

(DRUG)
BUDGET — 1999

~~(DOD DECEIT)~~

—

FEDERAL DRUG CONTROL FUNDING

(Budget authority, in millions of dollars)

				<u>Percent Change</u>	
				<u>FY 1997</u>	<u>FY 1998</u>
				to	to
	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1999</u>
<u>Discretionary Spending:</u>					
Prevention	1,874	2,167	2,421	15.6	11.7
Treatment	3,069	3,209	3,446	4.6	7.4
Domestic Law Enforcement	7,950	8,486	8,850	6.7	4.3
Interdiction	1,723	1,615	1,805	(6.3)	11.8
International Programs	417	500	548	19.9	9.6
Total, Discretionary Spending.....	<u>15,033</u>	<u>15,977</u>	<u>17,070</u>	<u>6.3</u>	<u>6.8</u>

Overview

- The budget provides \$17.1 billion for drug control efforts, \$1.1 billion, or a seven percent increase over 1998. The budget provides increases in all aspects of the fight against drug use, including, drug treatment and prevention, especially for youth; domestic law enforcement; interdiction; and international programs.

Highlights by Major Component

- Prevention.** The Budget supports the Administration's commitment to reversing the trend of increased drug use among youth by providing \$2.4 billion for drug prevention programs, \$254 million, or twelve percent, more than in 1998. The centerpiece of the prevention effort is ONDCP's \$195 million National anti-drug media campaign for youth, to include paid advertisements and public service announcements, targeted at youth and their parents, on the consequences of illegal drug use. Anti-drug messages have already aired in twelve target cities and on the Internet. The budget also proposes \$50 million for a new School Drug Prevention Coordinators program to ensure that half of the Nation's middle schools will have a director of drug and violence prevention programs. The budget provides \$20 million for the Drug-Free Communities Act which helps increase community participation in our efforts to reduce substance abuse among youth. The Budget includes \$74 million for CDC smoking prevention activities, a \$46 million, or 162 percent, increase over 1998 and \$134 million for the FDA's outreach and tobacco regulation enforcement activities, which is a \$100 million, or 294 percent, increase over 1998. Finally, the budget provides \$576 million for the National Institute of Drug Abuse (NIDA), which is a \$49 million, or nine percent increase over 1998. Within this funding level, NIDA will increase its research on effective youth-related substance abuse treatment and prevention activities.

- **Treatment.** The Budget provides \$3.4 billion to treat drug abuse, \$237 million, or seven percent, more than in 1998. Specifically, the budget provides \$1.4 billion for anti-drug activities at the Substance Abuse and Mental Health Services Administration (SAMHSA), which is \$40 million, or three percent more than 1998. This funding level will continue to support State substance abuse activities, which target resources to local user populations, and maintains support for treatment and prevention services for everyone in need, including pregnant women, high-risk youth, and other under-served Americans. Within SAMHSA, the budget provides an increase of \$140 million, or fifteen percent, for the Substance Abuse Block Grant, the majority of which finances substance abuse treatment in states and will begin to close the treatment gap. The budget also proposes \$85 million for a new drug testing and treatment program for people involved in the criminal justice system. Finally, the budget provides \$30 million, level funded with 1998, for Drug Courts which present an alternative to incarceration for non-violent offenders who are willing to participate in, and would benefit from, rehabilitative drug treatment.
- **Domestic Law Enforcement.** The Budget provides \$8.8 billion for domestic drug law enforcement, \$364 million, or four percent more than in 1998. These funds will enhance Federal law enforcement efforts while targeting new funds to bolster community-based law enforcement efforts, shield the Southwest border from illicit drugs, target major domestic organizations trafficking in heroin, and enhance coordination among Federal State, and local law enforcement agencies. In particular, the budget provides an increase of \$13 million, or thirty percent, over 1998 for the DEA to enhance domestic anti-heroin efforts and 25 million, or over 100 percent, over 1998 to continue DEA anti-methamphetamine efforts.
- **Interdiction.** The Budget provides \$1.8 billion for interdiction efforts, \$190 million, or twelve percent, more than 1998. For the Nation's Southern tier, the budget provides an additional 1,000 border patrol agents. Furthermore, the budget provides funding for 100 new INS port-of-entry inspectors and over 150 new Customs inspectors. To further strengthen Customs' border enforcement capabilities, the budget also provides \$54 million for advanced drug detection technology, including automated targeting systems and non-intrusive inspection systems. For the Caribbean, the budget includes an increase of \$36 million, or nine percent over 1998, for the Coast Guard's interdiction activities which focus on the Caribbean and the Southwest border. In addition, the budget provides an additional \$10 million for DEA's Caribbean Corridor Strategy, which includes 54 new special agents for DEA's Caribbean Offices and special operations division.
- **International.** The FY 1999 budget proposes \$255 million for State Department programs to strengthen counter drug efforts in source countries. This budget proposal represents a twenty-one percent increase over 1998, with most of the increase focused on coca crop eradication in Bolivia, Colombia and Peru, as well as alternative development efforts in Bolivia and Peru. The budget also provides \$540 million for DOD to carry out international counter-drug efforts, which consists of providing training, logistics, equipment, intelligence and communications support. It also coordinates intelligence collection through radar sites and other methods.

FEDERAL DRUG CONTROL FUNDING--MAJOR DEPARTMENT/AGENCY
(Budget authority, in millions)

	1997 Actual	1998 Enacted	1999 Proposed
Defense	940	848	883
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HUD	290	310	310
Judiciary	599	633	698
Justice	6,704	7,261	7,670
ONDCP	289	428	449
State	194	212	257
Transportation	527	455	515
Treasury	1,176	1,328	1,388
Veterans Affairs	1,057	1,097	1,139
Other	186	198	208
Total	15,033,	15,977,	17,070,

Sensitive Issues

- **Five-year Drug Budget.** The five-year estimates are shown below. General McCaffrey would have liked to show additional funding increases in 2000-2003. The reductions in FY 2000 and 2001 are largely the result of the Administration fulfilling its commitment for the COPS program in 1999 and 2000 (33% of COPS funding is drug-related). In addition, Federal prison construction drops off after 1999 (60% of prison construction is drug-related).

Five-Year Federal Drug Control Budget
(\$ in billions)

	FY 97 Actual	FY 98 Enacted	FY 99 Proposed	FY 2000	FY 2001	FY 2002	FY 2003
OMB	15.0	16.0	17.1	16.7	16.7	16.8	17.2

DRUGS--INTERNATIONAL DRUG AND CRIME CONTROL

Question: What is included in your FY 1999 budget proposal for international counter drug and anti-crime activities?

Answer: The budget proposes \$275 million for State Department programs which strengthen counter narcotics efforts in source countries and anti-crime programs. The budget provides an increase of \$45 million, almost twenty percent more than 1998, most of which is focused on coca crop eradication in Bolivia, Colombia, and Peru, and alternative development efforts in Bolivia and Peru.

In addition, the budget provides \$540 million for DoD to carry out international counter-drug support. DoD does not carry out international drug eradication programs. Instead, it provides training, logistics, equipment, intelligence and communications support to our allies in the counter drug effort. It also coordinates the collection of intelligence through radar sites and other methods.

Additional: The budget is guided by the President's directive to attack drugs at the source. The U.S. anti-cocaine strategy is to reduce cultivation at the source through eradication, alternative development in Bolivia and Peru to provide coca farmers with legitimate alternative sources of income, and interdicting cocaine shipments.

About one-half of the \$540 million provided to DoD for counter-drug programs, or \$247 million, supports source nations -- primarily Colombia, Peru, and Bolivia -- to help them reach self-sufficiency, encourage and strengthen regional cooperation, and assist in developing successful eradication and law enforcement programs. This funding level is 20% higher than in FY 1998 (\$206 million).

Background: In 1994 the President directed that the U.S. Government should focus its international drug control efforts on stopping narcotics at the source. The biggest narcotics problem is with cocaine production in Bolivia, Colombia and Peru. This budget continues implementing the President's directive. The table below represents total Federal funds for international drug control efforts (excludes international crime funds). The Departments of State and Defense account for the vast majority of these funds.

	(\$ in millions)		
	1997	1998	1999
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
International Drug Control	417	500	548

Prepared by: Tony Chavez (5-3727), Christopher Johns (5-3798) J:\data\ldr98_32\qadrug2

INTERDICTION ALONG THE SOUTHERN TIER AND THE CARIBBEAN

Question: What are the Administration's plan to augment drug interdiction efforts along the Nation's Southern tier and in the Caribbean?

Answer: For the Southern Tier, the budget provides:

INS and Customs Staffing: The budget provides \$103 million for 1,000 border patrol agents, additional funding for 100 new INS port-of-entry inspectors and over 150 new Customs inspectors, and reassigns another 150 INS agents to increase the number of inspections.

Technology Enhancements: The budget provides an increase of \$15 million for the Border Patrol's "force-multiplying" technology, such as high resolution color and infrared cameras, and state-of-the-art command centers. For Customs border enforcement, the budget also provides \$54 million for advanced technology, including automated targeting and non-intrusive inspection systems.

Highway Infrastructure: The budget also includes \$90 million in Highway Trust Fund revenues to facilitate trade and traffic flows and enhance law enforcement capabilities on the Southern Border.

For the Caribbean, the budget includes an increase of \$36 million, or nine percent, over 1998 for Coast Guard interdiction activities focusing on the Caribbean and Southwest border. In addition, the budget provides an increase of \$10 million for DEA's Caribbean Corridor Strategy, which includes 54 new special agents for DEA's Caribbean Offices and special operations division.

Additional: Many of the technology enhancements in the 1999 budget will considerably improve productivity. INS estimates that technology enhancements during 1997 through 1999 will increase INS productivity equal to adding over 1,300 agents. The Customs advanced technology can increase more than fourfold the number of vehicle inspection per hour, while also increasing the probability of detecting illegal drugs hidden in vehicular traffic.

Background: Last year, the Administration's NEXTEA proposal included \$45 million in highway funds for a "Border Gateway" pilot program. The 1999 Budget seeks \$90 million for an expanded program.

Prepared by: Kimberly Maluski (5-5009) J:\data\bdr98_32\qadrug1

PREVENTING YOUTH FROM USING ILLEGAL DRUGS

Question: What specific steps does your FY 1999 Budget propose to prevent our Nation's youth from becoming involved in illegal drugs?

Answer: The budget supports the Administration's commitment to reversing the trend of increased youth drug use by providing \$2.4 billion for drug prevention programs, twelve percent more than 1998.

Additional: Among the increases are the following:

National Anti-Drug Media Campaign: The centerpiece of the prevention effort is ONDCP's \$195 million National anti-drug media campaign for youth, to include paid advertisements and public service announcements, targeted at youth and their parents, on the consequences of illegal drug use. Anti-drug messages have already aired in twelve target cities and on the Internet. This represents the same sum as appropriated in 1998.

School Drug Prevention Coordinators: The budget proposes \$50 million, an increase of \$50 million over 1998 for a new School Drug Prevention Coordinators program to ensure that half of the Nation's middle schools will have a knowledgeable director of drug and violence prevention programs. These coordinators will ensure that local programs are effective and link school-based prevention programs to community-based programs.

Drug-Free Communities Act: The budget provides \$20 million, an increase of \$10 million over 1998 for the Drug-Free Communities Act which helps increase community participation in our efforts to reduce substance abuse among youth.

Youth Tobacco Reduction. To reduce tobacco use among youth, the budget provides \$74 million, an increase of \$46 million over 1998 for CDC smoking prevention activities. The budget also provides \$134 million, an increase of \$100 million over 1998 for FDA's outreach and tobacco regulation enforcement activities.

Demand Reduction Research. The budget provides \$576 million, an increase of \$49 million over 1998 for the National Institute of Drug Abuse (NIDA). NIDA will be able to increase its research on youth-related substance abuse treatment and prevention activities.

Background: The "supply-demand" split remains 66%-34% the same as in 1998.

Prepared by: Kevin Phillip Cichetti (5-3452) J:\data\ldr98_32\qadrug3

DRUGS—ONDCP BUDGET CERTIFICATION

Question: What steps will the Administration take to ensure agreement among ONDCP and the other Federal agencies with drug control responsibilities so that ONDCP will not have to refuse to certify an agency's budget request to OMB?

Answer: For preparation of the FY 2000 Budget, ONDCP will issue comprehensive budget guidance to all drug control agencies by early April. For the duration of the budget preparation process, OMB, ONDCP, and the affected Federal departments and agencies with drug control responsibilities will coordinate efforts to ensure that the priorities of the *National Drug Control Strategy* are funded, while at the same time taking into account the reality of budget constraints.

Additional: Pursuant to ONDCP's authorization statute, Federal agencies with drug control responsibilities must submit drug budget requests to ONDCP before submission to OMB. The ONDCP Director must certify budget requests as adequate to advance the President's National Drug Control Strategy. If the budget request is deemed inadequate, the ONDCP Director can request that the head of the department or agency include in its submission funding requests for specific initiatives; thus making the submission adequate. The head of the department or agency must comply with the request.

Background: For FY 1999, DOD requested \$809 million for drug control activities, approximately five percent less than in 1998 (\$848 million). This reduction was largely the result of completion of procurement programs, with the majority of FY 1999 funding going towards operations and maintenance of existing projects. In early November, pursuant to authority granted in its authorization statute, ONDCP determined that DOD's budget request could not be certified as "adequate" to advance the President's National Drug Control Strategy. Again, pursuant to its authority, ONDCP instructed DOD to include an additional \$141 million in drug control initiatives, to enhance operations in the Andes, Mexico, the Caribbean, and along the borders, in its request. Several weeks later, ONDCP certified DOD's request after the two agencies agreed that \$73 million in drug control initiatives should be added to DOD's request.

Prepared by: Kevin Phillip Cichetti (5-3452) J:\data\bdr98_32\qadrug4

BUDGET, DRUG STRATEGY, AND PERFORMANCE MEASURES

Question: Doesn't the budget fall short of what is needed to implement the *National Drug Control Strategy* and the performance measures being developed by ONDCP?

Answer: The budget supports the goals and objectives of the *National Drug Control Strategy (Strategy)*, through increases in areas identified as funding priorities. The budget provides \$17.1 billion for drug control efforts, \$1.1 billion, or seven percent, over 1998. The budget provides increases for all five goals of the *Strategy*, encompassing drug treatment and prevention, domestic law enforcement; interdiction; and international programs. The budget provides the largest increase (15%) for goal one, "Educate and enable youth to reject illegal drugs as well as alcohol and tobacco."

The budget is structured to enable the Federal Government to work with its State, local, foreign, and private partners in making progress towards the targets and impact measures contemplated in the Performance Measures of Effectiveness system (PME), which the Administration will soon submit to Congress. The performance measures contained in the PME are not tied to the Federal budget alone. They should be viewed as goals for the nation, not as measures to be achieved by the Federal Government alone. This structure is similar to that contained in GPRA in that factors external to Federal agencies and beyond their control may significantly affect the achievement of goals.

Additional: ONDCP intends to submit the PME to Congress in February, shortly after the Budget is released. The targets contained in the system are highly ambitious: 50% reduction in demand and supply, 30% reduction in crime-related consequences, and 25% reduction in health and social consequences—all by 2007.

Background: Taking into account new prevention initiatives (i.e., Media campaign, School Drug Prevention Coordinators), the demand reduction target may be achievable. Agencies are less optimistic that the supply reduction targets can be achieved, regardless of the resources applied to the effort.

ONDCP developed the PME in conjunction with a wide range of stakeholders from both public and private sectors over the past year. OMB, DOJ, HHS, and Treasury have emphasized that this system is not tied to the budget, nor can Federal efforts alone achieve the highly ambitious targets.

Prepared by: Kevin Phillip Cichetti (5-3452) J:\data\ldr98_32\qadrug5

McCaffrey Wants Pentagon To Spend More Against Drugs

By Bradley Graham
Washington Post Staff Writer

The retired four-star general who heads the White House's anti-drug office blasted the Pentagon yesterday for failing to spend enough to combat the narcotics trade.

Barry R. McCaffrey said in a letter to Defense Secretary William S. Cohen that his office could not certify the Pentagon's proposed \$809 million drug-fighting budget for fiscal 1999 as adequate to implement drug control policy. He instructed the Defense Department to add \$141 million, saying money is needed to enhance operations against traffickers in the Andes, Mexico, the Caribbean and U.S. border areas.

It was an unprecedented move by the White House drug chief against another government agency. McCaffrey said he was acting under the act that established the Office of National Drug Control Policy in 1988, giving it authority to determine whether each department's budget is doing enough to meet the administration's anti-drug objectives.

"The way I read the law, the Pentagon has to put the money in," McCaffrey said in an interview yesterday. But he acknowledged that his directive to the Defense Department had thrown the administration into "uncharted ground." He said the ultimate arbiters of how much defense spending will go toward countering narcotics will be the White House budget office and Congress.

Pentagon spokesman Ken Bacon said the department would fight McCaffrey's directive.

"We're being asked to do more with

less every day, and we have to prioritize our funding programs," Bacon said. "The additional amounts that the drug office is requesting are excessive. It hasn't sufficiently analyzed its own budget requests."

McCaffrey expressed sympathy with the increased demands that operations in Bosnia and other post-Cold War priorities are placing on a reduced Pentagon budget. But he noted congressional interest in stopping the flow of drugs into the United States and said he could not accept what he regarded as a Pentagon effort to ignore his attempts in recent weeks to resolve the dispute quietly.

"They're trying to find billions of dollars, and here comes a modest ding for \$141 million, and they just blew it off," McCaffrey said.

As U.S. anti-drug strategy shifted in recent years, placing less emphasis on interdicting shipments and more on assisting South American countries where the narcotics are produced, the Pentagon cut its anti-drug spending from \$1.1 billion to about \$800 million, where it has remained since 1993. In contrast, total federal spending against the drug threat has increased nearly 64 percent since 1990.

A recent General Accounting Office report noted the Defense Department's closure of nine radar networks and reduction in efforts to stop drug trafficking in transit zones such as the Caribbean, where the use of Pentagon surveillance planes is crucial in tracking suspicious crafts.



**TELECOPIER COVER SHEET
OFFICE OF MANAGEMENT
AND BUDGET**

**TRANSPORTATION,
COMMERCE, JUSTICE &
SERVICES DIVISION**

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REMARKS: _____

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(Budget authority, in millions of dollars)

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INTERDICTION ALONG THE SOUTHERN TIER AND THE CARIBBEAN

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Answer: The budget supports the Administration's commitment to reversing the trend of increased youth drug use by providing \$2.4 billion for drug prevention programs, twelve percent more than 1998.

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School Drug Prevention Coordinators: The budget proposes \$50 million, an increase of \$50 million over 1998 for a new School Drug Prevention Coordinators program to ensure that half of the Nation's middle schools will have a knowledgeable director of drug and violence prevention programs. These coordinators will ensure that local programs are effective and link school-based prevention programs to community-based programs.

Drug-Free Communities Act: The budget provides \$20 million, an increase of \$10 million over 1998 for the Drug-Free Communities Act which helps increase community participation in our efforts to reduce substance abuse among youth.

Youth Tobacco Reduction. To reduce tobacco use among youth, the budget provides \$74 million, an increase of \$46 million over 1998 for CDC smoking prevention activities. The budget also provides \$134 million, an increase of \$100 million over 1998 for FDA's outreach and tobacco regulation enforcement activities.

Demand Reduction Research. The budget provides \$576 million, an increase of \$49 million over 1998 for the National Institute of Drug Abuse (NIDA). NIDA will be able to increase its research on youth-related substance abuse treatment and prevention activities.

Background: The "supply-demand" split remains 66%-34% the same as in 1998.

Prepared by: Kevin Phillip Cichetti (5-3452) J:\data\bd98_32\qadrug3

DRUGS—ONDCP BUDGET CERTIFICATION

Question: What steps will the Administration take to ensure agreement among ONDCP and the other Federal agencies with drug control responsibilities so that ONDCP will not have to refuse to certify an agency's budget request to OMB?

Answer: For preparation of the FY 2000 Budget, ONDCP will issue comprehensive budget guidance to all drug control agencies by early April. For the duration of the budget preparation process, OMB, ONDCP, and the affected Federal departments and agencies with drug control responsibilities will coordinate efforts to ensure that the priorities of the *National Drug Control Strategy* are funded, while at the same time taking into account the reality of budget constraints.

Additional: Pursuant to ONDCP's authorization statute, Federal agencies with drug control responsibilities must submit drug budget requests to ONDCP before submission to OMB. The ONDCP Director must certify budget requests as adequate to advance the President's National Drug Control Strategy. If the budget request is deemed inadequate, the ONDCP Director can request that the head of the department or agency include in its submission funding requests for specific initiatives; thus making the submission adequate. The head of the department or agency must comply with the request.

Background: For FY 1999, DOD requested \$809 million for drug control activities, approximately five percent less than in 1998 (\$848 million). This reduction was largely the result of completion of procurement programs, with the majority of FY 1999 funding going towards operations and maintenance of existing projects. In early November, pursuant to authority granted in its authorization statute, ONDCP determined that DOD's budget request could not be certified as "adequate" to advance the President's National Drug Control Strategy. Again, pursuant to its authority, ONDCP instructed DOD to include an additional \$141 million in drug control initiatives, to enhance operations in the Andes, Mexico, the Caribbean, and along the borders, in its request. Several weeks later, ONDCP certified DOD's request after the two agencies agreed that \$73 million in drug control initiatives should be added to DOD's request.

Prepared by: Kevin Phillip Cichetti (5-3452) J:\data\bd98_32\qadrug4

BUDGET, DRUG STRATEGY, AND PERFORMANCE MEASURES

Question: Doesn't the budget fall short of what is needed to implement the *National Drug Control Strategy* and the performance measures being developed by ONDCP?

Answer: The budget supports the goals and objectives of the *National Drug Control Strategy (Strategy)*, through increases in areas identified as funding priorities. The budget provides \$17.1 billion for drug control efforts, \$1.1 billion, or seven percent, over 1998. The budget provides increases for all five goals of the *Strategy*, encompassing drug treatment and prevention, domestic law enforcement; interdiction; and international programs. The budget provides the largest increase (15%) for goal one, "Educate and enable youth to reject illegal drugs as well as alcohol and tobacco."

The budget is structured to enable the Federal Government to work with its State, local, foreign, and private partners in making progress towards the targets and impact measures contemplated in the Performance Measures of Effectiveness system (PME), which the Administration will soon submit to Congress. The performance measures contained in the PME are not tied to the Federal budget alone. They should be viewed as goals for the nation, not as measures to be achieved by the Federal Government alone. This structure is similar to that contained in GPRA in that factors external to Federal agencies and beyond their control may significantly affect the achievement of goals.

Additional: ONDCP intends to submit the PME to Congress in February, shortly after the Budget is released. The targets contained in the system are highly ambitious: 50% reduction in demand and supply, 30% reduction in crime-related consequences, and 25% reduction in health and social consequences—all by 2007.

Background: Taking into account new prevention initiatives (i.e., Media campaign, School Drug Prevention Coordinators), the demand reduction target may be achievable. Agencies are less optimistic that the supply reduction targets can be achieved, regardless of the resources applied to the effort.

ONDCP developed the PME in conjunction with a wide range of stakeholders from both public and private sectors over the past year. OMB, DOJ, HHS, and Treasury have emphasized that this system is not tied to the budget, nor can Federal efforts alone achieve the highly ambitious targets.

Prepared by: Kevin Phillip Cichetti (5-3452) J:\data\bdr98_32\qadrug5



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

November 6, 1997

FYI from
Sam Grizzle
x 56647

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

The *National Narcotics Leadership Act* requires that the Office of National Drug Control Policy (ONDCP) review the drug budget of each department and certify whether the amount requested is adequate to implement the drug control program of the President. For FY 1999, the Department of Defense (DoD) has requested \$809 million for drug control programs, approximately the same level as FY 1998. After careful review, ONDCP has determined pursuant to 21 U.S.C. § 1502(c)(3)(B) that this budget cannot be certified.

To correct the deficiencies in the current FY 1999 proposal, DoD needs to amend its FY 1999 budget to include an additional \$141 million in drug control initiatives, which will enhance operations in the Andes, Mexico, the Caribbean, and along our borders. Details associated with these amendments are highlighted in the enclosed document. Under 21 U.S.C. § 1502(c)(5), DoD is required to include this additional funding in its FY 1999 submission to the Office of Management and Budget.

The support of the Department of Defense (DoD) is critical to achieving the goals of the National Drug Control Strategy. Appreciate your leadership of DoD's important counterdrug programs. The outstanding success of these missions is a credit to the dedicated men and women of our armed forces. Working together, the Executive Branch can structure a drug control budget which will reduce drug use and its consequences in America. Look forward to receiving the Department's amended FY 1999 budget proposal. Your support on this issue, which is so vital to our Nation's security and the health of our young people, is critical.

Respectfully,

Barry R. McCaffrey
Director

Enclosure



FY 1999 Drug Control Budget Amendments Department of Defense

(As required by 21 U.S.C. § 1502(c)(5))

- **Andean Coca Reduction Initiative (+\$75 million).** This initiative incorporates enforcement and interdiction measures that will disrupt the cocaine export industry. These efforts will include support for host nation programs to interdict the flow of coca base and cocaine in source countries, as well as expanded support to Peruvian and Colombian riverine interdiction programs.
- **Mexican Initiative (+\$24 million).** This proposal will provide additional resources to reduce the flow of illicit drugs from Mexico into the United States and disrupt and dismantle criminal organizations engaging in drug trafficking and money laundering. This effort will help implement the *Declaration of the Mexican-U.S. Alliance Against Drugs* signed by President Zedillo and President Clinton on May 6, 1997. It will expand U.S. operational support to detection and monitoring missions in Mexican airspace and territorial seas, establish a joint law enforcement investigative capability in the Bilateral Border Task Forces, and aid the Mexican Government in developing a self-sustaining interdiction capability.
- **Caribbean Violent Crime and Regional Interdiction Initiative (+\$12 million).** This effort will target drug trafficking-related criminal activities and violence in the Caribbean Region, including South Florida, Puerto Rico, the U.S. Virgin Islands, and the independent states and territories of the Eastern Caribbean. This will implement commitments made by the President during the Caribbean Summit held in Barbados.
- **National Guard Counterdrug Operations (+\$30 million).** These funds will partially restore reductions incurred since FY 1993 in State Plans funding, which includes support for counterdrug activities along the border.



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

Personal

September 24, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

B.11-

Request your review of Department of Defense (DoD) counterdrug funding to ensure adequate support for the President's FY 1999 - FY 2003 drug control program. With your assistance, the DoD budget will be better able to address the serious drug production and trafficking problems along our borders and overseas. Present and anticipated funding for DoD counterdrug programs will not be sufficient to accomplish the goals of the National Drug Control Strategy.

The DoD counterdrug program appears to be systematically under funded. FY 1998 funding is 34 percent below FY 1992. Adjusting for inflation, DoD purchasing power for the counterdrug program has actually dropped almost 8 percent since FY 1996. Also, DoD support for operations in the transit zone was cut in half in FY 1994 and has not been substantially restored. Further, funding for National Guard state programs, of vital importance along our borders, has dropped about 31 percent since FY 1993.

Understand your challenge of carefully balancing Defense funding priorities. However, counterdrug spending represents only 0.3 percent of the total DoD budget of about \$250 billion. Even given this modest proportion of the budget, DoD's counterdrug program has dropped by 2 percent since FY 1996. Against this background, total federal spending for counterdrug programs has increased by nearly 64 percent since FY 1990.

In light of these factors, ask for your careful consideration of **\$141 million** in possible FY 1999 DoD enhancements which would support several of the President's priority counterdrug initiatives. These include the following:

- **Andean Coca Reduction Initiative** -- Request an increase in DoD funding of up to **\$75 million**. This initiative incorporates enforcement and interdiction measures that will disrupt the cocaine export industry. These efforts would include support for host nation programs to interdict the flow of cocaine base and cocaine in source countries, as well as expanded support to Peruvian and Colombian riverine interdiction programs.

- 2 -

- **Mexican Initiative** -- Request an increase in DoD funding of up to **\$24 million**. This proposal would provide additional resources to reduce the flow of illicit drugs from Mexico into the United States and disrupt and dismantle criminal organizations engaging in drug trafficking and money laundering. This effort would help implement the *Declaration of the Mexican-U.S. Alliance Against Drugs* signed by President Zedillo and President Clinton on May 6, 1997. It would expand U.S. operational support to detection and monitoring missions in Mexican airspace and territorial seas, establish a joint law enforcement investigative capability in the Bilateral Border Task Forces, and aid the Mexican Government in developing a self-sustaining interdiction capability.
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- **National Guard Counterdrug Operations** -- Request an increase in DoD funding of up to **\$30 million**. This would partially restore reductions incurred since FY 1993 in State Plans funding which supports counterdrug activities along the border.

Appreciate your consideration of these priority drug control initiatives. Enclosed is some additional material which further expands on key aspects of DoD funding. Through newly invigorated DoD efforts, the President's drug control program will reduce illicit drug use and its consequences in America. Look forward to your support.

Respectfully,

V/R



Barry R. McCaffrey
Director

Enclosures

Your leadership on the drug issue will make a vital difference over the next three years on the National Drug Strategy.

DoD Response in Recent Years

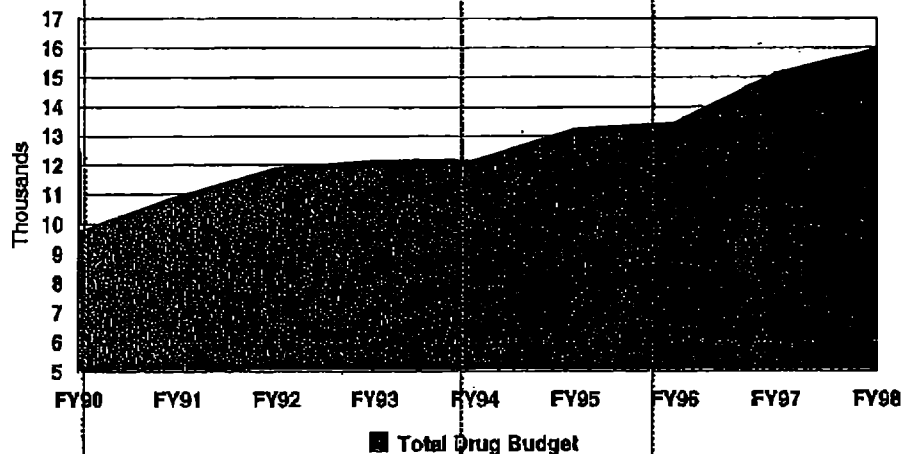
FY89 Defense

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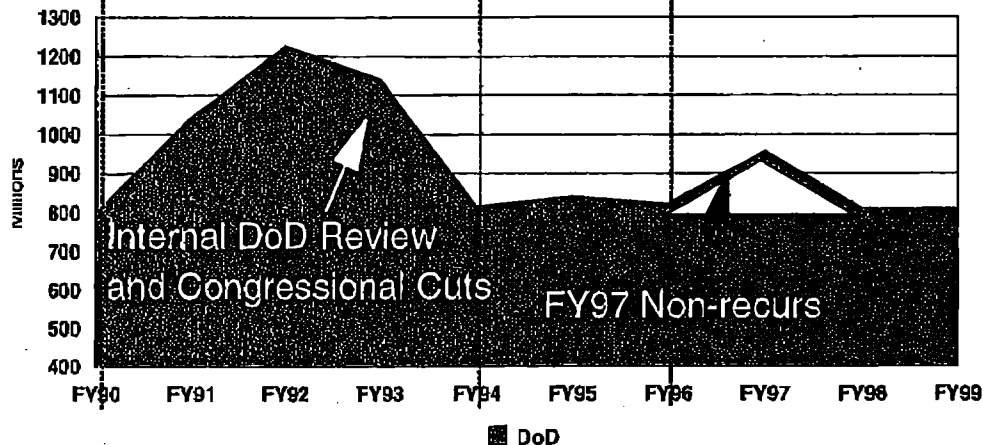
PDD 44

National Drug Budget



- Total federal effort increased 63.7% since FY90
- Steadily grown over this period, with growth in recent years in response to increased emphasis

DoD Drug Budget



- Current DoD budget is only 1.3% higher than FY90 -- less than a single year of inflation
- DoD responded to FY89 Defense Auth Act
- Peaked in FY92 (\$1.2 B)
- FY97 maintained FY96 level plus increases for one-time events (P-3 aircraft for Customs, NG funding, TPS-70 radar, Laser Strike, etc.)
- FY98 program is 34% below that of FY92

OPBRE, 9/97

Counterdrug Spending, by Department (FY96 - FY98 -- \$ Millions)

	FY96	FY97	FY98	% Increase (96-98)
State	135	194	216	60
Treasury	1029	1141	1338	30
HHS	2073	2382	2534	22
Transp	372	384	443	19
Justice	6267	6961	7249	16
DoD	822	957	809	-2
Total Budget	13454	15159	15977	19

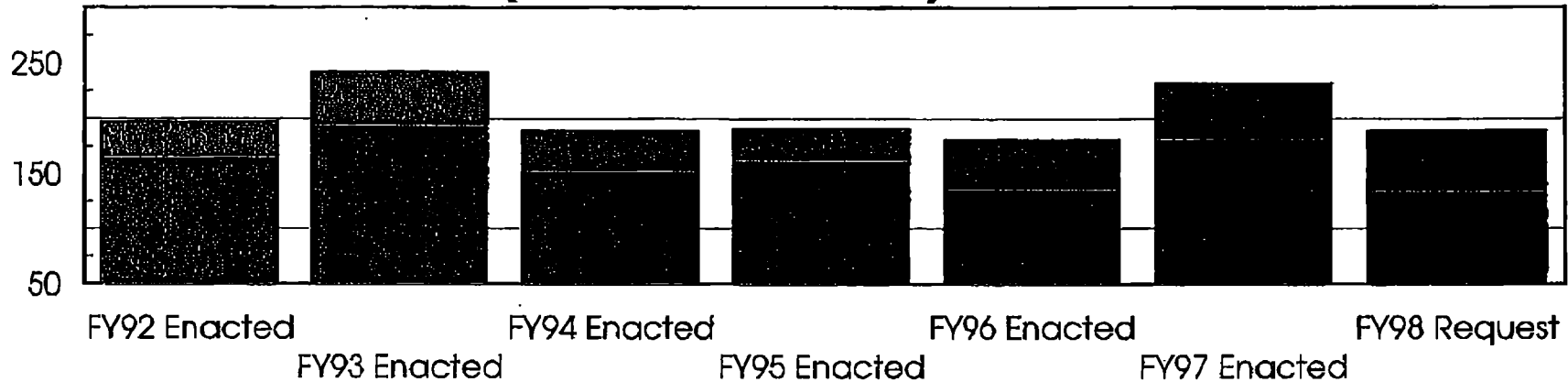
Note 1: % Increase is calculated as the change in funding from FY96 to FY98.

Note 2: Funding for classified programs in FY96 budget have since been transferred.

Note 3: Adjusting for inflation, DoD purchasing power has actually dropped 7.7% since FY96.

National Guard Counterdrug Funding (FY92 - FY98)

\$ in Millions



	FY92 Enacted	FY93 Enacted	FY94 Enacted	FY95 Enacted	FY96 Enacted	FY97 Enacted	FY98 Request
State Plans	163	192	150	160	134	180	132
Other NG	34	50	39	31	47	52	57
	197	242	189	191	181	232	189

National Guard cannot currently meet all State Plan requirements for law enforcement support (cargo inspections, community coalitions, marijuana eradication, etc.)

Need more National Guard involvement in community demand reduction events

From a recent peak in FY93, funding for NG State Plans in FY98 has dropped 31%.

OPBRE, 9/97

Recent GAO Report Cited Reduced DoD Commitment to the Drug Threat

- ▶ **DoD support fails to meet JIATF requirements to meet EastPac and Caribbean threat**
- ▶ **"Go-Fast" boat threat requires more tactical intelligence and aircraft assets**
- ▶ **DoD deactivated 9 radar networks -- loss of valuable support to law enforcement agencies**
- ▶ **DoD cut transit zone support in half in FY94**

DoD has not supported the results of its own IDA study

- ▶ **IDA Study was jointly funded by DoD and the US Interdiction Coordinator**
- ▶ **Study concluded that interdiction operations are effective in reducing the availability of illegal drugs, raising street prices and, thereby, reducing drug use**
- ▶ **While the study was criticized by others, it was supported by DoD; yet, DoD has not provided additional resources in response to its findings**



THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA



NOV 6 1997

General Barry R. McCaffrey
Director
Office of National Drug Control Policy
Washington, D.C. 20503

Dear General McCaffrey:

I have received your letter of November 6th stating that ONDCP will not, at this time, certify the FY99 DoD counterdrug budget unless \$141M is added. I also understand that this letter was provided to several news organizations prior to my having had a chance to review it with care.

As you know, we are being asked to do more with less everyday. Requests such as these need to be prioritized and worked through the regular OMB budget review process.

Nevertheless, we have reviewed your request and think that the amounts being asked for are excessive. The lack of any accompanying analytic work justifying the request made our review more difficult. Nevertheless, going through each of the four areas that you have outlined, I would note the following:

Mexico Initiative. For the Mexico program, you have called for an *additional* \$24M to be spent. We plan to spend \$12M in Mexico in FY99 and believe it will be a challenge to execute that much.

- The fact is that in FY97 we had to reprogram money away from the Mexico project because current authorities, class size limits and other constraints limited the amount of resources the Mexicans could absorb.

Andean Coca Reduction Initiative. Similarly, you have asked us to spend an *additional* \$75M in the Andean Region. As you know, we already spend \$150M in South America programs.

- We believe we are on the verge of getting Congressional authority to spend up to \$20M per year supporting riverine programs in South America. Beyond that, I don't see how I could productively spend so much more, given the already robust training, C3I, and detection and monitoring support that SOUTHCOM provides. As you know, these programs have been very effective.

Caribbean Violent Crime and Regional Interdiction Initiative. As for the Caribbean initiative, we view it primarily as a maritime law enforcement challenge for Customs and Coast

Guard. The DoD role is not clear to me. As you know, we have made our views clear on this in numerous interagency meetings over the last six months.

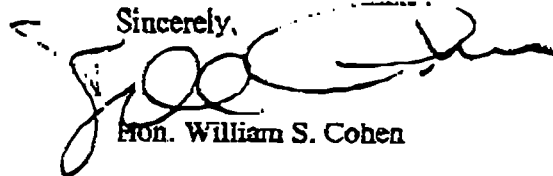
- I would add that DoD already intends to spend some \$380M in the Caribbean supporting interdiction.

National Guard Counterdrug Operations. As for the National Guard, we will spend \$132M on State Plans in FY99 and we think that is adequate, given the numerous competing demands on the CD program.

- As you know, the National Guard State Plans comprise the single largest component of the DoD CD program.

I look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe", with a long horizontal flourish extending to the right.

Hon. William S. Cohen



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

November 6, 1997

FYI from
Sam Grizzle
x 56647

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

The *National Narcotics Leadership Act* requires that the Office of National Drug Control Policy (ONDCP) review the drug budget of each department and certify whether the amount requested is adequate to implement the drug control program of the President. For FY 1999, the Department of Defense (DoD) has requested \$809 million for drug control programs, approximately the same level as FY 1998. After careful review, ONDCP has determined pursuant to 21 U.S.C. § 1502(c)(3)(B) that this budget cannot be certified.

To correct the deficiencies in the current FY 1999 proposal, DoD needs to amend its FY 1999 budget to include an additional \$141 million in drug control initiatives, which will enhance operations in the Andes, Mexico, the Caribbean, and along our borders. Details associated with these amendments are highlighted in the enclosed document. Under 21 U.S.C. § 1502(c)(5), DoD is required to include this additional funding in its FY 1999 submission to the Office of Management and Budget.

The support of the Department of Defense (DoD) is critical to achieving the goals of the National Drug Control Strategy. Appreciate your leadership of DoD's important counterdrug programs. The outstanding success of these missions is a credit to the dedicated men and women of our armed forces. Working together, the Executive Branch can structure a drug control budget which will reduce drug use and its consequences in America. Look forward to receiving the Department's amended FY 1999 budget proposal. Your support on this issue, which is so vital to our Nation's security and the health of our young people, is critical.

Respectfully,

Barry R. McCaffrey
Director

Enclosure



FY 1999 Drug Control Budget Amendments Department of Defense

(As required by 21 U.S.C. § 1502(c)(5))

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

Personal

September 24, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary ~~Cohen~~ **B.11-**

Request your review of Department of Defense (DoD) counterdrug funding to ensure adequate support for the President's FY 1999 - FY 2003 drug control program. With your assistance, the DoD budget will be better able to address the serious drug production and trafficking problems along our borders and overseas. Present and anticipated funding for DoD counterdrug programs will not be sufficient to accomplish the goals of the National Drug Control Strategy.

The DoD counterdrug program appears to be systematically under funded. FY 1998 funding is 34 percent below FY 1992. Adjusting for inflation, DoD purchasing power for the counterdrug program has actually dropped almost 8 percent since FY 1996. Also, DoD support for operations in the transit zone was cut in half in FY 1994 and has not been substantially restored. Further, funding for National Guard state programs, of vital importance along our borders, has dropped about 31 percent since FY 1993.

Understand your challenge of carefully balancing Defense funding priorities. However, counterdrug spending represents only 0.3 percent of the total DoD budget of about \$250 billion. Even given this modest proportion of the budget, DoD's counterdrug program has dropped by 2 percent since FY 1996. Against this background, total federal spending for counterdrug programs has increased by nearly 64 percent since FY 1990.

In light of these factors, ask for your careful consideration of **\$141 million** in possible FY 1999 DoD enhancements which would support several of the President's priority counterdrug initiatives. These include the following:

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- 2 -

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Respectfully,

V/R



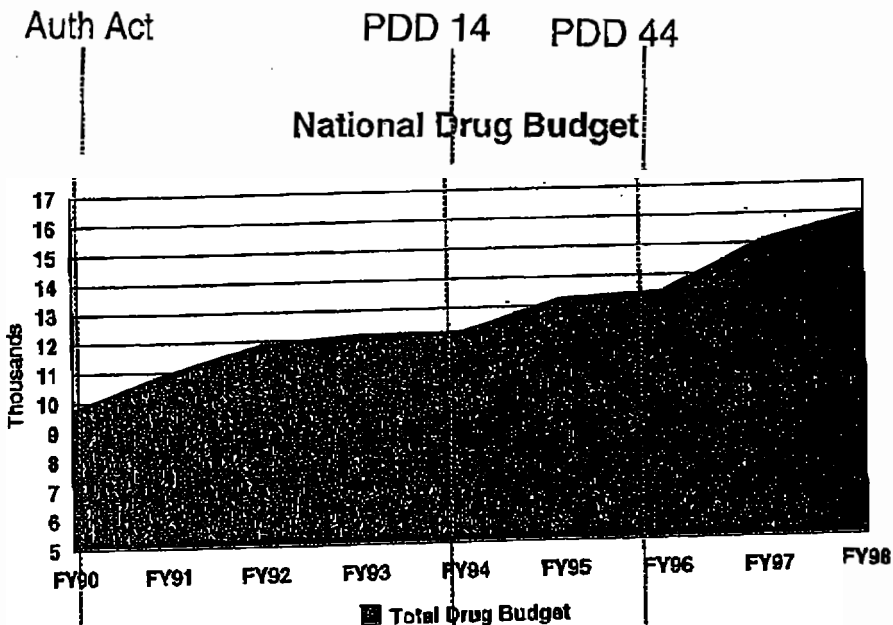
Barry P. McCaffrey
Director

Enclosures

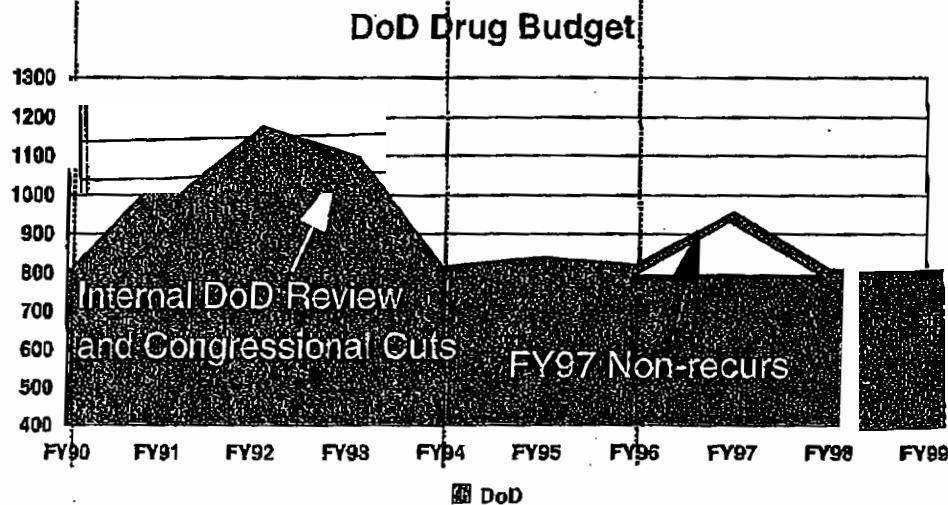
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DoD Response in Recent Years

FY89 Defense



- Total federal effort increased 63.7% since FY90
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OPBRE, 9/97

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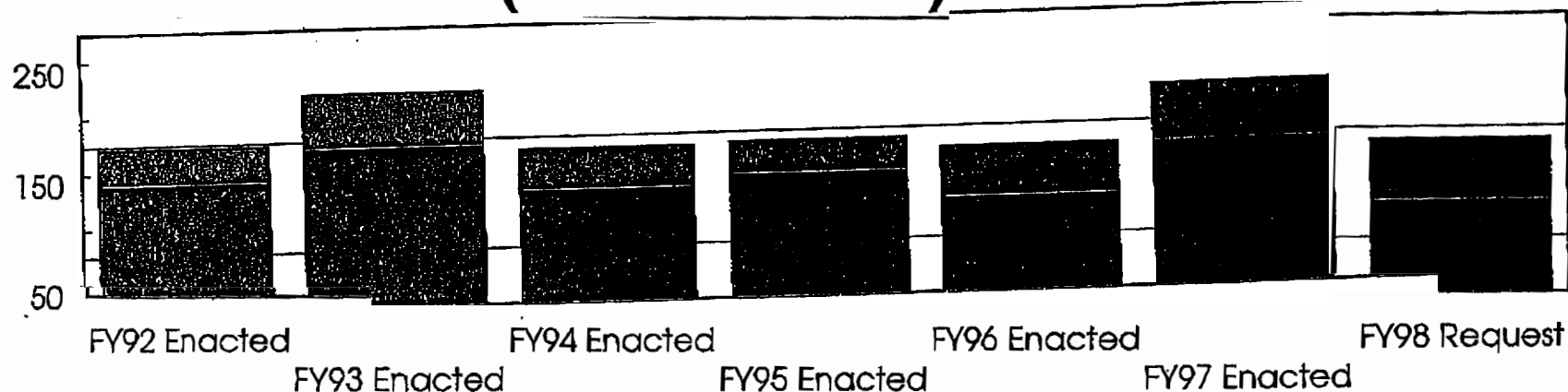
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OPBRE, 9/97

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OPBRE, 9/97



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY**

Washington, D. C. 20503
November 5, 1997

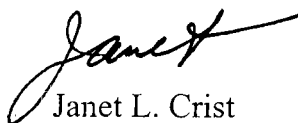
Dear Mr. Cerda: 

Enclosed is a copy of a letter Director McCaffrey provided to Secretary Cohen during a meeting with him on September 24 in which they discussed additional drug control requirements for the Department of Defense in FY 1999. The letter argues for an enhanced effort by Defense to assist other federal agencies in support of the President's *National Drug Control Strategy*.

Defense has been contemplating these requirements over the past month, but to date, has not provided a formal reply. The Director must soon certify whether Defense's budget is adequate to implement the Strategy.

Wanted to make you aware of this issue as we continue to engage in discussions with Secretary Cohen and Director Raines on this subject in the coming weeks.

Best wishes,



Janet L. Crist
Chief of Staff

Jose Cerda
Special Assistant to the President
Room 224R
Old Executive Office Building
Washington, DC 20500



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

Personal

September 24, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

B.11-

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Understand your challenge of carefully balancing Defense funding priorities. However, counterdrug spending represents only 0.3 percent of the total DoD budget of about \$250 billion. Even given this modest proportion of the budget, DoD's counterdrug program has dropped by 2 percent since FY 1996. Against this background, total federal spending for counterdrug programs has increased by nearly 64 percent since FY 1990.

In light of these factors, ask for your careful consideration of **\$141 million** in possible FY 1999 DoD enhancements which would support several of the President's priority counterdrug initiatives. These include the following:

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Respectfully,

V/r



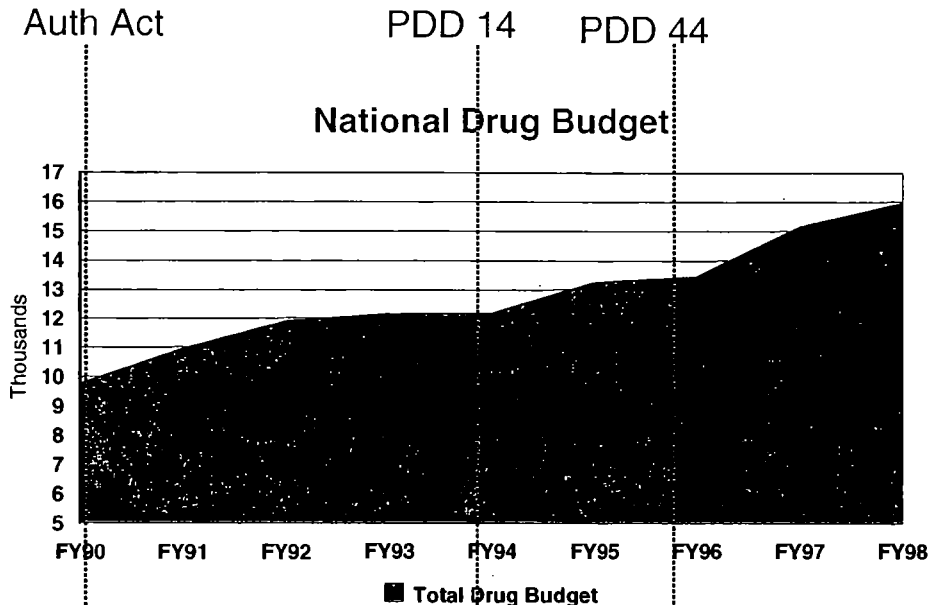
Barry P. McCaffrey
Director

Enclosures

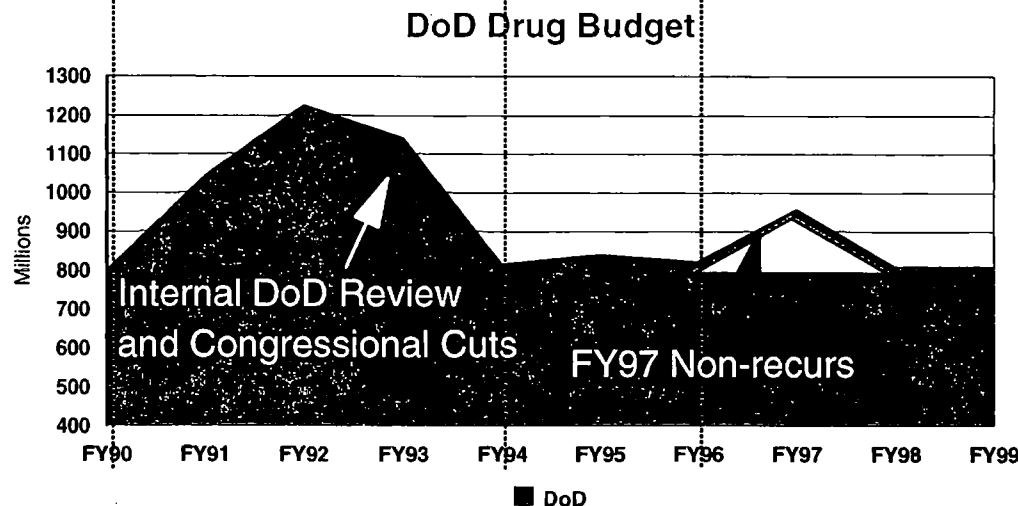
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- Total federal effort increased 63.7% since FY90
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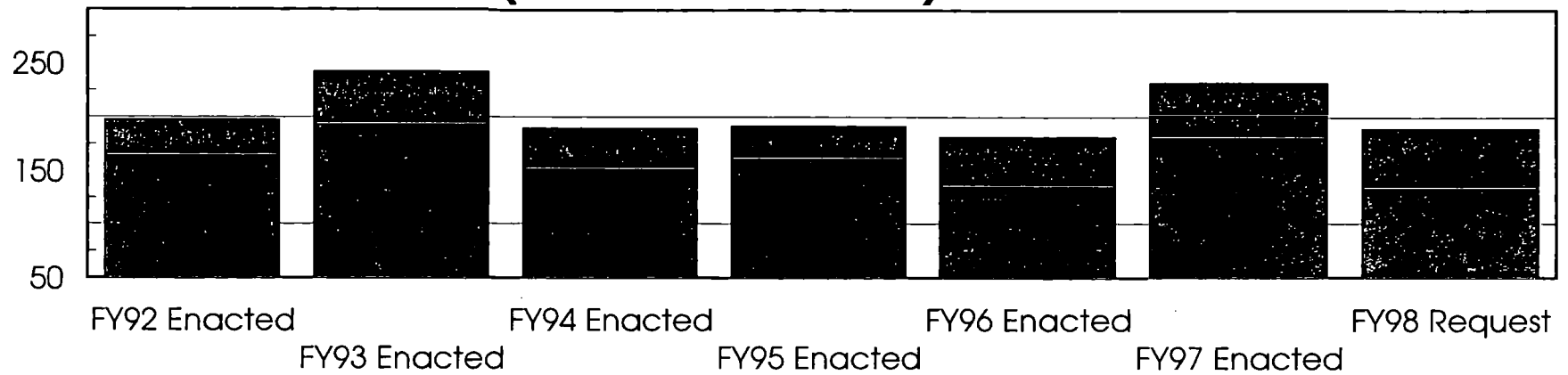
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

Elena —

I understand that DPC is upset because you were out of the loop on the DoD certification issue. I apologise — the Director viewed this as a national security / NSC issue.

In any event, here is all the paper I have on this. I will continue to send you material as I receive it.

This dispute should be resolved in the next few days. Director McCaffrey had a very good conversation with Dep SEC John Hume over the weekend.

Chuck
Blanchard

cc: Jose Carda



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY

Washington, D.C. 20503

November 6, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

The *National Narcotics Leadership Act* requires that the Office of National Drug Control Policy (ONDCP) review the drug budget of each department and certify whether the amount requested is adequate to implement the drug control program of the President. For FY 1999, the Department of Defense (DoD) has requested \$809 million for drug control programs, approximately the same level as FY 1998. After careful review, ONDCP has determined pursuant to 21 U.S.C. § 1502(c)(3)(B) that this budget cannot be certified.

To correct the deficiencies in the current FY 1999 proposal, DoD needs to amend its FY 1999 budget to include an additional \$141 million in drug control initiatives, which will enhance operations in the Andes, Mexico, the Caribbean, and along our borders. Details associated with these amendments are highlighted in the enclosed document. Under 21 U.S.C. § 1502(c)(5), DoD is required to include this additional funding in its FY 1999 submission to the Office of Management and Budget.

The support of the Department of Defense (DoD) is critical to achieving the goals of the National Drug Control Strategy. Appreciate your leadership of DoD's important counterdrug programs. The outstanding success of these missions is a credit to the dedicated men and women of our armed forces. Working together, the Executive Branch can structure a drug control budget which will reduce drug use and its consequences in America. Look forward to receiving the Department's amended FY 1999 budget proposal. Your support on this issue, which is so vital to our Nation's security and the health of our young people, is critical.

Respectfully,

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Barry R. McCaffrey
Director

Enclosure



FY 1999 Drug Control Budget Amendments Department of Defense

(As required by 21 U.S.C. § 1502(c)(5))

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

Yendou

September 24, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

B.11-

Request your review of Department of Defense (DoD) counterdrug funding to ensure adequate support for the President's FY 1999 - FY 2003 drug control program. With your assistance, the DoD budget will be better able to address the serious drug production and trafficking problems along our borders and overseas. Present and anticipated funding for DoD counterdrug programs will not be sufficient to accomplish the goals of the National Drug Control Strategy.

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V/R



Barry P. McCaffrey
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Enclosures

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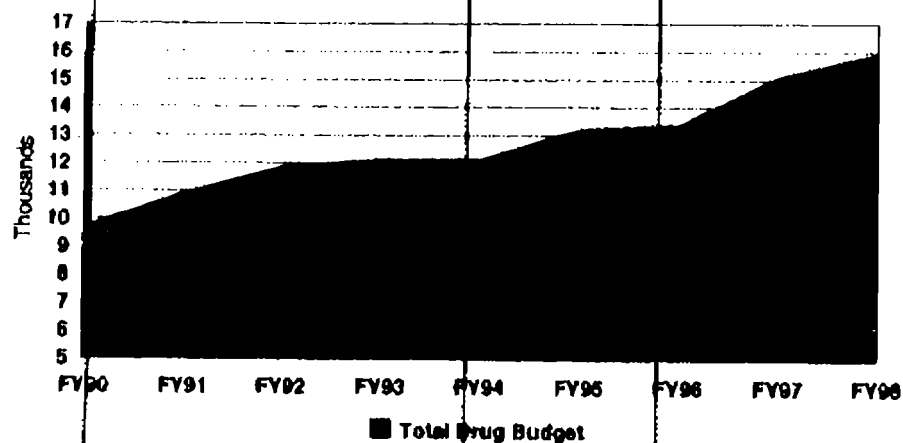
FY89 Defense

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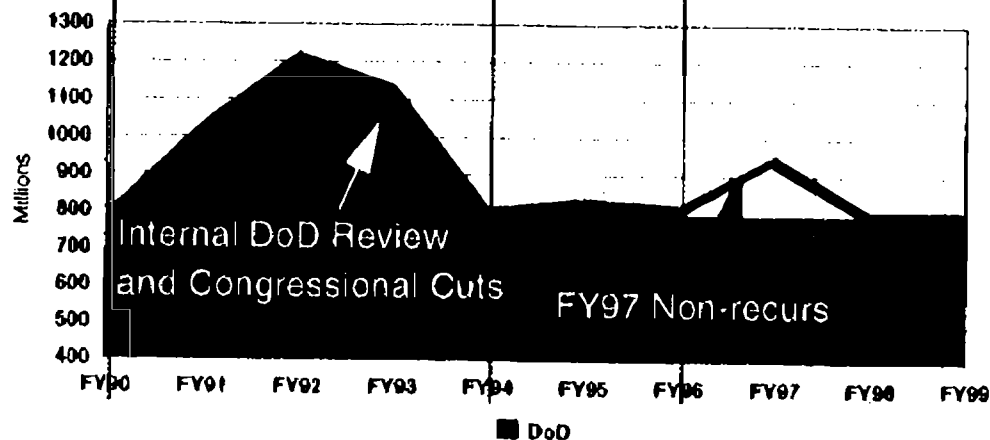
PDD 44

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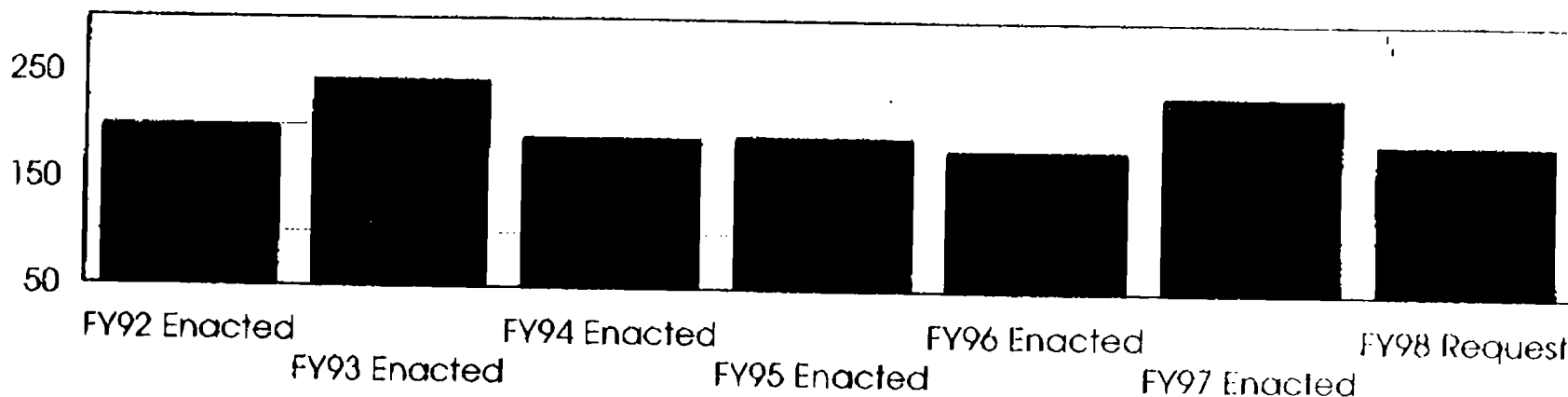
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY

Washington, D.C. 20503

November 6, 1997

INFORMATION

MEMORANDUM FOR DIRECTOR

THROUGH: CHIEF OF STAFF

FROM: CHARLES BLANCHARD, DIRECTOR, OFFICE OF LEGAL COUNSEL

SUBJECT: Legal Authority to De-Certify Agency Budgets

- At your request, both General Counsel Judith Leonard and I independently reviewed ONDCP's statutes to determine our authority to certify national drug control agency budgets.
- It is our firm and considered legal opinion that the statute gives you two specific powers:
 - (1) the power to "certify in writing as to the adequacy of such [agency budget] request in whole or in part . . . and [should a budget not be certified]. . . include in the certification an initiative or funding level that would make this request adequate." [21 U.S.C. § 1502 (c)(3)(B)]; and
 - (2) the power to "request the head of a department or agency to include in the department's or agency's budget submission [to OMB] funding requests for specific initiatives that are consistent with the President's priorities for the National Drug Control Strategy" [21 U.S.C. § 1502(c)(5)]
- Most importantly, the statute makes quite clear that "the department or agency *shall comply* with such a [ONDCP] request." [21 U.S.C. § 1502(c)(5)] In our view, this power to order an agency to place specific initiatives in the budget request is the most important power.
- We have reviewed the proposed letter to the Secretary of Defense, and believe that it is fully consistent with this statute.

Attachment

Tab A Copy of 21 U.S.C. § 1502



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

Jose - Were we
upset about
this?
Elena

Elena -

I understand that DPC is upset
because you were out of the loop
on the DoD certification issue. I
apologise - the Director viewed this
as a national security / NSC issue.

In any event, here is all the
paper I have on this. I will
continue to send you material as I receive
it.

This dispute should be resolved in
the next few days. Director McGaffrey
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Dep SEC John Hanne over the
week end.

Charles
Blanchard

cc: Jose Canda



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

November 6, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

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Respectfully,

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Barry R. McCaffrey
Director

Enclosure



FY 1999 Drug Control Budget Amendments Department of Defense

(As required by 21 U.S.C. § 1502(c)(5))

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

Person

September 24, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

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8.11-

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V/R

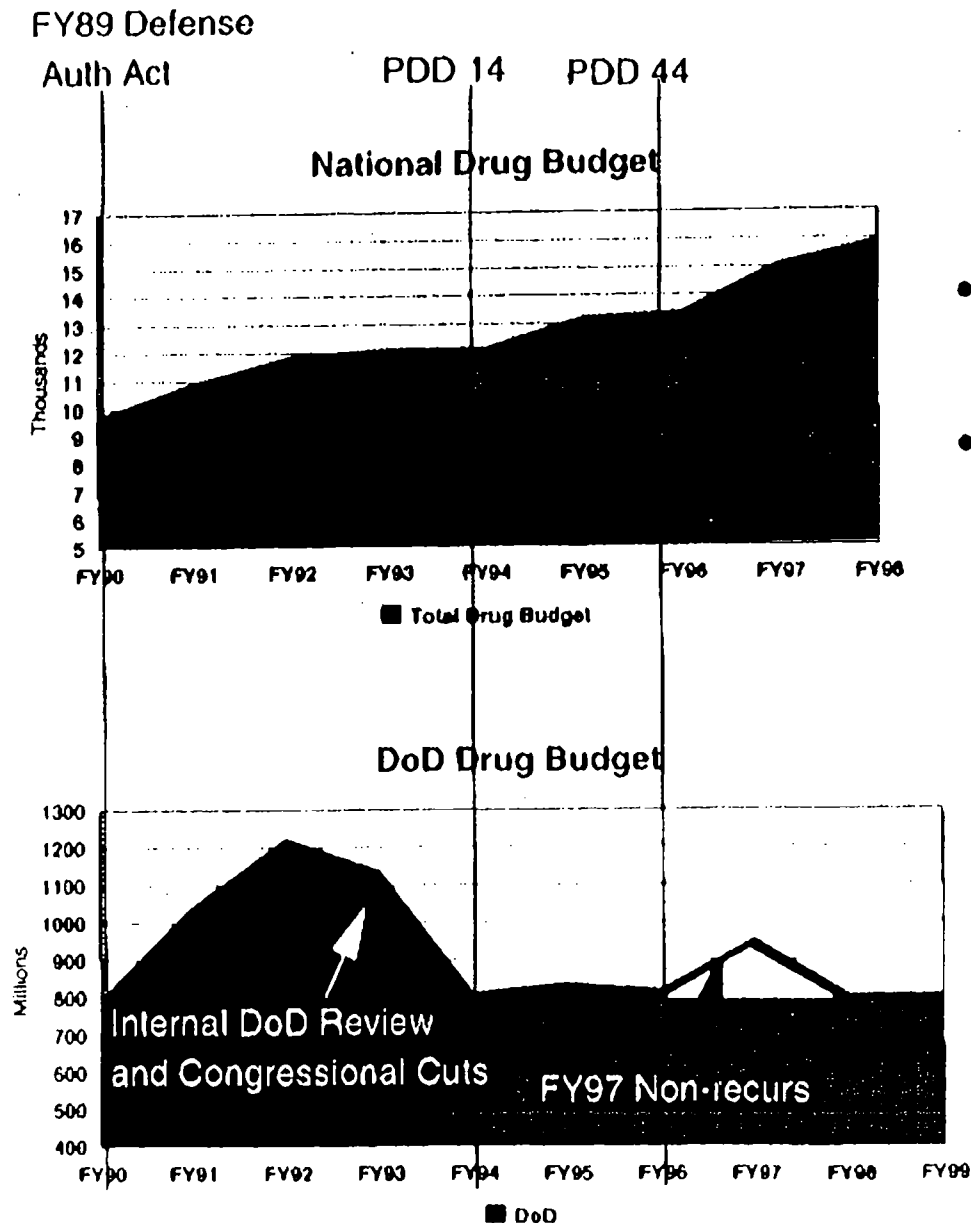


Barry P. McCaffrey
Director

Enclosures

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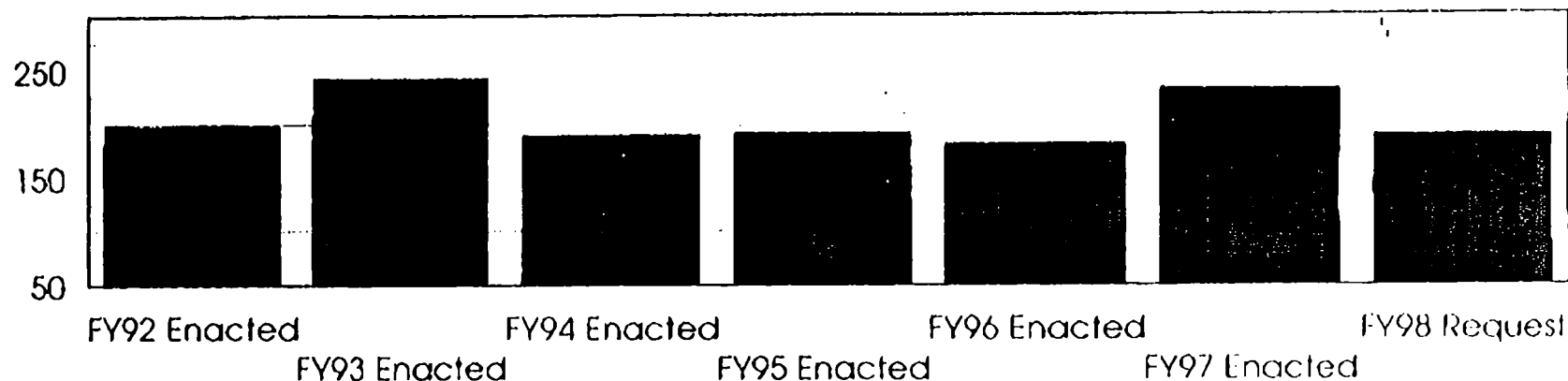
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

November 6, 1997

INFORMATION

MEMORANDUM FOR DIRECTOR

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FROM: CHARLES BLANCHARD, DIRECTOR, OFFICE OF LEGAL COUNSEL

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- At your request, both General Counsel Judith Leonard and I independently reviewed ONDCP's statutes to determine our authority to certify national drug control agency budgets.
- It is our firm and considered legal opinion that the statute gives you two specific powers:
 - (1) the power to "certify in writing as to the adequacy of such [agency budget] request in whole or in part . . . and [should a budget not be certified]. . . include in the certification an initiative or funding level that would make this request adequate." [21 U.S.C. § 1502 (c)(3)(B)]; and
 - (2) the power to "request the head of a department or agency to include in the department's or agency's budget submission [to OMB] funding requests for specific initiatives that are consistent with the President's priorities for the National Drug Control Strategy" [21 U.S.C. § 1502(c)(5)]
- Most importantly, the statute makes quite clear that "the department or agency *shall* comply with such a [ONDCP] request." [21 U.S.C. § 1502(c)(5)] In our view, this power to order an agency to place specific initiatives in the budget request is the most important power.
- We have reviewed the proposed letter to the Secretary of Defense, and believe that it is fully consistent with this statute.

Attachment

Tab A

Copy of 21 U.S.C. § 1502

United States Senate

WASHINGTON, DC 20510

November 7, 1997

The Honorable William S. Cohen
Secretary of Defense
Department of Defense
The Pentagon, Room 3E880
Washington, DC 20301-1000

Dear Secretary Cohen:

We are writing to support strongly General Barry McCaffrey's view that the Department of Defense must increase its drug budget request for Fiscal Year 1999 by \$141 million.

As you know, it was the intent of Congress in passing the National Narcotics Leadership Act to give the Office of National Drug Control Policy (ONDCP) the authority to review and certify the drug budgets of each of the departments and agencies with major drug responsibilities. The purpose was to provide a review of the Administration's overall drug programs in order to ensure consistent planning, comprehensive programs, adequate resources, and sustained efforts. This is the first formal use of this authority, and it is our view that it remains a critical element to ensure that our nation's efforts to combat drug use, production, and smuggling receive adequate attention and support. The fact that it has been used this time indicates an important point.

We agree with General McCaffrey's determination that the Defense Department's Fiscal Year 1999 request of \$809 million is inadequate. We note with concern that the Department's initial response to General McCaffrey's determination has been to refuse to consider the validity of ONDCP's action and to refuse to make the adjustments recommended. We urge you to make the necessary changes in the Department's budget request when it is submitted to the Office of Management and Budget.

General McCaffrey highlights four specific areas where increased funds are needed:

- an additional \$75 million for the Andean Coca Reduction Initiative through which American and local officials in the Andean nations are working in cooperation to interdict cocaine trafficking;
- an additional \$30 million to support anti-drug activities of the National Guard along the border;

The Honorable William S. Cohen
Page Two

- an additional \$24 million for our Mexican Initiative, which support our ability to monitor Mexican air space and territorial seas and to conduct joint interdiction efforts with Mexican forces; and
- an additional \$12 million for the Caribbean Violent Crime and Regional Interdiction Initiative, a program to intercept traffickers in the Caribbean basin including Southern Florida, Puerto Rico, and the U.S. Virgin Islands.

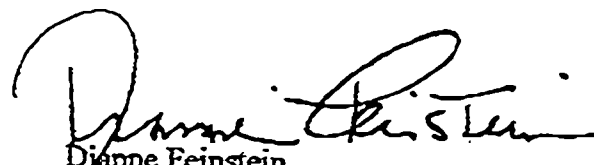
The Defense Department's Fiscal Year 1998 drug budget proposal represents a 2 percent decrease from the its Fiscal Year 1996 level. By comparison, the State Department's drug budget has increased 60 percent during the same period. Other departments have also seen dramatic increases: Treasury, 30 percent; Health and Human Services, 22 percent; Transportation, 19 percent; and Justice, 16 percent. The Defense Department must do its part.

The direct threat to U.S. interests and to the health and welfare of American citizens from drugs is our greatest national security threat. Yet, there has been a steady decline in the Defense Department's support for interdiction programs. This meager level of support has declined in recent years as drug use has increased. The Department also has not been vigorous in efforts to sustain National Guard programs for demand reduction efforts. The cumulative effect is to reduce the Department's contribution to a national drug strategy.

At a time when teenage drug use is increasing and when traffickers are becoming bolder and more inventive in their efforts to introduce drugs into the United States, it is not acceptable that the agency charged with protecting our national security would shirk its responsibility in the effort to win this most crucial war. Accordingly, we urge you to revise the Defense Department budget request by increasing the counterdrug portion by \$141 million.

Sincerely,


Charles E. Grassley
United States Senator


Dianne Feinstein
United States Senator

Paul Coverdell
United States Senator

Bob Graham
United States Senator

ROB PORTMAN
Second District, Ohio

COMMITTEE ON
WAYS AND MEANS
ASSISTANT MAJORITY WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-3502

November 8, 1997

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Honorable William S. Cohen
Secretary of Defense
U.S. Department of Defense
The Pentagon, Room 3E880
Washington, D.C. 20301-1000

Dear Secretary Cohen:

Many of us in Congress have been working hard to reverse the very disturbing increases in teenage drug abuse. We know you share that commitment.

We understand, however, that the Department of Defense budget for Fiscal Year 1999 may be deficient in failing to include an additional \$141 million to enhance efforts in the Andes, the Caribbean, Mexico and along our borders. We also understand that despite rising drug use in the United States, the Department of Defense's counterdrug effort has declined by two percent since Fiscal Year 1996.

We request that you reconsider the Department's Fiscal Year 1999 budget to ensure that it is in line with the goals and targets of the National Drug Control Strategy, which we are working hard to support and enhance. Having support from the Department of Defense is absolutely critical to our collective efforts to reduce drug abuse.

We hope you will consider our views, consistent with all applicable laws and regulations, and look forward to working with you to strengthen our counterdrug efforts at home and abroad.

Sincerely,

Rob Portman
Tom Barrett

Ben Gilman
Jim Hargett

FOR IMMEDIATE RELEASE**Contact Feinstein - Susan****Kennedy****Friday, November 7, 1997****202/224-9629****Coverdell - Jonathan****Baron****202/224-8049**

**STATEMENT OF SENATORS FEINSTEIN AND COVERDELL ON
GENERAL McCAFFREY'S CALL FOR INCREASED DEFENSE
DEPARTMENT FUNDING IN DRUG WAR**

November 7, 1997

"We join together today to commend and strongly support General Barry McCaffrey, Director of the Office of National Drug Control Policy, in his call for increased funds for drug interdiction efforts. General McCaffrey insists that he cannot certify the Pentagon's requested budget for fiscal year 1999 unless it includes \$141 million in additional drug-interdiction funding.

"We believe the General is right in taking this action and urge the Administration to support him.

"While highlighting the fact that other federal agencies have increased their counter narcotics spending at a faster rate, the General has demanded that the Defense Department increase the amount it spends for the drug fight in four key areas:

- **Andean Coca Reduction Initiative.** An increase of \$75 million to carry on the drug fight in the Andes region, where American and local officials are working in cooperation to disrupt the cocaine export industry.
- **National Guard Counterdrug Operations.** An increase of \$30 million to support anti-drug activities of the National Guard that partially restores reductions incurred since FY 1993 in State Plans funding, which includes support for counterdrug activities along the border. The National Guard is the agency responsible to inspect goods and monitor traffic on the U.S.-Mexican border.
- **Caribbean Violent Crime and Regional Interdiction Initiative.** An increase of at least \$12 million for a program to intercept traffickers in the

Caribbean basin including Southern Florida, Puerto Rico, the U.S. Virgin Islands and the Eastern Caribbean.

— more —

— 2 —

- **Mexican Initiative.** An increase of \$24 million to provide additional resources to reduce the flow of illicit drugs from Mexico and for a drug training program for Mexican officials so that they can locate and arrest drug traffickers and money launderers at the border.

"Recent examples demonstrate the need for increased spending to win this war on drugs. The simple fact is that the drug cartels in Mexico now operate with impunity, spreading fear and death not only throughout that nation but also here in the United States.

"General McCaffrey's office reports that the current Defense Department counter drug budget is only 1.3% higher than in Fiscal Year 1980 — less than a single year of inflation. The Fiscal Year 1998 budget represents a 34% decrease from the amount in Fiscal Year 1992. By comparison, other cabinet departments have seen their budgets increase dramatically in recent years.

"Drugs are one of our primary national security threats and this fact should be reflected in the Defense budget. We believe it is not acceptable that the agency charged with protecting our national security would shirk its responsibility in the effort to win this most crucial war. Only increasing efforts to interdict drugs, flowing by the tons into the country each day, can stop the supply."

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NEWS RELEASE

Delaware's

Senator Joseph R. Biden, Jr.

<http://www.senate.gov/~biden>



FOR IMMEDIATE RELEASE: NOVEMBER 7, 1997

BIDEN SUPPORTS INCREASED DEFENSE SPENDING ON DRUG EFFORTS

Washington — Sen. Joseph R. Biden, Jr., said today he supported the decision by the Office of National Drug Control Policy to instruct the Defense Department to increase its pending budget request by \$141 million for anti-drug initiatives.

Acting under authority given to the Drug Policy Office when it was created by Congress in 1988, Drug Policy Director Barry McCaffrey formally "de-certified" the Defense Department's proposed fiscal 1999 budget and requested that it be amended to include \$141 million in additional spending for drug control efforts.

"No drug director has ever before used this extraordinary authority," Biden said in a statement. "I am heartened that Gen. McCaffrey has finally taken advantage of the power we gave him when we wrote this law." Biden was the chief sponsor of legislation that created the Drug Policy Office.

"We should also be clear about what happens next," Biden said. "The law says that if the Drug Director exercises this authority, 'the head of the department or agency shall comply with such a request.' It does not get much clearer than that." The 1999 budget request will be submitted to Congress early next year.

Biden also noted that the Senate will soon consider legislation to reauthorize the Drug Policy office for four more years. "Nothing puts the need for a Drug Director in starker focus than General McCaffrey's action on the Defense Department drug budget," Biden said.

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