising in Pakistan and the broader Middle East.

Finally, assistance in law enforcement to reduce the power of DTOs critically involves assistance in reducing corruption in the source or transshipment country's law enforcement apparatus and political system more broadly. It also requires a focus on addressing street crime, frequently a far greater menace to the lives of communities in source and transshipment countries than organized crime. Assistance in addressing street crime provides a good testing ground of the level of corruption of law enforcement in the recipient country, and helps to build bonds between the society and the state, facilitating the community's provision of intelligence to law enforcement agencies. Well-designed community policing approaches tend to be particularly effective.

VIII. Even when successful in particular locales, supply-side measures have inevitably transferred the transshipment or supply problems to new locales, whether elsewhere in the same country or to neighboring countries. This phenomenon is often referred to as the *balloon effect*.

The Obama Administration should be applauded for recognizing this danger with respect to the Merida Initiative, as increased law enforcement efforts in Mexico risk increasing drug shipments and associated threats to the states and societies in Central America and the Caribbean. There is already evidence that the presence of Mexican DTOs has greatly increased in Central America, posing security and corruption threats to local governments. To mitigate the spillover effects, the

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[1] R. Gil Kerlikowske, Director of ONDCP, Testimony to the Subcommittee on National Security and Foreign Affairs, Oversight and Government Reform Committee, *Transnational Drug Enterprises (Part II): U.S. Government Perspectives on the Threat to Global Stability and U.S. National Security*, March 3, 2010, p.4.

Obama Administration has unveiled two new initiatives: the Central American Regional Security Initiative (CARSI) and the Caribbean Basin Security Initiative (CBSI).

The Obama Administration also recognizes such danger in Central Asia, with modest funding requested for law enforcement efforts in former Soviet Union countries. It is equally important to harness existing economic aid for Pakistan, including the Federally Administered Tribal Areas and in the Khyber-Pakthunkwa Province, to prevent the reemergence of extensive poppy cultivation there as a result of the counternarcotics efforts in Afghanistan. Since undertaking rural development in the absence of illicit crops is easier than in the context of illicit crops (but includes many of the same measures as any rural development), U.S.-assisted efforts in those areas of Pakistan can double as drug-trade prevention measures. Small-scale rural infrastructure projects have been particularly promising there. However, developing legal employment opportunities will be one of the greatest challenges in those areas of Pakistan, U.S. reconstruction-opportunity zones programs notwithstanding.

Nonetheless, in the absence of a significant reduction in demand, drug supply and transshipment will inevitably relocate somewhere. Thus, there is a limit to what regional efforts can accomplish. As long as there is weaker law enforcement and state-presence in one area than in others, the drug trade will relocate there. Consequently, the United States needs to carefully consider which drug trade locations pose the least threat to the United States and what measures can be undertaken to mitigate the harms any such relocation will pose to recipient communities and states.

The imperative to mitigate the spillover effects, however, should not give impetus to a rush to assist with counternarcotics law enforcement efforts in any new areas. Some of these areas, including in Central America and West Africa, have such weak state and law enforcement capacity and such high levels of corruption that their capacity to constructively absorb external assistance is constrained. Worse yet, such assistance risks being perverted: in the context of weak state capacity and high corruption, there is a substantial chance that counternarcotics efforts to train anti-organized crime units will only end up training more effective and technologically-savvy drug traffickers or worse, yet, perhaps even the forces that will carry out a coup in their country. The United States should be very cautious in the type and level of counternarcotics assistance it provides to any such new emerging locales. The United States may assist in counternarcotics, ideally conceived as state-building, but it needs to have a committed partner in the source or transshipment country.

The best assistance in places, such as Central America and West Africa where state capacity is minimal and law enforcement often deeply corrupt, may be to focus on strengthening the police capacity to fight street crime, reduce corruption, and increase the effectiveness and reach of the justice system. Only once such assistance has been positively incorporated, will it be fruitful to increase assistance for anti-organized crime efforts, including through advanced-technology transfers and training.

IX. In devising supply-side policies, the United States government needs to be aware of the *limits to effectiveness of outside policy intervention and assistance*. Ultimately, supply-side policies will only be effective if they are fully embraced by recipient governments and local

populations. Many such interventions, such as police and law enforcement building, require institutional reform and development that takes a generation or more. Rural development is fundamentally dependent on the political economy of each country, such as land concentration and access to credit, fiscal capacity of local governments, and taxation systems in particular countries. If taxation designs place the bulk of the tax burden on the middle class, tax labor very heavily and land and capital very lightly, there will be structural pressure toward growth that is capital-intensive, but does not generate jobs and that widens inequality gap between the marginalized and the rich. Colombia, Mexico, and Pakistan offer prime example of such political-economic arrangements and resultant economic and social outcomes. Thus, counternarcotics alternative livelihoods efforts – whether in urban areas or in the countryside – will struggle to achieve the necessary momentum to pull the marginalized from dependence on illicit economies, such as the drug trade.

Outside policies, including by the United States, however, have only a limited ability to change such institutional economic arrangements, especially since they are often deeply intertwined and reflect the political arrangements and power distribution in the source or transshipment country. U.S. policy can thus advice and assist, but there will be significant limitations to what U.S. supply-side counternarcotics policies can accomplish, particularly in relatively short periods.

X. It is imperative that the U.S. Congress demands a detailed reporting on the design and effects of counternarcotics programs abroad, that goes beyond general statements such as that the United States trained 800 counternarcotics police officials in Mexico, created jobs for 30,000 people in southern Afghanistan, or its alternative development programs benefited 90,000 families in Colombia. The kinds of questions that the Executive needs to report on should include: What kind of training did the counternarcotics officials receive? What is the expectation eight hundred such officials can accomplish? How likely will they become corrupt and what anti-corruption measures have been put in place to minimize such a possibility? What does it mean that 30,000 jobs were generated? Were these only cash-for-work programs that will not last once U.S. funding ends? Were these temporary short-term measures or self-sustaining job creation? What does it mean that 90,000 families benefited: Did they each get one U.S. dollar or was rural development loan created from which they all obtained a USD 500 microcredit?

The specifics matter since without an ability to analyze in detail what policy designs were effective and which did not significantly contribute to desired goals, policy cannot be improved. For policy to be effective, it requires flexibility, ability to adjust to local ground conditions that are often impossible to glean from abroad and the outside, and ability to react to unintended outcomes. While Congress should grant the Executive as much design flexibility as possible, while being mindful of the broad counternarcotics lessons that four decades of counternarcotics programs have generated, it should also insist on constant monitoring and detailed reporting. Often entire strategies are thrown out, such as rural livelihoods efforts dismissed as ineffective in a particular place, without a careful analysis being conducted of what went wrong. The entire approach is thus discredited, while it may well be its internal design that rendered the policy ineffective. Similarly, policies are often being hailed as a success even though desired outcomes, such as a temporary suppression of illicit crop cultivation, came about as a result of exogenous factors that had little to do with policy.

XI. I am encouraged that the Obama Administration has placed emphasis on *reducing demand* not only in the United States, but also *abroad*. Unfortunately, even today such programs receive only limited funding and often on a sporadic basis, rather than being a consistent and central feature of U.S. counternarcotics policies abroad. The design of such programs is as important as their resource base. To the extent that such programs mimic DARE programs in the United States, they frequently are not particularly effective.

As we have also learned from U.S. experience with such prevention and treatment programs, tailoring them to specific target groups, such as teenagers, and understanding the local institutional and socio-economic settings are as critical for their effectiveness as is their comprehensiveness. One shoe does not fit all: Local conditions regarding access to medical care, including mental health facilities, for example, may require very different design of demand reduction efforts in Mexico than in the United Kingdom or in Afghanistan.

XII. As the United States government designs counternarcotics programs abroad, it is important that consideration is given to second-degree effects and unintended consequences. A regular part of policy analysis should be to consider: Where supply or smuggling routes will shift if counternarcotics efforts in particular locales are effective; to what kind of illegal enterprise or economy criminal groups will turn to if their proceeds from the drug trade become diminished; and whether either of these developments poses a greater threat to the United States or other countries than current conditions. The United States Congress should encourage such incorporation of unintended-consequences assessments and strategic evaluation of the drug trade into the policy process.

Thank you for giving me this opportunity to address the Subcommittee on this important issue.

Mr. KUCINICH. Thank you.
Professor Kleiman.

STATEMENT OF MARK KLEIMAN

Mr. KLEIMAN. Mr. Chairman, it is an honor to be invited to testify before this body. Mr. Chairman, having required me to take an oath to tell the whole truth, I hope you will pardon me if I don't pull any punches.

My theme today is the logic of counter-drug strategies in the context of insurgency and terrorism. My claim is that we have let the pieties of the drug war blind us to economic reality and commit us to unattainable goals.

We make some drugs illegal because of the problem of drug abuse, and it seems to be the best refutation to the claim that we would improve matters by legalizing them is to look at the one drug we legalized, alcohol, which causes more damage than all the illicit drugs combined. By the way, this somewhat modifies, Mr. Chairman, the claim that the United States has an unusual appetite for drugs. We have an unusual appetite for illicit drugs. In fact, if you add back alcohol, we are sort of in the middle of the league table.

Anyway, we ban drugs because we are worried about drug abuse. Once the drugs are illegal, trafficking in them is a source of criminal revenue. The same capacities that allow an organization to function as a terrorist organization—secrecy, loyalty, weaponry—allow it also to function as a drug dealing organization, and when a terrorist or insurgent group controls a piece of territory, it can collect money from drug dealers who operate in that territory, either as tax or in return for actual services in protecting drug dealers from one another and from law enforcement. And, indeed, drugs provided some of the funding for the Contras, for the FARC, for the Colombian Paras, for the Northern Alliance war lords, and for the Taliban.

Preventing terrorists and insurgents from successfully engaging in or taxing drug dealing is one way to reduce their power, and fighting drug-related corruption is one way to improve governance. So much is true, but the following, Mr. Chairman, is not true: that doing drug law enforcement generally in areas where terrorists operate is the same as fighting terrorism, that counternarcotics is counterinsurgency. Not only is that not true, it is precisely backward. Drug enforcement raises prices. Volume doesn't go down nearly as much as price goes up, especially for exported drugs. Therefore, drug enforcement tends to make drug dealers, in general, richer, which indirectly benefits those who can extract taxes from them.

Worse, insofar as terrorists function as drug dealers, they are among the harder sorts of drug dealers to catch because they have violence and influence at their command, so it is mostly their competitors we are going to put out of business unless we target very carefully. So drug enforcement without respect to persons, as one of your earlier witnesses mentioned, is exactly, exactly the wrong thing to do.

Moreover, the value of protective services goes up as the intensity of enforcement goes up. The bigger a threat law enforcement

is to drug dealing, the more it is worthwhile paying an insurgent or a war lord for protection. So untargeted drug law enforcement provides material support for terrorism. It is not anybody's intention, but that is the result. It is true in Afghanistan. I think it is true in Mexico.

The goal, which has been discussed today extensively, the goal of stopping the flow is unattainable. Drug consumption in the United States is determined overwhelmingly by conditions in the United States, not abroad. We can redirect the flow. We can try to control the collateral damage. The effort to solve our drug problem in someone else's country is worse than futile.

Mr. Chairman, the Myth of Sisyphus, who is punished for some outrageous misdeed in the afterlife by being forced to continually roll the stone up a hill, and as soon as he gets on top of the hill it rolls back down, the myth is familiar. I don't believe the GAO report on that myth is familiar, but it is entitled, "Stone Rolling Goals Not Being Achieved: Sisyphus Needs to Assert Better Performance Measures." Then it goes on to say that he needs to push the stone up the hill more often and have a goal of doubling the amount of time it stays at the top of the hill before it rolls back down within the next 3 years.

When you are pursuing an exercise in futility it doesn't do any good to measure it more precisely. Of the cost of drugs in the United States to U.S. users, 90 percent is U.S. markups. We cannot fix this problem overseas. Yes, we can reduce drug production in some parts of Afghanistan and it will go up in other parts of Afghanistan.

It was mentioned that a number, about 27 of the 34 provinces of Afghanistan are now poppy-free. That is regarded as an accomplishment. The other seven are the ones controlled by the Taliban. So our accomplishment is to have made our enemies a monopolist in the world opium trade. I suggest that is not something we want to simply measure more accurately. It needs to be re-thought.

And we need to change the rhetoric of international drug control. A report yesterday in the Chinese News Service quotes a U.N. official as dismissing the arguments that show how drug enforcement can enrich terrorists. It must be right, he says, to crack down on anyone who is deeply involved in the drug trade. Right? That is your drug enforcement without respect to persons. It must be right. Mr. Chairman, I submit that is the language of incantation, not of analysis. It must be right because we have been saying it for years, but that doesn't keep it from being wrong.

So I claim that we need to rethink our policies in Afghanistan, targeted enforcement targeted at insurgents, anti-corruption efforts. In Mexico I think we need to think about picking one of the big drug trafficking organizations and taking it down by making it uncompetitive.

I will be happy to answer questions. Thanks.

[The prepared statement of Mr. Kleiman follows:]

Testimony

Of

Mark A.R. Kleiman

Professor of Public Policy, UCLA

Domestic Policy Subcommittee

Oversight and Government Reform Committee

Wednesday, July 21, 2010

2247 Rayburn HOB

10:00 a.m.

INTERNATIONAL SUPPLY REDUCTION AND INTERDICTION

Mr. Chairman:

Thank you for the invitation to testify.

This hearing comes at a moment when thinking about drug policy is undergoing rapid change, after many years of repeating the same old slogans and the same old mistakes. This process of rethinking has not been dramatic, but it has been radical. Even the idea – dominant for decades – that drug problems and policies could be neatly divided into "demand" and "supply," and that enforcement constituted the "supply side" of a drug control strategy, has come under convincing criticism. Of course illicit drugs are traded in markets, and markets are best analyzed using the categories of supply and demand. But those are not the best categories with which to structure our consideration of what to do about drug abuse, drug trafficking, and the related crime, corruption, and violence.

What are the evils attributable to drugs, their distribution, and the effort to control them? Here's a partial list:

1. Substance abuse disorder, imposing suffering on those who have the disorder and on their families, friends, and neighbors.
2. Risky or criminal behavior by those under the influence, not all of them with diagnosable drug abuse or dependency.
3. Acquisitive crime by those seeking money to buy drugs.
4. Somatic and psychiatric disease caused by the drugs or the means of consuming them.
5. Violence and disorder around retail drug markets.
6. Intrusive enforcement methods necessitated by the conspiratorial nature of drug dealing, and, on occasion, misconduct by police and prosecutors who cut corners to convict the guilty or fabricate evidence against the innocent.
7. Half a million drug dealers behind bars.
8. Crime, violence, and corruption in source and transit countries.
9. Support for transnational multi-crime organizations, for insurgency, and for terrorism.

The "supply control" effort has been based on the idea that enforcement can make drugs so much more expensive or hard to get as to substantially reduce consumption. We've been there, done that, and have the T-shirt. But the T-shirt is all we have. There are about fifteen times as many drug dealers behind bars today as there were in 1980, and the prices of cocaine and heroin, adjusted for inflation, have dropped more than 80%. Law enforcement can, sometimes, prevent a drug from establishing a mass market in a new community – heroin is effectively unavailable in most of the United States, but as the Oxycontin disaster showed the appetite for opiates is universal – but once a mass market is established the volume is fairly insensitive to law enforcement. If law enforcement can't shrink volumes, it can't much influence the level of drug abuse, and we should stop asking our police and prosecutors to continue to shovel sand against the tide by engaging in supply control efforts.

That does not mean that domestic drug law enforcement has no role to play in reducing the size of the drug problem, because the size of the problem is not well-measured by the volume of drugs or the number of users. What domestic law enforcement can and should do is to *regulate the illicit markets* by creating effective disincentives for flagrant and disorderly dealing and for the use of violence and corruption and the employment of juveniles as apprentice dealers. The low-arrest drug crackdowns – pioneered by David Kennedy, and also known as drug market interventions – in High Point, East Hempstead, and Seattle have demonstrated that the damage done to neighborhoods by drug dealing can be hugely reduced by driving the markets off the streets. The tactic is to identify all the dealers in an area of flagrant dealing, make cases against all of them without prosecuting those cases, and then, at some point, tell all of them at once that they must stop dealing immediately or go directly to prison.

Simultaneity is the key: when all the dealers in an area stop selling at the same time, the market tends to disappear quickly as buyers discover that drugs are no longer available.

"Supply control" in source and transit countries, and at the border, has an even tougher row to hoe; the conditions of availability are determined almost entirely locally rather than globally – true supply interruptions are rare – and between 80% and 90% of the retail price reflects domestic mark-ups rather than import prices. Opium poppies grow just about anywhere, and the coca plant, while its range is more restricted, still grows in enough places so that America's cocaine users will eventually get as much as they can pay for.

As former DEA Administrator and Customs Commissioner Rob Bonner explains in the current issue of *Foreign Affairs*, the logical conclusion is that source- and transit-country enforcement, and interdiction, ought to aim at foreign-policy goals rather than drug-abuse-control goals. Reducing the flow of drugs is not, in general, possible. What is possible is to help protect source and transit countries from the side-effects of drug trafficking, by concentrating enforcement on those trafficking groups that create the most violence and accumulate the most political power. (That's the opposite of the tendency of undifferentiated drug law enforcement to help cartelize markets in the worst hands by driving out the smaller and more innocuous players.)

What is also possible, as Bonner hints but doesn't say, is to redirect the traffic from the places where it does the most harm to U.S. interests to places where it would do less harm. Mexico's current nightmare is, as Bonner points out, the side-effect of the successful effort in the 1980s to crack down on the Colombia-to-South Florida smuggling route by putting Coast Guard and Navy resources into the Caribbean. Was it really in our national interest to put Mexico at risk in place of the Bahamas? Is there any reason for us to maintain that effort now, thus protecting the oligopoly of the major Mexican drug trafficking organizations?

Both at the organizational level and at the geographic level, it is not necessary to make trafficking by the target organization or route completely infeasible; all that is necessary is to make it uncompetitive. By putting selective pressure on the group or area whose drug dealing is doing the most harm, you encourage competing groups and areas.

When the targets are organizations and there are several of them with competing claims to be the "worst," as is the case in Mexico, then the strategy is subject to an additional layer of refinement. If you can measure obnoxious behavior and attribute each action convincingly – to a common-sense standard, rather than a criminal-justice standard of proof beyond reasonable doubt – to one group or another, perhaps the best approach would be to publish a "scoring system," and announce a measurement period after which one group will be picked for concentrated attention. If the tactic works, it pays instant dividends as each group reduces its use of violence, intimidation, and corruption in hopes of not being singled out from its rivals for all-out enforcement. Insofar as U.S. drug intelligence is good enough to know which domestic dealing groups get their material from which overseas suppliers, DEA can put pressure on particular Mexican trafficking groups by threatening their U.S. correspondents with being singled out. That's how the FBI mostly kept the Mafia out of the cocaine business: everyone else knew they were too risky to deal with.

So the situation in Mexico, as grave as it is, is by no means beyond the combined capacity of the Mexican and U.S. governments. If we use the principle of selective concentration, and abandon the fantasy of reducing the flow through Mexico other than by increasing the flow into South Florida or the Gulf Coast or by reducing consumption within the U.S., it should be possible to smash the worst of the big Mexican groups and force the rest into less violent business practices.

Nor is it necessary to accept the current level of U.S. drug consumption. More aggressive drug treatment, and in particular the enlistment of the rest of the health care system via screening, brief intervention, and referral to treatment rather than leaving the entire burden on the small and under-funded specialty drug-treatment machinery, is unambiguously helpful both with respect to domestic crime and drug dealing and with respect to the burden U.S. drug consumption puts on Mexico. Fortunately, the Affordable Care Act will provide very substantial funding to community clinics for precisely that purpose, while the combination of the new parity rules and the decreasing number of the uninsured will make drug treatment more available to those who want it.

Alas, a very large share of cocaine, heroin, and methamphetamine is consumed by those who do not want treatment, and will not accept it even when it is mandated by the criminal justice system in the form of drug-diversion programs. California's Proposition 36, with a net completion rate of below 25%, shows the weakness of the mandated-treatment approach. The problem is that the probation agencies and the courts are not capable of enforcing that treatment mandate. In effect, mandatory treatment remains voluntary.

That's what makes the success of Project HOPE so exciting. HOPE cuts out the middleman. Instead of mandating treatment, it mandates desistance from drug use, and backs that mandate with frequent testing and quick, reliable (but not severe) sanctions for continued drug use. The HOPE evaluation results – which Prof. Hawken will discuss tomorrow – show a level of efficacy far greater than demonstrated for any drug-treatment program. Or perhaps I should say, "for any *other* drug-treatment program." If drug treatment is a process that creates and sustains remission from substance abuse disorder, then HOPE is the greatest treatment success ever. By giving formal treatment only to those who need it, HOPE vastly increases the value we can derive from scarce drug-treatment slots and dollars. If implemented nationally and extended to the parole and pretrial-release populations, HOPE could reduce U.S. drug imports from Mexico by 40%. In that context, the very cautious approach to expanding HOPE is hard to justify.

Afghanistan poses a much harder problem. There the ideology of supply reduction continues to dominate. As a result, we continue to pursue policies that give material support to the Taliban by driving up the prices of the drugs on which the Taliban collects its taxes. Russia and Iran could help Afghanistan, as we could help Mexico, by reducing the demand for drugs within their borders, but they prefer to rebuke NATO and the Afghans, as we long preferred to rebuke the Mexicans, as if drug consumption were the sole responsibility of supplier countries. It is possible to conceive of policies of focused drug enforcement within Afghanistan, but conceiving of them is much easier than carrying them out with the limited capacities of the Afghan government and of the allied military forces operating there.

As a result, the best advice my colleagues and I can give about drug-fighting in Afghanistan is "Do less of it." We're beating our heads against a brick wall; it's time to stop. With your permission, Mr. Chairman, I'd like to offer for the record an essay that appeared under my name in the *Financial Times* – although in truth it was joint work with Jonathan Caulkins and Jonathan Kulick – and the executive summary of a report on Afghanistan produced for the Center on International Cooperation at New York University by Caulkins, Kulick, and me; the full report is available on the CIC website.

Fighting the drug trade helps the Taliban

By Mark Kleiman

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Command in Afghanistan is changing, but strategy is not. After nearly a decade of war, the goal of breaking the Taliban's momentum seems no closer. Yet on one point there remains near-consensus among policymakers. Since Afghanistan's drug trade contributes to the strength of the Taliban and the weakness of the government, fighting the drug traffic is agreed to be integral to fighting the insurgency.

Alas, this intuitively appealing idea is almost precisely the opposite of the truth. Yes, the drug trade helps the Taliban and harms the Afghan government. But efforts to fight drugs strengthen the insurgency rather than weaken it. Counter narcotics policies reward those who remain successful drug-dealers, concentrating those rewards in the hands of the Taliban, warlords and corrupt officials.

Anti-drug policies run into the law of unintended consequences and, more brutally, the laws of supply and demand. Afghanistan has a virtual lock on world opium production: it is both the incumbent and by far the lowest-cost supplier. Extensive inventories, estimated at two years' worldwide consumption, preclude shortages Retail demand for the heroin produced from Afghan opium is only slightly sensitive to export prices, because most of its retail price consists of distributors' mark-ups rather than the raw material price.

Therefore, even large price increases in Afghanistan will lead to only small decreases in exports. Counter drug efforts, meanwhile, only push poppy production from one region to another. Due to the efforts of the Afghan government and its allies, including the US, 27 of the 34 provinces of Afghanistan are now virtually poppy-free. But total production and exports have not decreased. The seven remaining poppy-growing provinces are all in the Pashto-speaking south, where the Taliban's writ runs. Our policies have given the insurgency the ability to tax virtually the entire world supply of illicit opium.

The Obama administration has largely ceased the eradication of opium crops – a practice that angers local farmers However, the alternatives – developing other crops and attacking high-level traffickers – also drive up opium prices, increasing funds to the Taliban. Completely eliminating the Afghan opium trade would eliminate Afghan opium revenues. But the relationship is not linear: smaller reductions in production drive drug revenues up rather than down, through large price increases and small decreases in volume.

To some extent, enforcement can target those dealers most closely aligned with the insurgency, and the US military and other agencies are doing their best to concentrate on traffickers with direct links to military targets. But all the main Afghan heroin traffickers – including some of the Northern Alliance warlords who helped force the Taliban from power in 2002 – still happily export drugs produced in Taliban areas.

The development of alternative crops seems like a civilian-friendly substitute for eradication. Yet insurgents and warlords can also exact an extortion "tax" for all economic activity in their zones of control, not just poppy cultivation. Money that leaks from efforts to promote alternative crops buys the same guns as money extracted from drug dealers.

Not all counter drug policies are futile or perverse in their outcomes. Officials corrupted by the drug trade should be swiftly removed from seats of power, to bolster confidence in the government. Drug treatment to address Afghanistan's horrendous heroin abuse problem can help to reduce demand. Encouraging consumer countries (including Iran and Russia) to step up domestic drug enforcement and drug treatment could act to shrink the revenues of Afghan traffickers.

Yet it would be foolish to expect much in the way of improvements from any of these approaches. There simply are not many feasible drug-control activities in Afghanistan that do more good than harm. This is a case where less really is more: since the natural tendency of counter drug efforts is to help our enemies, we should pursue those efforts as little as possible As a first step in breaking the Taliban's momentum, we might stop filling its coffers.

http://www.cic.nyu.edu/Lead%20Page%20PDF/sherman_drug_trafficking.pdf

DRUG PRODUCTION, TRAFFICKING, COUNTERDRUG POLICIES AND SECURITY AND GOVERNANCE IN AFGHANISTAN

Jonathan P. Caulkins, Mark A.R. Kleiman and Jonathan D. Kulick

Executive Summary

Drug production and drug trafficking are effects as well as causes of political instability. They flourish under weak states and sustain that weakness by financing insurgency and warlordism and by intimidating or corrupting the officials of enforcement agencies and security forces. Afghanistan is a primary instance of this complex of social and political pathologies.

Since drugs problems are linked to deficiencies in security and governance, it might seem that "counter-narcotics" (CN) policies—efforts to shrink the drug traffic— necessarily contribute to improvements in political stability. But this need not be, and generally is not, true. In particular, it is not true in Afghanistan today.

One reason for pessimism about outcomes is pessimism about effectiveness. Suppressing drug trafficking is difficult in the best of circumstances, and circumstances are far from ideal in Afghanistan. But even if counter-drug operations in Afghanistan overcome these implementation challenges, a more fundamental obstacle remains.

Global demand for illegal opiates has been growing, and, even if initiation ceased today, significant demand would persist for many years because the minority of users who are chronically dependent consume the bulk of all drugs. Since poppies are easy to grow and heroin is easy to refine, the question is where—not whether—illegal opiates will be produced to meet this demand. In the short and even medium term Afghanistan is likely to be the primary locus of production. Afghanistan currently has a severalfold price advantage over its nearest rivals as a producer of illicit opium. It

supplies about 90 percent of the world market, and an even larger share of the Eastern Hemisphere market. In the long run, if Afghanistan develops into a middle-income country and corruption ceases to be systemic, it might be possible for enforcement and rising standards of living to displace illegal opiate production to other countries that would then have competitive advantage; opiates could be and have been produced in many other places. But Afghanistan is currently dominant, and illicit production displays considerable "path dependence": established ways of doing business tend to persist.

Hence, the most that can be expected of even nominally successful counter-narcotics efforts in Afghanistan over the next few years is that they will (1) move the loci of production within the country, and (2) increase the prices of opium and opiates. Since the export price from Afghanistan constitutes only a tiny share of the retail price at which heroin is sold in consumer countries from Iran to Britain, price changes in Afghanistan have only modest impacts on prices faced by heroin consumers elsewhere, and therefore only a slight effect on the amount of heroin traffickers in those countries buy from Afghanistan. Thus even if counter-narcotics efforts in Afghanistan succeed in increasing the prices of opium and refined opiates, the result will not be a decrease in trafficking revenues: on the contrary, higher prices and only slightly lower volumes will result in increased revenues.

At present, insurgents appear to be capturing only a small share of those trafficking revenues. If new policies cause a redistribution of gains among the various market participants—farmers, ordinary criminals, corrupt officials, warlords, and insurgents—that redistribution could well increase rather than reduce insurgents' share. More effective enforcement, by increasing the risks traffickers face, also increases the value of buying protection against enforcement, in the form of either violence or corruption. So successful CN efforts, unless strategically designed, would have the natural effect of further enriching insurgents, warlords, and corrupt officials.

These pessimistic conclusions apply not just to crop eradication but also to enforcement aimed at collection, refining, and exporting activities, and even to development efforts insofar as they make it more expensive to produce opium and refine heroin in Afghanistan.

To be sure, the *complete* or virtually complete elimination of drug trafficking in Afghanistan would perforce eliminate the flow of funds to traffickers and their protectors and thus improve the security and governance situation. But a *partial* reduction in drug trafficking will not produce a proportional improvement in security and governance if it is—as it generally will be—accompanied by price increases or by a shift in revenue shares toward the most problematic purveyors of unlawful violence.

Insofar as some drug-trafficking organizations, and drug production in some areas, are more closely linked to insurgents, warlords, and corrupt officials than others, it might in principle be possible to craft counter-narcotics efforts to contribute to security and governance objectives by focusing them on the most noxious traffickers, as ISAF is now endeavoring to do. Whether such strategies can be successfully deployed under Afghan conditions is an open question. A particular challenge is to prevent the process of selectivity from itself being corrupted.

A potential exception to this caution is continuing to suppress poppy cultivation in areas that are already essentially poppy-free; once production has been largely eliminated, preserving that desirable

situation takes much less effort, and incurs much less hostility from local residents, than does achieving it in the first place.

Of course, drug production and trafficking create harms other than their contributions to political instability. Drug abuse and dependency is a rising problem within the Afghan population, and Afghanistan is the major supplier of opiates to many places with serious drug problems: Iran, Pakistan, Central Asia, Russia, and Europe. Insofar as less vigorous counter-narcotics efforts would lead to greater production and lower prices, those drug-use problems would tend to worsen. However, due to the nature of the price chain already described—the price of raw opium, and even refined heroin ready for export from Afghanistan, contributes only modestly to the retail prices facing heroin users in drug-importing countries— the effect of falling opium prices in Afghanistan would be tiny in remote markets such as western Europe, larger but still quite modest in nearer markets, and substantial only within Afghanistan itself. Effects in the United States, if any, would be even smaller than those in western Europe, since the U.S. heroin market is currently supplied primarily from Colombia and Mexico.

Demand-reduction efforts, in Afghanistan and the countries Afghanistan supplies, have the potential to reduce both drug problems and political instability, but the promise of such efforts should not be overstated. Efforts at harm mitigation (e.g., HIV prevention) can reduce the damage incident to any given level of drug abuse, but again only to a limited extent.

Consequently, the objectives of suppressing drug supply and suppressing insurgency may conflict. Neither is identical to the goal of improving the economic well-being of Afghans, and particularly of the rural poor. Successful policies are more likely to result from confronting those tensions than from ignoring or denying them. Since counter-narcotics efforts in Afghanistan currently have so little prospect of achieving traditional CN objectives, it may make sense to pursue CN strategies that most help (or least harm) other objectives: development, security, and good governance.

This analysis yields several policy implications:

1. Plan and evaluate CN efforts largely in terms of their impacts on security, governance, and the well-being of the population, not in terms of their capacity to reduce the volume of drugs produced and exported. Reduced CN effort poses minimal risks of increased drug abuse in the United States, and only modest risks for the countries that currently consume Afghan-produced heroin.

2. Plan and evaluate rural development in terms of its benefits to individuals and families and its contribution to security and governance, not as the "alternative livelihood" component of a drug-control program.

3. Insofar as feasible—an open question—deploy CN efforts to comparatively disadvantage insurgents and the traffickers they tax and protect warlords, and unaffiliated traffickers vis-à-vis insurgents and warlords. Try to create incentives for exporters to shun opium and opiates protected or taxed by insurgents

4. Emphasize anti-corruption measures, even at the expense of generating fewer arrests and seizures. Diversifying rather than concentrating drug-enforcement efforts may help to minimize corruption.

5. Expand demand-reduction efforts and retail-level enforcement in consumer countries; de-emphasize drug seizures as a goal and a measure.

6. Expand efforts to prevent and treat drug abuse, and to reduce the damage it causes, within Afghanistan itself.

Mr. KUCINICH. Thank you very much, Professor Kleiman.

Mr. Isacson, in looking at your testimony, you talk about the extraordinary amount of money that has gone over the past for military aid related to counternarcotics. Our military budget carries within it headlong momentum that keeps funding hardware far into the future, notwithstanding exigent circumstances or long-term predicted circumstances for their use. Since such a substantial amount of money goes to fund the hardware side of this, is it possible that one of the driving forces for funding these "counternarcotics efforts" is a continued support for this military industrial complex?

Mr. ISACSON. I don't know who coined the term drug war industrial complex, but there is certainly is such a thing. I mean, there are——

Mr. KUCINICH. Such a thing as what?

Mr. ISACSON. As a drug war industrial complex where you have companies, whether they are making helicopters or other hardware, or whether they are contractors who are actually carrying out programs like aerial herbicide fumigation who have a very strong interest and actually do lobby actively in favor of increased counter-drug spending.

Mr. KUCINICH. Do you want to comment, Professor Felbab-Brown? Do you have anything to say?

[No response.]

Mr. KUCINICH. Let me ask you another question here. Dr. Felbab-Brown, what do you think about Professor Kleiman's conclusion that alternative livelihood programs in Afghanistan contribute directly to funding the insurgency—am I quoting this correctly—through taxes levied by the insurgents on the alternative livelihood programs?

Mr. KLEIMAN. Right. There are two aspects of it.

Mr. KUCINICH. Did I characterize your conclusion correctly?

Mr. KLEIMAN. One half of it is that there may be taxation of the effort. The other thing is, if you succeed in getting some farmers to not grow poppy, particularly in government-controlled areas, you are increasing the demand for poppy in non-government-controlled areas.

Mr. KUCINICH. Ms. Felbab-Brown.

Ms. FELBAB-BROWN. I agree that the proposition that the Taliban taxes a lot of different economies, both legal and illegal, including aid projects, and U.S. funded aid projects. That is a consequence of the fact that the government and the ISEF does not have good territorial control and be able to prevent Taliban penetration.

I would, however, argue that it should not be the position then to cancel these programs, because I do not believe that insurgencies can be defeated through the efforts to bankrupt them. There is no evidence that any insurgency has as yet been defeated through efforts to bankrupt them, whether these efforts were interdiction of narcotics generating money or eradication programs.

Mr. KUCINICH. Well, indeed, you pointed out in your testimony that it is "highly unlikely that interdiction measures can significantly reduce the Taliban's income and greatly limit its operational capacity."

Ms. FELBAB-BROWN. Indeed. However, I do believe that it is critical for preventing insurgencies, preventing counterinsurgencies, for defeating insurgencies to win the hearts and minds of the population. Offering better governance, greater security, and better economic options is the critical component of that.

Mr. KUCINICH. But in doing that you can talk about better government. There is an assumption that when we say better government we mean not the Taliban, we mean central government, but the corruption in the central government, which by now is legendary, as linked government with traffickers, and you are saying that there is a need to "target government-linked traffickers to send a message that the era of impunity is over."

Ms. FELBAB-BROWN. And you are right, sir. Perhaps the Achilles heel of our project in Afghanistan is the poor quality of governance that includes corruption linked to drugs, includes many other forms of malfeasance and corruption. I agree with Professor Kleiman's testimony that the more we simply blanketly use law enforcement the more likely it is that the most violent armed actors will end up being the ones holding the largest proportion of the traffic. So I think there is some great wisdom in focusing on Taliban-linked traffickers. However, the other component of insurgency, of counterinsurgency is, of course, to show that the government is more just, can provide better governance.

Because the corruption is so notorious and so detrimental, it is important that at least some of the highest linked traffickers, traffickers linked to the highest members of the government, are prosecuted and done so effectively.

Mr. KUCINICH. I am going to direct staff. I think that your testimony with respect to Afghanistan is quite compelling, particularly in terms of the how our programs can raise expectations among the population and then withdraw the money suddenly, and the expectations plummet, support for insurgencies continue. I am going to recommend your testimony to be read by the Secretary of Defense and by General Petraeus because I think that we really need to have a strong response from them about the observations that you have made before this subcommittee in your testimony.

I am going to move on to Mr. Tierney, and then we will have another round of questions for this panel.

Mr. Tierney.

Mr. TIERNEY. Thank you. Hello to all of you and thank you for your testimony, written and oral, on that.

Ms. Felbab-Brown, the program, the so-called Aviba-plus program that they are running out of Afghanistan down in Helmand and Kandahar Provinces, where they give cash for work, small grants basically to procure different equipment or whatever, vouchers for high-tech sort of things or the farming or the training with respect to all of that, have you had any knowledge about whether or not there has been any success with that or how that is going?

Ms. FELBAB-BROWN. Well, Mr. Tierney, it is very difficult to judge success because the programs have been in place for a relatively little period, and often the reporting that we hear from members of the Executive are reporting on outputs, not necessarily outcomes, so I think there is a great need for careful monitoring.

That said, I do have some concern along the lines that Mr. Kucinich raised. I am concerned that some of these programs are being designed as buy-outs of the population rather than effective, sustainable, long-term development. I understand the excruciating dilemma that the administration is facing, ISAF is facing, in needing to win hearts and minds, including because the lives of our men and women are at stake and because the time line is running out, but there is a real danger that the buyouts will not be effective, that they will not sufficiently buy the population, and at the same time, when they are no longer sustainable because funding ends, they will then be directly counterproductive. They will, in fact, alienate the population.

We have seen that with many programs, but emphasis has been put on the physical structure. Development sort of isn't if you cannot kick the building, the school, as opposed to, for example, providing teachers or doctors, and people have been deeply, deeply disappointed and antagonized. And at the same time, we have not seen the programs such as offering a village a diesel generator as sufficient to generate intelligence flows to make a big difference on the battlefield.

So, while I certainly understand the imperative to demonstrate to the population that a better future lies with the government supported by ISAF, I would be very concerned not to design the programs as short-term buy-offs.

Mr. TIERNEY. A question for all of you. Do you think we are approaching this in the wrong way if we are seeing all of these as kind of counternarcotics programs as opposed to just focusing on development aspect of that and say there are many different outcomes you can have from a good development program, to say that it is just part of counternarcotics and focusing money for the narcotics program over there as opposed to broadening out the concept, moving forward? Would that be a better approach, Mr. Isacson?

Mr. ISACSON. I do agree that it is the wrong approach, because if you are calling it a counternarcotics program it completely changes how you measure success. You are not measuring how many people feel like they are governed. You are not measuring how many people have government representatives in their town saying you can't grow this any more but you have alternatives. You are measuring how many acres of crops were destroyed, or you are measuring some estimate of how many tons were produced, and that doesn't really capture the picture. It captures something that can perhaps show short-term gains and fluctuations, but not the overall trend.

Mr. TIERNEY. Mr. Kleiman.

Mr. KLEIMAN. Mr. Tierney, I completely agree. Insofar as we are measuring reductions in drug production, we are measuring exactly the wrong thing. We want to measure whether we are making farmers richer and more trustful of the government. Afghanistan currently has about 90 percent of the world's opium production. There is no country in the old world that is nearly competitive with Afghanistan in terms of producing opium. Now, I am not saying that 10 years from now there won't be another producer, because producers do change.

In the near term, Afghanistan is going to produce all the opium that the old world wants, and that is then a function of supply and consumption conditions in Iran, in Russia, in Europe, in Pakistan.

To try to reduce drug production in Afghanistan is completely misguided. A very small portion of the price that a drug user pays for heroin is accounted for by the value of poppy at the farm gate, or even of heroin at the refinery gate in Afghanistan. So a lot of enforcement effort can force that price up a little bit. It is not going to change consumption very much. If you really wanted to reduce drug consumption in Afghanistan, pray for a failed state in Burma. If Burma completely collapsed, it might compete with Afghanistan in poppy production. But we are not going to reduce poppy production in Afghanistan by chopping down crops or by paying people not to grow crops or by arresting heroin processors or dealers. It just doesn't work that way.

Of the arable land in Afghanistan, 4 percent is planted in poppy. Land is not scarce. We have well demonstrated that we can move poppy production around Afghanistan but not change the volume. I don't think changing the volume is a realistic goal. Afghanistan, of course, is ridiculous. We get very little heroin from Afghanistan, but for the whole world the notion that the goal of our foreign drug programs is to protect drug consumers in the United States, completely misguided.

We want to protect drug consumers in the United States, we have to do stuff about drug demand in the United States. That does not mean offering treatment to addicts and lying to school children. It means finding the heavy drug users, who are mostly in the criminal justice system, getting them to stop. Professor Hawkin will be talking about that tomorrow, I think.

Mr. TIERNEY. Thank you.

Thank you, Mr. Chairman.

Mr. KUCINICH. Thank you, Mr. Tierney. We are going to have one brief round of questions of the witnesses.

I am looking at your testimony, Mr. Isacson, and it is very, very well researched, much appreciated. I want to ask you, in your research have you ever seen any indication that there is a narcotics strategy being used by intelligence interests to try to destabilize governments? Is that possible?

For example, we have received information—I mean, it is probably public knowledge, but that there has been a proliferation of drugs from certain areas in Asia into Russia. Now, have you ever heard, aside from the obvious incentives of selling drugs——

Mr. ISACSON. Actual fostering of narcotics in order to undermine an enemy country, something like that?

Mr. KUCINICH. Has that ever happened?

Mr. ISACSON. I cannot think of any real examples in Latin America.

Mr. KUCINICH. That is just the stuff of science fiction?

Mr. ISACSON. I would have to look at maybe the work of Professor Al McCoy, who did some work on this in southeast Asia, but I am not very familiar with it.

Mr. KUCINICH. Does anyone have anything to offer about that?

Ms. FELBAB-BROWN. Well, during the 1980's, Soviets were in Afghanistan. Soviet military faced very large addiction rates, and the

Soviet military leadership often believed that this was not accidental.

Mr. KUCINICH. That what was not accidental?

Ms. FELBAB-BROWN. That the addiction rates among the Soviet military were not accidental, and they believed that the United States perhaps encouraged the addiction rates. Of course, the reality is that the conditions of the Russian troops, the Soviet troops in Afghanistan were often so difficult that it motivated many soldiers without outside help to resort to narcotics.

Mr. KLEIMAN. Amen to that. There is a long-term flip of this, right? I mean, you can get uncounted numbers of pamphlets explaining how the communists are flooding the United States with drugs, right, or it was the North Koreans or it was the Cubans or it was the Russians. There is a persistent fantasy that the cause of drug trafficking is drug traffickers. The cause of drug trafficking is consumption.

Mr. KUCINICH. Right.

Mr. KLEIMAN. And no, it doesn't need any help from the United States or anybody else for Russia, given its current economic and social and political conditions, to have a terrific drug problem.

Mr. KUCINICH. I would just ask a final question to each member of the panel. Spending on interdiction and international counternarcotics programs has increased by almost 100 percent since 2002. If you were asked which programs should be cut to get us back to the spending levels of, let's say, the pre-Bush administration, what would be your recommendation?

Mr. ISACSON. If you were to divide the hard side strategies into interdiction, eradication, and sort of going after the king pins, I would say eradication should take the deepest cut by far because it really has almost been counterproductive in some places.

Ms. FELBAB-BROWN. I agree with that statement, and I would suggest, however, that interdiction should be reoriented from the futile effort of thinking that borders can be closed, that the U.S. borders or borders in Afghanistan or borders in Colombia, and instead focus on building effective law enforcement that tackles crime, street crime not just organized crime, and is accountable to other citizens of the country.

Mr. KUCINICH. Professor.

Mr. KLEIMAN. It was mentioned earlier in the hearing that the task force in the Caribbean substantially disrupted the drug trade from Colombia into South Florida. That is true. What was not mentioned but is explained quite clearly in Rob Bonner's foreign policy article is that the result was the development of the throughput trade through Central America and Mexico. The current Mexican crisis is the consequence of our successful interdiction effort in the Caribbean.

It seems to me if we had to choose between destabilizing the Bahamas and destabilizing Mexico, I think that is an easy choice, so the first thing I would cut would be the Caribbean effort. Now, I say that not having to get any votes in Florida. But we are currently doing something really disastrous to Mexico by making it hard to get drugs in the other way. If we stop imagining that we are going to solve our drug problem and start to say, look, the flow into the United States depends on demand in the United States

and the sales organizations in the United States, that we can do something about them, and then all we can do is decide how the drugs come in and how much damage they do. That seems to me ought to be the new focus.

As long as we tell the interdiction people that their job is keeping drugs out of the country, we are condemning them to futility. As Jack Lawn said when he was DEA Administrator and a Member of Congress asked him why we couldn't just keep the drugs out of the country, he said, Congressman, if we build a 50-foot wall around the United States, the traffickers would buy 51-foot ladders.

Mr. KUCINICH. Because they are supplying a demand.

Mr. KLEIMAN. Because they are supplying a demand we can sometimes reduce the street availability of drugs in a way that reduces consumption. That has turned out to be very hard. We have 15 times as many cocaine dealers in prison in the United States today as we had in 1980. The price of cocaine is down by 90 percent.

What we can do more effectively, since most of the drugs go to heavy users, most of the heavy users are criminally active and get arrested, so they are going to be on pre-trial release, on probation, or on parole when they are not in prison or jail. The HOPE project has demonstrated that you can enormously reduce their drug consumption, and since they are where the drug consumers are, that is our hope for reducing the damage we are doing to Mexico through our demand for illicit drugs.

Mr. KUCINICH. This subcommittee is going to continue its oversight of the Office of National Drug Control Policy and of the more broad question of supply and demand with respect to the United States, and so, because of that, you as witnesses, because you have been so helpful to the work of this subcommittee, you may find yourself being invited again to testify. Each of you has developed a very incisive expertise that has helped to inform the work of this subcommittee, and we are very grateful for that. I just want to express that to you individually and collectively.

This is the Domestic Policy Subcommittee of Oversight and Government Reform. The topic of today's hearing has been "International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance Other Foreign Policy Goals?"

We have been gifted with three panels of witnesses, all of whom have helped us to explore this question, which we will continue.

I want to thank the staff of our majority as well as minority for their participation, as well as for Mr. Tierney's and Mr. Jordan's participation.

This committee stands adjourned.

[Whereupon, at 12:32 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

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August 2, 2010

Mr. Jess T. Ford
Director, International Affairs and Trade Team
Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Ford:

In connection with the Domestic Policy Subcommittee of the Oversight and Government Reform Committee's hearing on Wednesday, July 21, 2010 **"International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals?,"** the Subcommittee submits the following questions for the hearing record:

1. What types of assessment and program planning tools are needed by U.S. agencies to effectively assess counternarcotics efforts?

2. Your report concludes that while success in reducing drug supply has been limited, counternarcotics programs "support broad U.S. foreign policy objectives." Proponents of continued international drug control spending suggest that these other goals, such as stability and institution-building, are accomplished by means of U.S. spending on drug crop eradication and interdiction. Is there evidence that interdiction or forced crop eradication accomplish these other foreign policy goals? For example, U.S. funds for Plan Colombia were heavily weighted toward supporting crop eradication programs. Do we know what role crop eradication had in improving the security climate in Colombia? Could this stabilization have been achieved through other measures than crop eradication? Would foreign assistance funds be more effectively spent through funding accounts intended to advance these broad foreign policy objectives like rule of law and justice reform instead of those focused on just counter-narcotics?

Ranking member Jordan submits the following additional question:

1. GAO released a report entitled "DOD Needs to Improve Its Performance Measurement System to Better Manage and Oversee Its Counternarcotics Activities" in the morning of the Subcommittee on Domestic Policy's July 21, 2010 hearing. In it, the report states the U.S. Department of Defense (DoD) spent $1.5 billion dollars in Fiscal Year 2009-2010

for counternarcotics but that DoD can not measure if the counternarcotic activities are successful. How much of DoD's $1.5 billion dollars was used for measurement related activities?

2. In Fiscal Year 2009, DoD had 285 performance measures related to DoD's counternarcotics activities. Of those, 239 were performance measures related to DoD's mission of supporting U.S. agencies and foreign partners in countering narcotics trafficking. How many of these 239 measures are used by DoD to meet counternarcotic goals? Do these measures reflect a balance in DoD's counternarcotics priorities? If not, where is DoD lacking?

3. Does ONDCP have a balanced approach in measuring whether their goals are being achieved? Where is ONDCP deficient?

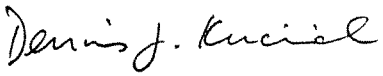
4. Does any federal department or agency measure for the role and effectiveness of faith-based organizations in combating not just counternarcotics activities but substance abuse of any kind?

The Oversight and Government Reform Committee is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides information on how to respond to the Subcommittee's request.

We request that you provide these documents as soon as possible, but in no case later than **5:00 p.m. on Friday, August 19, 2010**.

If you have any questions regarding this request, please contact Claire Coleman, counsel, at (202) 226-5299.

Sincerely,



Dennis J. Kucinich
Chairman
Domestic Policy Subcommittee

cc: Jim Jordan
Ranking Minority Member

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Domestic Policy Subcommittee Document Request Instruction Sheet

In responding to the document request from the Domestic Policy Subcommittee, Committee on Oversight and Government Reform, please apply the instructions and definitions set forth below.

Instructions

1. In complying with the request, you should produce all responsive documents in your possession, custody, or control.

2. Documents responsive to the request should not be destroyed, modified, removed, transferred, or otherwise made inaccessible to the Subcommittee.

3. In the event that any entity, organization, or individual denoted in the request has been, or is currently, known by any other name than that herein denoted, the request should be read also to include them under that alternative identification.

4. Each document produced should be produced in a form that renders the document capable of being copied.

5. When you produce documents, you should identify the paragraph or clause in the Subcommittee's request to which the documents respond.

6. Documents produced in response to this request should be produced together with copies of file labels, dividers, or identifying markers with which they were associated when this request was issued. To the extent that documents were not stored with file labels, dividers, or identifying markers, they should be organized into separate folders by subject matter prior to production.

7. Each folder and box should be numbered, and a description of the contents of each folder and box, including the paragraph or clause of the request to which the documents are responsive, should be provided in an accompanying index.

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have access; and (c) documents that you have placed in the temporary possession, custody, or control of any third party.

3. The term "communication" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether face-to-face, in a meeting, by telephone, mail, telexes, discussions, releases, personal delivery, or otherwise.

4. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of the request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.

5. The terms "person" or "persons" means natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, and other units thereof.

6. The terms "referring" or "relating," with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject.

United States Government Accountability Office
Washington, DC 20548

August 24, 2010

The Honorable Dennis Kucinich
Chairman
Subcommittee on Domestic Policy
Committee on Oversight and Government Reform
2157 Rayburn House Office Building
House of Representatives
Washington, D.C. 20515

Subject: *International Counternarcotics Policies-Responses to Posthearing Questions*

Dear Chairman Kucinich:

This letter responds to your request that we provide responses to questions related to our recent testimony before your subcommittee on international programs to reduce the supply of illegal drugs.[1] Our testimony discussed four major topics with regard to U.S. international counternarcotics-related programs: (1) their results in reducing the supply of illegal drugs; (2) factors limiting their effectiveness; (3) their alignment with broad U.S. foreign policy objectives, such as counterinsurgency and the promotion of political stability and democracy, and (4) difficulties in judging their effectiveness, given a lack of reliable performance measurement and results reporting. Your questions, along with our responses, follow. My answers are based on the testimony and other work that was conducted in accordance with generally accepted government auditing standards.

In response to the Subcommittee's questions:

1. *What types of assessment and program planning tools are needed by U.S. agencies to effectively assess counternarcotics efforts?*

As we have previously reported, to effectively assess counternarcotics activities, the Department of Defense (DOD) and other U.S. agencies should develop effective performance measurement systems that readily gauge progress toward the

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[1]GAO, *Drug Control: International Programs Face Significant Challenges Reducing the Supply of Illegal Drugs but Support Broad U.S. Foreign Policy Objectives*, GAO-10-921T (Washington, D.C.: July 21, 2010).

achievement of their counternarcotics goals. These systems should establish performance measures that incorporate nine key attributes that we have previously identified: linkage, governmentwide priorities, reliability, objectivity, clarity, measurable targets, core program activities, balance, and limited overlap.[2] Once an agency has established a performance measurement system, it should use the information obtained through that system to make key management decisions and manage for results. We have identified several ways to use such performance information; these include (1) identifying problems and taking corrective actions, (2) developing strategy and allocating resources, and (3) identifying and sharing effective approaches. We have also found that agencies can adopt practices that facilitate the use of performance data; these include (1) demonstrating management commitment to results-oriented management, (2) aligning agencywide goals, objectives, and measures, (3) improving the usefulness of performance data to better meet management's needs, (4) developing agency capacity to effectively use performance information, and (5) communicating performance information within the agency frequently and effectively.

2. *Your report concludes that while success in reducing drug supply has been limited, counternarcotics programs "support broad U.S. foreign policy objectives." Proponents of continued international drug control spending suggest that these other goals, such as stability and institution-building, are accomplished by means of U.S. spending on drug crop eradication and interdiction. Is there evidence that interdiction or forced crop eradication accomplish these other foreign policy goals? For example, U.S. funds for Plan Colombia were heavily weighted toward supporting crop eradication programs. Do we know what role crop eradication had in improving the security climate in Colombia? Could this stabilization have been achieved through other measures than crop eradication? Would foreign assistance funds be more effectively spent through funding accounts intended to advance those broad foreign policy objectives like rule of law and justice reform instead of those focused on just counter-narcotics?*

We have not conducted an in-depth quantitative analysis of the effectiveness of eradication and interdiction efforts in accomplishing non-counternarcotics foreign policy goals, such as improving internal security of Colombia. However, our recent reports suggest that eradication and interdiction efforts can support the achievement of broader U.S. foreign policy goals.[3] Regarding Plan Colombia, we reported that while goals for reducing illegal drug production and cultivation were only partially met, the effects of Plan Colombia's activities helped improve the security climate in Colombia.

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[2]GAO, *Drug Control: DOD Needs to Improve Its Performance Measurement System to Better Manage and Oversee Its Counternarcotics Activities*, GAO-10-835 (Washington, D.C.: July 21, 2010).
[3]GAO, *Plan Colombia: Drug Reduction Goals Were Not Fully Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance*, GAO-09-71 (Washington, D.C.: Oct. 6, 2008).

U.S. government officials have indicated that U.S. support for crop eradication and interdiction efforts may have positively impacted the security environment in Colombia. For example, U.S. government officials have argued that, despite their limited effectiveness, crop eradication and interdiction efforts have increased the operating costs of organizations such as the Revolutionary Armed Forces of Colombia (known by its Spanish acronym, FARC), who have used their profits from the drug trade to fund their respective operations. Furthermore, through participation in crop eradication and other aviation-dependent programs, Colombian security forces have enhanced their capacity to operate and maintain aircraft to conduct other complex security-related operations, particularly in more remote areas of the country. However, we have not concluded that crop eradication and interdiction activities are required to achieve broader U.S. security and foreign policy goals.

In response to Ranking Member Jordan's questions:

1. *GAO released a report entitled "DOD Needs to Improve Its Performance Measurement System to Better Manage and Oversee Its Counternarcotics Activities" in the morning of the Subcommittee on Domestic Policy's July 21, 2010 hearing. In it, the report states the U.S. Department of Defense (DOD) spent $1.5 billion dollars in Fiscal Year 2009-2010 for counternarcotics but that DOD can not measure if the counternarcotics activities are successful. How much of DOD's $1.5 billion dollars was used for measurement related activities?*

According to DOD officials, the department's budget does not specifically identify funding used for performance measurement activities, and therefore the department was unable to provide a figure for Fiscal Year 2010.

2. *In Fiscal Year 2009, DOD had 285 performance measures related to DOD's counternarcotics activities. Of those, 239 were performance measures related to DOD's mission of supporting U.S. agencies and foreign partners in countering narcotics trafficking. How many of those 239 measures are used by DOD to meet counternarcotic goals? Do these measures reflect a balance in DOD's counternarcotics priorities? If not, where is DOD lacking?*

In our July 2010 report, we found that DOD's fiscal year 2009 performance measures related to the department's mission of supporting U.S. agencies and foreign partners in countering narcotics trafficking were generally aligned with agencywide goals and covered core program activities. However, we also found that balance was missing from DOD's measures. We define *balance* to exist when a suite of measures ensures that an organization's various priorities are covered. According to DOD, performance measures best cover its priorities when they include five measurable aspects of performance—input, process, output, outcome, and impact. We estimate that 93 percent of DOD's fiscal year 2009 performance measures represent input, process, or

output measures, while only 6 percent represent outcome measures and none represent impact measures. Thus, we determined that DOD's set of counternarcotics performance measures were not balanced by its own criteria.

3. Does ONDCP have a balanced approach in measuring whether their goals are being achieved? Where is ONDCP deficient?

We have not conducted a comprehensive assessment of the Office of National Drug Control Policy's (ONDCP) approach to measuring the achievement of its goals. Therefore, we have not identified in what areas, if any, ONDCP is deficient in measuring its performance.

4. Does any federal department or agency measure for the role and effectiveness of faith-based organizations in combating not just counternarcotics activities but substance abuse of any kind?

We have not recently conducted any work relating to the role or effectiveness of faith-based organizations in conducting counternarcotics activities or combating substance abuse. We published our most recent work on this topic in March 1998, in which we noted that experts had yet to agree on the effectiveness of faith-based drug treatment programs or the proper way to define faith-based programs.[4]

If you or your staff have any questions, please contact me at (202) 512-4268 or fordj@gao.gov.

Sincerely yours,

Jess T. Ford
Director
International Affairs and Trade

(320772)

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[4]GAO, *Drug Abuse: Research Shows Treatment Is Effective, but Benefits May Be Overstated*, GAO/HEHS-98-72 (Washington, D.C.: March 27, 1998).

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August 2, 2010

The Honorable Gil Kerlikowske
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, D.C. 20503

Dear Director Kerlikowske:

In connection with the Domestic Policy Subcommittee of the Oversight and Government Reform Committee's hearing on Wednesday, July 21, 2010 **"International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals?,"** the Subcommittee submits the following questions for the hearing record:

1. What resources at ONDCP have been allocated to improve data monitoring systems of drug markets and users in order to better understand how to effectively and cost-effectively intervene in these markets?

2. Several news sources have stated that Mexican drug cartels make 60-70 percent of their profits from marijuana sales in the U.S., some of which cite to ONDCP as the source of this statistic. Is this an accurate figure, and what is the underlying basis for this assertion?

Ranking member Jordan submits the following additional questions:

1. During your testimony before the committee, we discussed the role of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the Administration's overall policy regarding drug control. Is it your belief the faith-based providers of SAMHSA services play a role in assisting in drug control, either through providing treatment or in various other capacities?

2. Legislation, including H.R. 5466 the SAMHSA Modernization Act of 2010, would modernize the services, programs, activities, collaborations and various other duties administered by SAMHSA. There is currently a provision in the legislation that would prevent faith-based providers of SAMHSA services "*from considering religion or any profession of faith when making any employment decision regarding an individual who is*

or will be assigned to carry out any portion of the activity." Do you agree with this provision? If faith-based providers were forced to choose between holding to their statements of faith or participating in SAMHSA services, what effect do you think this would have on substance abuse prevention and treatment efforts? How many faith-based organizations does ONDCP work with currently, if any?

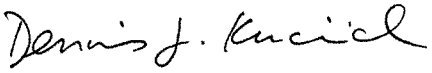
3. Currently, faith-based organizations play a role in the integration of substance abuse treatment and mental health services. Does ONDCP's 2010 drug control policy reflect the role of faith-based organizations?

The Oversight and Government Reform Committee is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides information on how to respond to the Subcommittee's request.

We request that you provide these documents as soon as possible, but in no case later than **5:00 p.m. on Friday, August 19, 2010**.

If you have any questions regarding this request, please contact Claire Coleman, counsel, at (202) 226-5299.

Sincerely,



Dennis J. Kucinich
Chairman
Domestic Policy Subcommittee

cc: Jim Jordan
Ranking Minority Member

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Domestic Policy Subcommittee Document Request Instruction Sheet

In responding to the document request from the Domestic Policy Subcommittee, Committee on Oversight and Government Reform, please apply the instructions and definitions set forth below.

Instructions

1. In complying with the request, you should produce all responsive documents in your possession, custody, or control.

2. Documents responsive to the request should not be destroyed, modified, removed, transferred, or otherwise made inaccessible to the Subcommittee.

3. In the event that any entity, organization, or individual denoted in the request has been, or is currently, known by any other name than that herein denoted, the request should be read also to include them under that alternative identification.

4. Each document produced should be produced in a form that renders the document capable of being copied.

5. When you produce documents, you should identify the paragraph or clause in the Subcommittee's request to which the documents respond.

6. Documents produced in response to this request should be produced together with copies of file labels, dividers, or identifying markers with which they were associated when this request was issued. To the extent that documents were not stored with file labels, dividers, or identifying markers, they should be organized into separate folders by subject matter prior to production.

7. Each folder and box should be numbered, and a description of the contents of each folder and box, including the paragraph or clause of the request to which the documents are responsive, should be provided in an accompanying index.

8. It is not a proper basis to refuse to produce a document that any other person or entity also possesses a nonidentical or identical copy of the same document.

have access; and (c) documents that you have placed in the temporary possession, custody, or control of any third party.

3. The term "communication" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether face-to-face, in a meeting, by telephone, mail, telexes, discussions, releases, personal delivery, or otherwise.

4. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of the request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.

5. The terms "person" or "persons" means natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, and other units thereof.

6. The terms "referring" or "relating," with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

November 4, 2010

The Honorable Dennis J. Kucinich
Chairman
Committee on Oversight and Government Reform
Subcommittee on Domestic Policy
U.S. House of Representatives
B-349B Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

In response to your letter of August 2, 2010, I have enclosed my responses to the Subcommittee's Questions for the Record pertaining to the July 21, 2010, hearing entitled, "*International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals*?"

I sincerely appreciate the opportunity to discuss this important issue. If you have any further questions, please do not hesitate to contact me directly at (202) 395-6700, or have your staff contact Christine Leonard, Director of ONDCP's Office of Legislative Affairs, at (202) 395-7225.

Respectfully,

R. Gil Kerlikowske
Director

Enclosure: Responses to Questions for the Record

cc: The Honorable Jim Jordan
The Honorable Edolphus Towns
The Honorable Darrell E. Issa

DOMESTIC POLICY SUBCOMMITTEE OF THE OVERSIGHT AND GOVERNMENT REFORM COMMITTEE

HEARING ON "INTERNATIONAL COUNTERNARCOTICS POLICIES: DO THEY REDUCE DOMESTIC CONSUMPTION OR ADVANCE OTHER FOREIGN POLICY GOALS."

JULY 21, 2010

QUESTIONS FOR THE RECORD FROM

CHAIRMAN DENNIS J. KUCINICH

In connection with the Domestic Policy Subcommittee of the Oversight and Government Reform Committee's hearing on Wednesday, July 21, 2010 **"International Counternarcotics Policies: Do They Reduce Domestic Consumption or Advance other Foreign Policy Goals?,"** the Subcommittee submits the following questions for the hearing record:

1. **What resources at ONDCP have been allocated to improve data monitoring systems of drug markets and users in order to better understand how to effectively and cost-effectively intervene in these markets?**

Answer
The *2010 National Drug Control Strategy* (*Strategy*) provides a balanced and comprehensive approach to dealing with the drug problem. The concept of viewing the problem from a market perspective is central to the *Strategy*. Consistent with this concept is that to be successful, policies and programs must support individuals, families, and communities to prevent lives from being destroyed by drug use and addiction.

Consequently, the *Strategy* emphasizes policies and programs to reduce the demand for illicit drugs—prevention programs to stop people, particularly youth, from ever entering the market, screening and brief intervention programs to remove people from the market whose use has not yet become problematic, treatment programs to remove people from the market whose use has resulted in abuse and dependence, and recovery support programs to assist those with addiction to find jobs, procure stable housing, assist with child care, and maintain stable social relationships and avoid re-entering the market. To address the other half of the market—the supply of illicit drugs—the *Strategy* emphasizes policies and programs to suppress the cultivation and/or manufacture of illicit drugs, their transshipment to the United States, and their distribution within the country. The *Strategy* contains specific action items that the Federal drug control community will take to ensure these policies and programs are implemented and their objectives attained.

To ensure data of high quality are available for assessing the effectiveness of these policies and programs, the *Strategy* includes a chapter dedicated to this important issue and sets out specific action items to improve Federal data monitoring systems so they support this performance function. The data systems provide indicators on differing aspects of drug markets, including characteristics of users and the transactions (e.g. age, race/ethnicity, indoor vs. outdoor, method of payment); frequency of use; price and purity of illicit drugs; consequences of drug use, arrest,

and incarceration for drug crimes; treatment admissions; drug seizures; cultivation of drug crops; potential production; and global consumption. ONDCP provides leadership in coordinating efforts to enhance and improve these data monitoring systems and, in some cases, resources to implement the changes.

Each year, as a part of ONDCP's drug control budget review and certification process, ONDCP provides funding direction to the Federal drug control program agencies with respect to policies and programs, including improvements to data monitoring systems. Most recently, as a result of this process, the Administration requested in the FY 2011 budget $42.6 million for Information Infrastructure, including creating a mechanism to collect and use community-level data, and preserving national strategic data resources (i.e., the Arrestee Drug Abuse Monitoring program, the Drug Abuse Warning Network, and the National Survey on Drug Use and Health). The data collected through these information systems are central to our understanding of drug markets.

ONDCP has made improving information systems for monitoring, analysis, and assessment a priority. The final chapter of the *2010 National Drug Control Strategy* focuses on this issue, tasking federal drug control agencies to improve data systems in the collection and monitoring of drug-related emergency department (ED) visits, population surveys of drug use prevalence and related behaviors, drug treatment admissions, drug prices and purities, drug use among arrestees, drug consumption, drug seizures, global illicit drug markets, drug cultivation, and community indicators of drug consequences. Steps have already been taken to implement many of these enhancements, including plans to redesign the National Survey on Drug Use and Health to improve methods for estimating drug use prevalence and consumption; increase support for the Drug Abuse Warning Network to enhance information on drug-related ED visits; expand and/or redesign the Arrestee Drug Abuse Monitoring program to better assess the nexus between drug use and crime; and fully implementing the National Seizure System to include all federal agencies that seize drugs and fully integrating state and local seizures. ONDCP is coordinating these efforts through its Data Committee, composed of federal data managers that meets at least quarterly to ensure these priority data system issues are addressed. Membership includes data managers from such agencies as the National Institute on Drug Abuse (NIDA), the Substance Abuse and Mental Health Administration (SAMHSA), the National Institute of Justice (NIJ), the Drug Enforcement Administration (DEA), and the Bureau of Justice Statistics (BJS).

Often, ONDCP provides support for improvements to Federal data monitoring systems through its Policy Research funds. These funds are used by ONDCP to conduct short-turnaround studies of policy issues, including developing improvements to existing data monitoring systems; often these studies are done in partnership with another Federal drug control agency. The following are some examples of recent or current projects to improve data monitoring systems (conducted with or without Policy Research funds):

- Arrestee Drug Abuse Monitoring program - This data system monitors trends in drug use and drug market activity among the arrestees in 10 U.S. counties. In 2007, ONDCP revived this data system (it had been terminated in 2003 by NIJ, the original sponsoring agency) to assess changes in drug use, particularly methamphetamine use, among this population. ONDCP is currently working with NIJ and BJS to redesign the program and transfer it to these agencies.

- Law Enforcement Information Integration Architecture (LEI2A) -The Interdiction Committee (TIC) is coordinating an interagency effort to develop and evaluate the Law Enforcement Integrated Information Architecture (LE-I2A) as a decision support and analytical tool. Currently, $750K has been transferred from ONDCP, DHS and DOD (JIATF South) to the Naval Sea Systems Command (NAVSEA) to provide funding for Phase I of the initiative. NAVSEA is providing contracting support through an existing project with the Pennsylvania State University, Applied Research Laboratory (PSU/APL). Phase I of the project will leverage PSU/ARL's unique, Navy-sponsored advanced visualization environment facilities/applications/expertise currently in place at JIATF South. Phase I consists of the following:

    - Conduct comprehensive site surveys at JIATF-S, EPIC, CBP LETC-Tucson, AMOC, ICC, JTF-N, and OPBAT.
    - Develop, plan and commence initial integration of EPIC's most commonly used analytic databases and provide advanced visualization capabilities (JIATF-S model).
    - Develop draft CONOP, implementation plan, and costing for Phase II.

  LE-I2A will be evaluated along with other tools to determine which is best suited to meet the requirements of the proposed application.

- Anti-Drug Intelligence Community Team - This collaborative information collection and analysis effort was launched in May 2006 by 14 Federal drug control agencies to drive collective action on intelligence analysis, collection, and operational issues directly related to priority counterdrug goals. In response to specific questions from policy makers, ADICT created well-received products that significantly aided policy makers' planning and decisions. Key products include the potential for spillover violence on the Southwest Border, the targeting of Afghan drug traffickers, the increased flow of drugs through West Africa, and the upcoming Global Heroin Threat to the United States. Policymakers' continued requests for detailed analytical products underscore the value they see in a coordinated voice.

- National Seizure System - This data monitoring system, operated by DEA's El Paso Intelligence Center (EPIC), collects data on Federal, state, and local seizures of illicit drugs. ONDCP is currently working with EPIC to ensure the comprehensiveness of the data archive and increase its utility for strategic analysis.

- Drug Abuse Warning Network - This data monitoring system, supported by SAMHSA, provides data on drug-related emergency department visits, a key indicator of drug-related consequences. ONDCP has worked closely with SAMHSA to ensure the continued viability of this critical data system.

- National Survey on Drug Use and Health - This data system provides nationally representative estimates of drug use prevalence, initiation, abuse, dependence, and related attitudes and beliefs. ONDCP has worked closely with SAMHSA to enhance the data system for policy purposes. Some recent enhancements include adding questions to

enable estimation of substance abuse and dependence, treatment utilization, source of prescription drugs that were misused, and refinement of the methamphetamine questions.

The driving force behind these improvements is the need to assess the performance of the Nation's drug control efforts. The data provided by these monitoring systems and other data sources also serve to inform ONDCP's Performance Reporting System (PRS). The PRS is currently being developed to provide measures of success in achieving interagency objectives set forth in the *National Drug Control Strategy*. The PRS will provide timely and accurate data on the Federal drug control budget agencies and will help inform policymaking, planning, resource allocation, and evaluation of program effectiveness. These data will be used to determine progress in achieving the *Strategy's* goals and objectives.

2. **Several news sources have stated that Mexican drug cartels make 60-70 percent of their profits from marijuana sales in the U.S., some of which cite to ONDCP as the source of this statistic. Is this an accurate figure, and what is the underlying basis for this assertion?**

Answer
The estimate that drug cartels derive 60 percent of their revenue from marijuana transactions, based on data from 1997, was derived from models of marijuana yield and the nature of the drug trafficking business that are dated and may no longer apply. There have been changes in the volume and type of drugs trafficked by these organizations, as well as changes in their markets. Further, Mexican cartels derive revenue from criminal activities, such as kidnapping and extortion. It should also be noted that cartels derive income from trafficking cocaine, methamphetamine, and heroin, apart from marijuana trafficking and other criminal enterprises.

Because of the variety and scope of the cartels' business, and its illicit and purposefully obscured nature, determining the precise percentage of revenues from marijuana is problematic.

Ranking member Jordan submits the following additional questions:

1. **During your testimony before the committee, we discussed the role of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the Administration's overall policy regarding drug control. Is it your belief the faith-based providers of SAMHSA services play a role in assisting in drug control, either through providing treatment or in various other capacities?**

Answer
The beneficial role that faith and spirituality play in the prevention of drug and alcohol abuse and in programs designed to treat and promote recovery from substance abuse and co-occurring mental disorders has long been acknowledged. The work of the Substance Abuse and Mental Health Services Administration (SAMHSA), an agency of the U.S. Department of Health and Human Services (HHS), serves as a model of how effective partnerships can be forged between Federal programs and faith-based and community organizations to benefit people with, or at risk for, substance abuse disorders.

Since its inception in 1992, SAMHSA has actively engaged and supported faith-based and community organizations involved in substance abuse services. For example, the Substance Abuse Prevention Community Partnership and Coalition Demonstration Grant Program included over 300 faith-based community partners among its grantees. SAMHSA's Block and Formula Grant program funds - made available to states - in turn are available through the states to countless faith-based organizations that engage people with, or at risk for, addictive disorders.

In 2000, SAMHSA became the first HHS agency to undertake a specific Faith-Based and Community Initiative. The initiative emphasizes the key role faith-based and community organizations play in the delivery of substance abuse prevention and addiction treatment services, particularly to underserved communities and to culturally diverse populations. SAMHSA's long experience with faith-based and community organizations to support resilience and recovery in substance abuse prevention and treatment has demonstrated the effectiveness of local, grass-roots programs in eliciting positive changes in people's lives, paving the way for individuals to become full partners in American society.

Through a variety of funding mechanisms, SAMHSA supports programs in substance abuse prevention and addiction treatment that are undertaken with community and faith-based organizations at the national, state, and local levels. Examples include:

- Access to Recovery (ATR) Program – ATR is designed to provide clients a free and independent choice among substance abuse clinical treatment and recovery support service providers, expand access to a comprehensive array of clinical treatment and recovery support options, including faith-based programmatic options, and increase substance abuse treatment capacity. Data as of March 2010 indicate that about 28 percent of the ATR dollars paid for recovery support and clinical services have been to faith-based organizations. In addition, faith-based providers accounted for 33 percent of all recovery support providers and 30 percent of all clinical treatment providers. The ATR program has exceeded its overall target of clients (160,000) and provided treatment to over 174,000 people with substance abuse problems. So far, the Client Outcome Data (6 months post intake) has generated positive results, as, post intake, 80.7% have been abstinent from substance use and 96.1% reported no involvement in the criminal justice system.

- Substance Abuse Prevention and Treatment and HIV/AIDS Services – SAMHSA has been working to increase the availability of substance abuse prevention and treatment and HIV/AIDS-related services in African American, Hispanic/Latino and other racial or ethnic minority communities affected by the twin epidemics of substance abuse and HIV/AIDS. Many faith-based organizations have been grantees, such as the AIDS Interfaith Network, Inc. of New Haven, Connecticut, the Metro Interdenominational Church of Nashville, Tennessee, and the Metropolitan Organizing Strategy Enabling Strength (MOSES) Village Builder's Project, a faith-based coalition of 40 Detroit, Michigan congregations providing culturally-appropriate substance abuse prevention services to families and youth.

- Reducing Homelessness - The Projects for Assistance in Transition from Homelessness (PATH) provides funds from SAMHSA's CMHS to States and Territories that, in turn, allocate these dollars to local agencies, for services to persons with serious mental illnesses including those with co-occurring substance abuse disorders who are homeless or at risk of becoming homeless. Many of the organizations that receive PATH funds are faith-based. The PATH program is unique since all locally funded agencies must coordinate their services with faith-based and community organizations serving homeless people with serious mental illnesses.

- Drug Free Communities (DFCs) - By statute, every DFC grantee is required to attain active participation from local religious and/or fraternal organizations. The majority of our grantees are actively involving local houses of worship and interfaith organizations from their community. These organizations provide an excellent conduit through which to inform the community about local youth substance use issues, and they often provide the perfect venue through which DFC-funded coalitions can recruit dedicated volunteers to help them implement their local strategies to strengthen their community and save kids' lives. Additionally, on a national level, a number of religious organizations, such as Chabad and the Antiochian Orthodox Christian Archdiocese of North America, are working with ONDCP to help their local houses of worship better connect with existing grantees as well as organize communities to pursue DFC funding.

In addition, SAMHSA continues to host numerous conferences and training programs that help faith-based and community organizations enhance their work in substance abuse prevention and addiction treatment. For example, in September 2002, SAMHSA began its Grassroots Training Initiative, a series of over 40 training and technical assistance meetings to provide training in grant writing and capacity building and introduce SAMHSA and its policy and program priorities to grassroots organizations throughout the country. Also in August 2002, SAMHSA held its Sixth Annual Symposium for Faith and Community-Based Organizations, which focused on strengthening collaborations, expanding local resources, and building capacity to provide substance abuse prevention, treatment, and mental health services, as well as program management and successful grant writing. This SAMHSA-wide Symposium grew out of a 2001 substance abuse prevention-oriented national interfaith meeting sponsored by SAMHSA's Center for Substance Abuse Prevention that drew over 150 members of faith and community organizations and explored promising practices and model substance abuse prevention programs, highlighted the experience of faith organizations involved in prevention, and provided training on the SAMHSA grant application process. From 2005 to 2008, SAMHSA conducted 14 regional meetings for faith-based organizations to foster strengthening collaborations, expanding local resources, and building capacity to provide substance abuse prevention, treatment, and mental health services, as well as program management and successful grant writing.

2. **Legislation, including H.R. 5466 the SAMHSA Modernization Act of 2010, would modernize the services, programs, activities, collaborations and various other duties administered by SAMHSA. There is currently a provision in the legislation that would prevent faith-based providers of SAMHSA services "*from considering religion or any profession of faith when making any employment decision regarding an individual who is or will be assigned to carry out any portion of the activity*." Do you agree with this provision? If faith-based providers were forced to choose between holding to their statements of faith or participating in SAMHSA services, what effect do you think this would have on substance abuse prevention and treatment efforts? How many faith-based organizations does ONDCP work with currently, if any?**

Answer
As I mentioned during the hearing, I am not in favor of discriminatory hiring practices of any kind. However, as I stated above, faith-based organizations play an important role in providing treatment and assistance for people with substance abuse problems. The Administration is in the process of reviewing H.R. 5466, and has not yet taken a position on the provision cited in the question. The impact such a provision would have is not currently clear.

ONDCP has interacted *directly* with at least three faith-based organizations (FBOs), primarily via visits to their programs, and including them in the outreach call for strategy development input. ONDCP interacts *indirectly* with a number of FBOs through coalitions and consortia on a larger scale. ONDCP has actively promoted inclusion of faith-based organizations as providers for prevention, treatment, and recovery support services in policies and programs. The SAMHSA-administered Access to Recovery (ATR) and Recovery Oriented Systems of Care (ROSC) grants explicitly encourage states and communities to build provider networks that significantly include faith-based organizations. For example, approximately 28% of the dollars paid for Recovery Support and Clinical Services under the ATR program have been to FBOs. Additionally, FBOs account for 33% of all recovery support providers and 30% of all clinical treatment providers. Aside from promoting inclusion in Federal funding opportunities, ONDCP encourages state grant coordinators in the recruitment, training, and monitoring of faith-based providers.

3. **Currently, faith-based organizations play a role in the integration of substance abuse treatment and mental health services. Does ONDCP's 2010 drug control policy reflect the role of faith-based organizations?**

Answer
The President's *2010 National Drug Control Strategy* calls on faith-based communities to play an active role in reducing drug use and its consequences. In numerous parts of the *Strategy*, faith groups are an integral part of our approach. For example, the *Strategy* highlights the work of "Forces United," an innovative program that combines the efforts of community coalitions, law enforcement, the National Guard, and the faith-based community to achieve community norm change in all four High Intensity Drug Trafficking Areas (HIDTA) regions (CBAG, Los Angeles, Central Valley, and Northern California) throughout the State of California.

The Drug-Free Communities program brings together more than a dozen sectors (e.g., law enforcement, schools, faith leaders) to change local environmental risk factors for initiating drug use. ONDCP is engaged with our EOP partners in promoting mentoring, and the Faith-Based and Neighborhood Partnerships Initiative provides more than $45 million in funding to support the children of incarcerated parents through mentoring recruitment and support services. The Access to Recovery initiative is an innovative program that provides vouchers with which individuals can access clinical treatment and recovery support services, including transitional housing, child care, transportation to work or to recovery mutual help group meetings, peer counseling, and aids to employment restoration. Many of the services provided under this program are offered by faith-based organizations.

Finally, the *Strategy's* chapter on drug-related crime calls on faith-based communities as pivotal partners in the effort to prevent neighborhood crime through, for example, drug market intervention initiatives. Also, as mentioned previously, ONDCP supports faith-based participation in evidence-based treatment and prevention programs, as research has shown they can be a key sector in producing successful outcomes.