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International Drug Control

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Jose Cerda

MEMORANDUM TO SENIOR STAFF

JUNE 14, 1994

FROM: Pat Wheeler

Pat Wheeler

SUBJECT: Update: Articles on Radar Intelligence Sharing

Attached are more articles published on the radar intelligence sharing program. I will continue to circulate new articles as they are published. Also attached is a report on foreign press reaction.

Panel presses Pentagon to restart drug-war radar

ASSOCIATED PRESS

P-AY

A South American radar system shut down by the Pentagon must be reactivated or drug smuggling to the United States will increase, the chairman of the House Intelligence Committee says.

"We are going to see an increase in trafficking if we don't find a way to restart it," Rep. Dan Glickman, Kansas Democrat, said Friday. In a letter to President Clinton, he urged the administration to find a way to restart the radar and intelligence-sharing system with the governments of Colombia and Peru.

"The loss of intelligence is seriously impeding efforts to disrupt the networks through which cocaine is processed and shipped to the United States," he wrote.

Mr. Glickman said later that the administration signaled its intention to restart the radar operation.

The Defense Department on May 1 shut down an operation in which four ground radar stations and AWACS surveillance airplanes shared information with Colombian and Peruvian authorities

about clandestine flights suspected of carrying drugs.

The decision came after Colombia adopted a policy to shoot down planes suspected of carrying drugs if necessary. Mr. Glickman said U.S. government lawyers feared that innocent civilians might be killed, which could violate U.S. laws protecting civilian aircraft and might lead to lawsuits if American radar were blamed.

"They just did it, because the lawyers decided there was a risk there," Mr. Glickman said in an interview. "We're in a war on this subject. We could be shooting ourselves in the foot."

The letter to Mr. Clinton — co-signed by Intelligence Committee members Bud Cramer, Alaska Democrat, and Larry Combest, Texas Republican — said the Pentagon decision was made "without what we consider to be appropriate coordination with officials at the Department of State."

"They didn't even tell the [U.S.] ambassador to Colombia," said Mr. Glickman, who visited Colombia and Panama last week.

BURRELLE'S ^S

NewsExpress

PAGE ____ OF ____

NY TIMES
6/10/94

Fighting A Former War

The United States makes a specific military-technological commitment to two foreign Governments, allies in a struggle of life and death, many lives and deaths.

A year after it goes into operation, the arrangement starts a legal dispute between sets of U.S. Government lawyers. So the U.S. breaks the commitment, snap, like that, without consulting in advance the countries Washington had talked into the deal. They happen to think it was working well and was exquisitely important.

The commitment was to provide Colombia and Peru with information from American ground radar and Awacs intelligence planes to track drug planes as they flew to their bases in those countries.

The State Department said the help was legal. Lawyers from Defense and some other agencies thought the U.S. could be sued by the families of the traffickers if the Colombians or Peruvians shot down their planes. They won.

Colombians and Peruvians say they have been betrayed, and a State Department official has just flown down to see them. The South Americans say the radar information was essential not for shooting down planes but far more for discovering traffickers' distribution points and tracking guerrilla bands working as gunslingers for narcotics gangs. And they say that since the U.S. folded the radar screen the drug flights have increased.

How could this happen without Congress going up in smoke, without President Clinton's advisers warning him away from another breach of word?

One reason is our partners were just South American. Americans get interested in Latin America when its name is Castro or we land troops. Name three living South American presidents. Two.

Second, the struggle involved was the drug war, which does not grab government and journalistic trend-setters as much as it used to. It grabs the public all right, under the heading of crime.

But Washington doesn't seem fired up. Maybe because the President doesn't. Mr. Clinton has approved a decent budget and does from time to time speak of narcotics. But in the whole Government, during a year's worth of poking around, I have not run into as much know-how and drive

Bring lawyers, hold the radar.

about drugs as in one meeting with three narcotics fighters from a therapy-and-job program for released prisoners. (Business people who realize how essential both are in the drug war should write to Father Peter Young, Altamont Program, 134 Franklin Street, Albany, N.Y. 12202.)

Sorry — the Clinton Administration does not want it called the drug war anymore. That news comes from Dr. Lee Brown, drug policy director. He was supposed to be top general in the struggle. But through no fault of his, the new Clinton Administration downgraded the job before he was even appointed, to about captain.

So, no more war, you hear? Reminds me of the time the Rockefeller government in New York State decided to grapple with the Mafia by banning the word in all statements. Terrific idea — the Mafia loved it so much that they blocked the truck bays of The New York Times when the paper refused to go along.

The former general was out of town and the people on his tiny staff would not say what he thought about breaking American commitments to our former partners in the former war.

So let me tell them — he will support it. He has echoed the Clinton Administration's decision to cut back on one of three basic strategies in the former war — enforcement, therapy, interdiction. The Administration does not think interdiction is as important as do South Americans who live with drugs flying over their heads.

South Americans had already spoken of their fears about the cutback in interception. Still, the Colombians and the Peruvians were startled that the radar tracking program was eliminated, snap, because some lawyers found it dicey, liability-wise — startled, bitter, furious.

Maybe, on a trip to South America some day, Mr. Clinton will explain why he permitted his Administration to behave so to nations we said were our partners. For a President who already has troubles about this promise-keeping business, it is a wound inflicted by himself, or the people supposed to guard his word and honor.

Meantime, just think of how much money the U.S. would have saved if only General Eisenhower had lawyers to warn him of D-Day liability suits from German families.

U.S. Teamwork With Colombia Against Drugs Coming Unstuck

Washington Amplifies Complaints About Bogota's Top Prosecutor

By Douglas Farah
Washington Post Foreign Service

BOGOTA, Colombia, June 11—Tensions between Colombia and the United States over how to combat the world's most powerful drug traffickers are hampering law enforcement efforts, according to senior officials of both countries.

"I have not seen things this bad since this chapter of the drug war began in 1989," said a senior Colombian official who deals with narcotics matters. "We hope it doesn't deteriorate further, because it only helps the traffickers."

The United States is publicizing evidence that Colombia's prosecutor general has misused evidence shared in the past. The disputes have led to suspension of that exchange program, long viewed as vital to the anti-narcotics efforts, and to a growing fear that concerted action is quietly fading into obscurity.

Since May 1, the United States also has suspended provision of intelligence from radars and overflights monitoring suspected drug flights in Colombia and Peru.

The programs were key instruments in taking on the Cali cartel, which produces about 80 percent of the world's cocaine and a small but growing percentage of its heroin. Both programs gained added importance following Colombia's June 1991 decision to ban extradition of accused traffickers to the United States and other countries.

Colombian officials, and some in the United States, view the cutoff of U.S. intelligence as an alarming sign that the Clinton administration is abandoning the interdiction effort after years of trying to get the Andean nations involved in it. And many U.S. and Colombian officials view efforts by maverick Prosecutor General Gustavo de Greiff to negotiate generous terms of surrender with the Cali cartel as a sellout.

Officials of both countries agree that suspension of the programs and the spread of public feuding have created a new opportunity for drug traffickers to increase the flow of narcotics to the United States and Europe.

The officials said that while there had been difficulties in the past, the two nations had enjoyed a privileged relationship that had allowed unprecedented cooperation in the anti-narcotics efforts.

But the relationship has deteriorated to the point where it is weakening anti-narcotics efforts, they say. And it comes at a critical time.

Colombia is in the midst of its tightest presidential race in years, and neither candidate is likely to take as tough a line on narcotics as outgoing President Cesar Gaviria. U.S. Ambassador Morris Busby is retiring at the end of the month. The Drug Enforcement Administration has a new director, and its chief in Colombia also is about to leave. "If you assume everyone really wants to learn, you still have several months on a learning curve," said one U.S. official. "We will be almost dead in the water through the summer."

U.S. and Colombian officials said that both countries had hoped for a smooth transfer of the anti-narcotics program to the new Colombian administration. But they said the feud and eroding trust would make that more difficult.

If the winner of the June 19 presidential runoff election between Liberal Ernesto Samper and Conservative Andres Pastrana does not want to prosecute the war vigorously, diplomats and law enforcement officials point out, there will be less countervailing political pressure.

Senior Colombian officials said the U.S. decision to cut off intelligence not only outraged Colombians but opened vast sectors of southern Colombia to traffickers' flights.

"From our intercepts, it is clear the traffickers knew what happened hours after the radars went down," said a senior official. "Can we see them come in? Not any more. But it would be logical to assume that if they know they have a clear path and nothing to worry about, they will use it and use it extensively."

Rep. Robert G. Torricelli (D-N.J.), who as chairman of the House subcommittee on Western Hemisphere affairs has a long involvement in drug policy, said Colombians were right to be angry.

"The signal now is unmistakable: An American withdrawal is taking place in the drug war," Torricelli said in a telephone interview from Washington, referring to the Pentagon's decision. "The impact is already clear. Narco flights have already increased."

"The U.S. withdrawal from the drug war is the most sig-

nificant retreat since George Washington retreated from New York during our revolution," Torricelli said.

The evidence-sharing agreement was suspended in March because of U.S. concerns that de Greiff's office was improperly using the evidence. Because of Colombia's relatively weak judicial system, the program was viewed as key to building cases against drug kingpins.

U.S. officials have been careful to distinguish their criticism of de Greiff from their support for Gaviria. The president has criticized many of the positions taken by de Greiff, who is independent under Colombian law. De Greiff declined requests for an interview, and his spokeswoman said he had a new policy of not speaking to the press.

De Greiff "has made decisions, which unfortunately he has not explained sufficiently to either the Colombian government or the U.S. government," Gaviria said in an April 26 interview with *El Tiempo*, the nation's largest-circulation newspaper. "That has led to an environment of confusion that unfortunately is leading us to the current situation... and slowly this is turning into a conflict with [the United States] that frankly is not in the best interests of [Colombia]."

De Greiff has defended his policy of seeking negotiations with the leaders of the Cali cartel as a new approach to fighting the drug trade because, he said, repression has not worked. He has advocated a study of legalizing drugs, which put him at odds with both the U.S. government and his own. His office declined to discuss specific charges made by U.S. officials.

In recent weeks, senior U.S. officials have accused de Greiff of interfering in U.S. prosecutions, misusing U.S.-provided evidence and allowing drug traffickers to keep their ill-gotten wealth.

Robert S. Gelbard, assistant secretary of state for international narcotics matters, said in a May 2 letter to the *Miami Herald* that de Greiff's most serious breach was "his misuse of evidence provided by the U.S. government. In two cases where we facilitated depositions of witnesses in this country by Dr. de Greiff's staff, the witnesses' close family members were murdered."

U.S. officials declined to give more details, citing fears for the safety of other people.

"But I can tell you, others who have given testimony have had their family members threatened, and the evidence is strong the information, which was supposed to be highly guarded, was provided by de Greiff's office," said one official. "There are a lot of scared people out there now."

In another move that outraged the United States, de Greiff wrote a letter in May directly to a judge in New York who is presiding over the case of Dandenyis Munoz Mosquera, a reputed hit man for the Medellin cartel. Arrested in New York in 1991, he is charged with planning the 1989 bombing of a Colombian airliner that killed all 107 people on board.

De Greiff said another member of the Medellin cartel, currently in jail in Colombia, had confessed to the crime and that there was no evidence to tie Munoz to the explosion.

Judicial sources here said the person who confessed, Carlos Mario Alzate, has confessed to a host of crimes he was never linked to in an effort to weaken other cases against drug kingpins.

Jo Ann Harris, assistant attorney general in charge of the Justice Department's Criminal Division, told a Senate hearing April 20 that de Greiff "seriously breached international protocol" by writing the letter. "We must question Dr. de Greiff's resolve and his intention to use U.S.-provided evidence aggressively to prosecute these major traffickers who have caused unthinkable and irreparable harm to the citizens of the United States and Colombia," she said.

Knowledgeable sources also said that at least three people in important security and investigative jobs in de Greiff's office were fired from previous jobs for corruption and links to drug traffickers. Two knowledgeable sources said a senior U.S. official met with de Greiff to give him that information last month, but that no action has been taken to remove them.

"Dr. de Greiff's policies, if they continue, will result in only minimum sentences upon some of the world's major narcotics traffickers, permitting their organizations to remain intact and their enormous fortunes untouched," Harris said.

WASHINGTON
Post
6/12/94

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SUBJECT: MEDIA REACTION: MORE COMMENTARY ON THE SHOOT
DOWN POLICY

1. TWO DAILIES CARRIED COMMENTARIES ON THE SUSPENSION
OF INTELLIGENCE SHARING IN THEIR JUNE 2 EDITIONS.

PRO-GOP DAILY "EXPRESO" CARRIED A COLUMN BY REGULAR
CONTRIBUTOR LUIS REY DE CASTRO, IN WHICH HE SAYS THAT
THE U.S. HAS ABANDONED THE WAR ON DRUGS. THE REGULAR
"SIN CONFIRMAR" COLUMN IN LEADING DAILY "EL COMERCIO"
ALSO NOTED THAT, WITHOUT U.S. ASSISTANCE, THE PERUVIAN
AIR FORCE WOULD BE UNABLE TO STOP DRUG FLIGHTS.
EXCERPTS FOLLOW:

2. CENTER-RIGHT "EXPRESO" (CIRCULATION ABOUT 37,000) IS
SECOND IN ELITE INFLUENCE, BUT FOURTH IN LIMA AND
NATIONAL READERSHIP. IT HAS BECOME SOMETHING OF A
PRESIDENT FUJIMORI MOUTHPIECE SINCE APRIL 5, 1992.

FROM THE LUIS REY DE CASTRO OPINION PAGE COLUMN TITLED
"DRUGS: YES!"

"ONCE MORE I AM FORCED TO CONCLUDE THAT NEITHER THE
STATE DEPARTMENT, THE PENTAGON, THE WHITE HOUSE, THE

UNCLASSIFIED PRIORITY

Dr. Brown
Rusia

FYI
DN
6/3/94

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SOUTHERN COMMAND, THE SENATE, THE HOUSE, THE DEA NOR ANY OTHER U.S. GOVERNMENT ENTITY HAS AN\ REAL OR TRUE INTEREST IN OVERCOMING THE DRUG PROBLEM."
THAT THE THEME IS USEFUL FOR PURITANICAL POLITICAL CAMPAIGNS: I CAN AGREE WITH THAT. THAT SOME 'MISGUIDED' AND INGENUOUS SENATOR SINCERELY BELIEVES THEY CAN COMBAT DRUG TRAFFICKING, I'M SURE OF. THAT A LOT OF ROTTEN DRUG ADDICTS PASS THROUGH CUSTOMS, OF COURSE. THAT THEY WILL WASTE HUNDREDS OF MILLIONS OF DOLLARS -- THE HARD FACT IS THAT THEY CAPTURE ONLY 5 PERCENT OF THE DRUGS THAT ENTER THE COUNTRY -- IS ALSO TRUE. HOWEVER, THE SOURCE, THE ORIGIN OF THE DRUGS, THAT IS SOMETHING THEY WON'T TOUCH!"

3. CONSERVATIVE, INFLUENTIAL "EL COMERCIO" (CIRCULATION ABOUT 87,000) IS THE PRESTIGIOUS PAPER OF RECORD FOR THE PERUVIAN ELITE. IT LEADS IN LIMA AND NATIONAL READERSHIP.

FROM THE PAGE 4 "SIN CONFIRMAR" COLUMN:
"SINCE WE CAN'T COUNT ON THE SUPPORT THAT CAME FROM THE AWACS AND ORIONS, THE PERUVIAN AIR FORCE WILL NOW BE LIMITED TO NEUTRALIZING AND DESTROYING AIRPORTS. IT WILL NO LONGER BE ABLE TO FOLLOW THE ROUTES OF DRUG TRAFFICKING PLANES THAT ENTER AND LEAVE THE JUNGLE WITH CARGOS OF DRUGS AND ARMS TO SUPPORT TERRORISM."
COREY-ARCHER
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Drug fight: In a letter to five Central American leaders, President Clinton called Saturday for unity and cooperation with Central American countries in the fight against drugs.

Clinton offered no specifics in his letter but has said that in contrast to the Bush administration's focus on eradicating drug supplies, he would put more emphasis on reducing demand.

— From Register news services

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NewsExpress

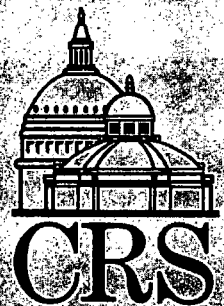
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CRS Issue Brief

Drug Control: International Policy and Options

Updated October 28, 1992

by
Jonathan E. Sanford and Raphael F. Perl
Foreign Affairs and National Defense Division



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Drug Control: International Policy and Options

SUMMARY

Efforts to greatly reduce the flow of illicit drugs from abroad into the United States have so far not succeeded. Moreover, over the past decade, worldwide production of illicit drugs has increased dramatically: opium and marijuana production has roughly doubled and coca production tripled.

Despite a national political resolve to deal with the drug problem, inherent contradictions regularly appear between U.S. anti-drug policy and other policy goals and concerns. U.S. narcotics policy seeks reduction of the supply of illicit drugs to the United States and reduction of user demand within the United States. On the other hand, important aspects of U.S. foreign policy aim at promoting the political and economic stability of U.S. friends and allies and avoiding excessive involvement in their internal affairs. Pursuit of anti-drug goals can undermine foreign policy interests and bring political instability and significant economic loss to countries where narcotics production has become entrenched economically and socially. Drug supply interdiction programs and U.S. systems to facilitate the international movement of goods, people, and wealth are often at odds. U.S. international narcotics policy requires cooperative efforts by many nations and must operate in the context of competing foreign policy goals. A major area of ongoing concern remains: how effective can international narcotics control programs be in helping to reduce U.S. domestic drug consumption?

The mix of competing domestic and international pressures and priorities has produced an ongoing series of disputes within and between the legislative and executive branches concerning U.S. international drug policy. Congress in the 1988 Drug Act has called for a reevaluation of that policy with a view towards formulating a more comprehensive approach. The Act requires the new "drug czar" to submit a national drug control strategy to the Congress by February 1st of every year. New to the U.S. strategy is an Andean initiative that calls for increased economic, military, and law enforcement assistance to Colombia, Peru, and Bolivia.

Policy options addressed in this brief include:

- Expansion of efforts to reduce foreign production at the source.
- Expansion of interdiction and enforcement activities to disrupt supply lines.
- Expansion of efforts to reduce worldwide demand.
- Expansion of economic disincentives for international drug trafficking.

ISSUE DEFINITION

Drug control policies continue to be a hotly debated public issue in the United States. Many look to the area of international narcotics control as a means of reducing America's domestic consumption of illicit drugs. A number of policy options are being considered. Critical areas of concern include: (1) how effectively can international narcotics control efforts contribute to the reduction of U.S. drug consumption; and (2) what are the foreign affairs consequences, tradeoffs, and dilemmas of existing international narcotics control programs and of alternative options?

BACKGROUND AND ANALYSIS

Problem

More than 26 million Americans buy and use illicit drugs, spending -- by most conservative estimates -- over \$40 billion annually in a diverse and fragmented criminal market. Such drugs are to varying degrees injurious to the health, judgment, productivity and general well-being of their users. The addictive nature of many of these drugs, their high price and their illegality play a role in more than half the street crime in the United States. The U.S. illicit drug market generates enormous profits that enable the growth of diversified international criminal organizations, extend their reach into local neighborhoods, legitimate business, and even national governments. Such profits provide drug trafficking organizations with the resources to effectively evade and compete with law enforcement agencies, and in some instances, to challenge the authority of national governments.

Measured in dollar value, at least four-fifths of all the illicit drugs consumed in the U.S. are of foreign origin, including virtually all the cocaine and heroin. Of the marijuana consumed in the United States, 25% to 35% is domestically produced and virtually all of the hallucinogens and illegally marketed psychotherapeutic drugs and "designer" drugs are of domestic origin.

Little is known about the distribution of revenues from illicit drug sales, but foreign supply cartels exercise considerable control over wholesale distribution in the United States and illicit proceeds are often laundered and invested through foreign banks and financial institutions.

The Federal anti-drug initiative has two major elements: (1) reduction of demand and (2) reduction of supply. Reduction of demand is sought through education to prevent dependence, through treatment to cure addiction and through measures to increase prices and risk of apprehension at the consumer level. Reduction of supply (which accounts for about 30% of the \$11.7 billion Federal anti-drug control budget requested for FY1992) is sought by programs aimed at destabilizing the operations of illicit drug cartels at all levels, and by seizing their products and assets. As most illicit drugs are imported, a major interdiction campaign is being conducted on the U.S. borders, at ports of entry, on the high seas, and on major foreign transshipment routes and production sites. An international program of source crop eradication is also being pursued. Federal policies for the reduction of illicit supply have major international components. These are discussed below.

Current International Narcotics Control Policy

The primary goal of U.S. international narcotics policy is to reduce the supply of illicit narcotics flowing into the United States. A second and supporting goal is to reduce the amount of illicit narcotics cultivated, processed, and consumed worldwide. U.S. international narcotics control policy is implemented by a multifaceted strategy that includes the following four elements: eradication of narcotic crops, interdiction and law enforcement activities in drug producing and drug transiting countries, international cooperation, and sanctions. The U.S. State Department's Bureau of International Narcotics Matters (INM) has the lead role coordinating U.S. international drug intervention and suppression activities. For FY1993, the Administration sought an appropriation of \$173 million for INM costs and international operations. The House and Senate Appropriations Committees, noting apparent problems in certain INM programs, recommended that funding be kept at the FY1992 level of \$147.78 million. Congress endorsed this recommendation in H.R. 5368.

Eradication of Narcotic Crops

A longstanding U.S. official policy for international narcotics control strategy is to reduce cultivation and production of illicit narcotics through eradication. In 1991, the United States supported programs to eradicate coca, opium, and marijuana in 14 countries. These efforts are conducted by a number of Government agencies administering several types of programs. The United States supports eradication by providing producer countries with chemical herbicides, technical assistance and specialized equipment, and spray aircraft. The U.S. Agency for International Development (AID) funds development projects designed to promote creation of alternative income for farmers who abandon cultivation of illicit narcotics (\$199 million for 1991). U.S. eradication policy receives informational support from the U.S. Information Agency (USIA) which publicizes the dangers of drug abuse and trafficker violence (\$3.8 million for FY1991). In addition, AID sponsors drug education and awareness programs in 33 Latin American, Asian, and East European countries (about \$16 million for FY1991).

Interdiction and Law Enforcement

A second element of U.S. international narcotics control strategy is to help host governments seize illicit narcotics before they reach America's borders. Training of foreign law enforcement personnel constitutes a major part of such endeavors. In 1991, the Department of State funded anti-narcotics law enforcement training programs for foreign personnel from more than 70 countries. In addition, the Department of State provides host country anti-narcotics personnel with a wide range of equipment to perform effectively, and U.S. Drug Enforcement Administration (DEA) agents regularly assist foreign police forces in their efforts to destabilize trafficking networks. U.S. efforts to promote effective law enforcement against narcotics traffickers also include suggestions to nations on means to strengthen their legal and judicial systems.

International Cooperation

Essentially all elements of U.S. international narcotics control strategy require international cooperation. By use of diplomatic initiatives, both bilateral and multilateral, the Department of State encourages and assists nations to reduce

cultivation, production, and trafficking in illicit drugs. These bilateral agreements and international conventions have thus far been largely ineffective in reversing the growth of international narcotics trafficking, in part because they lack strong enforcement mechanisms and are not uniformly interpreted by member nations.

U.S. international narcotics control strategy also relies on international cooperation to promote coordinated border operations to interdict traffickers. To this end, the U.S. Government has provided technical assistance to coordinated multinational operations in Colombia, Peru, and Ecuador. The United States also participates in multilateral assistance programs through the U.N. International Drug Control Program and actively enlists the aid and support of other governments for narcotics control projects. The U.N. currently assists 67 developing countries through development, law enforcement, education, treatment, and rehabilitation programs. For FY1992, the United States provided \$4.2 million for the U.S. voluntary contribution to U.N. drug programs.

Sanctions

A fourth element of U.S. international narcotics control strategy, initiated by Congress in recent years, involves the application of sanctions against certain drug producer or trafficker nations. Such sanctions range from suspension of U.S. foreign assistance to curtailment of air transportation to target countries. Current drug sanctions legislation requires the President on March 1 of each year to submit to Congress a list of major illicit drug producing and transit countries that he has certified as eligible to receive U.S. foreign aid and other economic and trade benefits. This action sets in motion a 45-day congressional review process during which Congress can override the President's certification.

Certification may be granted because a major illicit drug producing or transit country has "cooperated fully" with U.S. narcotics reduction goals and/or has taken "adequate steps on its own" in tandem with U.S. goals. A country not qualified on the basis of full cooperation or adequate steps, may escape imposition of sanctions if the President certifies that U.S. "vital national interests" preclude implementation of sanctions on that country.

Recently, U.S. sanctions policy has been complemented with programs of economic assistance to major coca producing countries (see section in President Bush's Anti-Drug Strategy).

Policy Options

Overview

The primary goal of U.S. international narcotics control policy is to stem the flow of foreign drugs into the United States. A number of options have been proposed to reshape and more effectively implement U.S. international narcotics control policy. Whatever options are selected will likely require funding on a scale sufficient to affect the drug problem. It is estimated that the illicit drug industry generates between \$100 billion and \$500 billion dollars a year for criminal organizations. The Office of National Drug Policy cites the figure of \$110 billion for 1989. Policymakers face the challenge

of deciding the appropriate level of funding required for the Nation's international narcotics control efforts within the context of competing budgetary priorities.

Another challenge facing the U.S. international narcotics control efforts concerns how to most effectively implement policy. Many argue that current U.S. policy is fragmented and overly bilateral in nature. Many of these analysts suggest that to achieve success, policy options must be pursued within the context of a comprehensive plan with a multilateral emphasis on implementation. For example, they point out that some studies indicate that interdiction can actually increase the economic rewards to drug traffickers by raising prices for the products they sell. Interdiction as part of a coordinated plan, however, can have a strong disrupting and destabilizing effect on trafficker operations. Some analysts suggest that bilateral and/or unilateral U.S. policies are ill-suited for solving what is in effect a multilateral problem. They cite the need for enhancing the United Nations' ability to deal effectively with the narcotics problem and for more international and regional cooperation and consultation on international narcotics issues. Proponents of bilateral policy do not necessarily reject a more multilateral approach. They point out, however, that such multinational endeavors are intrinsically difficult to arrange, coordinate, and implement effectively.

Many analysts believe that current efforts to reduce the flow of illicit drugs into the United States have essentially failed and that alternative objectives, policies, programs, and priorities are required. Five major options, which are not mutually exclusive and which could be pursued in various combinations as part of an overall effort, are set out below.

Another major area of congressional concern will be how to fund the new international initiative within existing budgetary constraints, and how other domestic, military, or foreign assistance programs may be affected as a result of increased anti-drug expenditures.

Expansion of Efforts to Reduce Production at the Source

This option involves expanding efforts to reduce the growth of narcotic plants and crops in foreign countries before conversion into processed drugs. Illicit crops may either be eradicated or purchased (and then destroyed). Eradication of illicit crops may be accomplished by physically uprooting the plants, or by chemical or biological control agents. Development of alternative sources of income to replace peasant income lost by nonproduction of narcotic crops may be an important element of this option.

Proponents of expanded efforts to eliminate growth and production of narcotic crops and substances at the source believe that reduction of the foreign supply of drugs available is an effective means to lower levels of drug use in the United States. Furthermore, they argue that reduction of the supply of cocaine -- the Nation's top narcotics control priority -- is a realistically achievable option. For example, the Department of State believes that the supply of cocaine being shipped from Latin America to the United States could be reduced significantly if Latin American governments agree to institute massive herbicidal spraying sufficient to reduce cocaine cultivation by 50% in 1993.

Proponents of vastly expanded supply reduction options, and specifically of herbicidal crop eradication, argue that this method is the most cost-effective and efficient means of eliminating narcotic crops. They staunchly maintain that, coupled with intensified law enforcement, such programs will succeed since it is easier to locate and destroy crops in the field than to locate subsequently processed drugs on smuggling routes or on the streets of U.S. cities. Also, because crops constitute the cheapest link in the narcotics chain, producers will devote less economic resources to prevent their detection than to concealing more expensive and refined forms of the product.

Opponents of expanded supply reduction policy generally question whether reduction of the foreign supply of narcotic drugs is achievable and whether it would have a meaningful impact on levels of illicit drug use in the United States. They suggest that even if the supply of foreign drugs destined for the U.S. market could be dramatically reduced, U.S. consumers would simply switch to consumption of synthetic drug substitutes. Thus, they maintain, the ultimate solution to the U.S. drug problem is reduction of demand at the source and not reduction of supply at the source.

Some also fear that environmental damage will result from herbicides. As an alternative, they urge development, research, and funding of programs designed to develop and/or employ biological control agents such as coca-destroying insects and fungi that do not harm other plants.

Others question whether a global policy of simultaneous crop control is politically feasible since many areas in the world will always be beyond U.S. control and influence. Such critics refer to continuously shifting sources of supply, or the so-called "balloon syndrome": when squeezed in one place, it pops up in another. Nevertheless, many point out that the number of large suitable growth areas is somewhat finite, and by focusing simultaneously at major production areas, substantial reductions can be achieved if adequate funding is provided.

Some also question the value of supply reduction measures since world production and supply of illicit drugs vastly exceeds world demand, making it unlikely that the supply surplus could be reduced sufficiently to affect on the ready availability of illicit narcotics in the U.S. market. Such analysts also suggest that even if worldwide supply were reduced dramatically, it would first be at the expense of other nation's drug markets. The U.S. market, they argue, would be the last to experience supply shortfalls, because U.S. consumers pay higher prices and because U.S. dollars are a preferred narco-currency.

Political and Economic Tradeoffs. Many suggest that expanded and effective efforts to reduce production of illicit narcotics at the source will be met by active and violent opposition from a combination of trafficker, political and economic groups. In some nations, such as Colombia, traffickers have achieved a status comparable to "a state within a state." In others, allegations of drug-related corruption have focused on high-level officials in the military and Federal police, as well as heads of state. In addition, some traffickers have aligned themselves with terrorist and insurgent groups, and have reportedly funded political candidates and parties, pro-narcotic peasant workers and trade union groups, and high visibility popular public works projects to cultivate public support through a "Robin Hood" image. Because many groups that benefit economically from coca are so well armed, if the United States were successful in urging foreign governments to institute widespread use of chemical/biological control

agents, cooperating host governments could well face strong domestic political challenge and violent opposition from trafficking groups. Heavy military protection, at a minimum, would be required for those spraying or otherwise eradicating. It is possible that U.S. officials, businessmen and real assets might not be immune to terrorist-style attacks by traffickers worldwide.

For some countries, production of illicit narcotics and the narcotics trade has become an economic way of life that provides a subsistence level of income to large constituencies of masses from whom those who rule draw their legitimacy. "Successful" crop reduction campaigns seek to displace such income and those workers engaged in its production. In this regard, these campaigns portend real economic and political dangers for the governments of nations with marginal economic growth. Consequently, many analysts argue that the governments of such low-income countries cannot be expected to launch major crop reduction programs without the substitute income to sustain those whose income depends on drug production.

Use of Sanctions and/or Positive Incentives. Those promoting expansion of efforts to reduce production at the source face the challenge of instituting programs that effectively reduce production of narcotic crops and production of refined narcotics without creating unmanageable economic and political crises for target countries. A major area of concern of such policymakers is to achieve an effective balance between the "carrot" and the "stick" approach in U.S. relations with major illicit narcotics producing and transit countries.

Proponents of a sanctions policy linking foreign aid and trade benefits to U.S. international narcotics objectives argue against "business as usual" with countries that permit illicit drug trafficking, production, or laundering of drug profits. This policy includes a moral dimension that asserts that drug production and trafficking is wrong, and that the United States should not associate with countries involved in it. Such analysts maintain that U.S. aid and trade sanctions can provide the needed leverage for nations to reduce production of illicit crops, and/or their involvement in other drug related activities. They argue that both the moral stigma of being branded as uncooperative and the threat of economic sanctions prod many otherwise uncooperative nations into action. They further stress that trade sanctions would be likely to provide highly effective lever as most developing countries depend on access to U.S. markets.

Opponents of a sanctions policy linking aid and trade to U.S. international narcotics objectives argue that sanctions may have an undesirable effect on the political and economic stability of target countries, making them all the more dependant on the drug trade for income; that sanctions have little impact because many countries are not dependant on U.S. aid; that sanctions historically have little effect unless they are multilaterally imposed; and that sanctions are arbitrary in nature, hurt national pride in the foreign country, and are seen in many countries as an ugly manifestation of "Yankee imperialism." Finally, an increasing number of analysts suggest that if sanctions are to be fully effective, they should be used in conjunction with additional positive incentives (subject perhaps to a congressional certification/approval process) to foster anti-drug cooperation.

Alternatively, some suggest positive incentives instead of sanctions. They believe that narcotics producing countries must be motivated either to refrain from growing illicit crops, or to permit the purchase or destruction of these crops by government

authorities. Many argue that since the economic stability of nations supplying illegal drugs depends upon the production and sale of illicit narcotics, it is unrealistic to expect such nations to meaningfully limit their drug-related activities without an alternative source of income. The House Appropriations Committee report on the 1993 foreign operations appropriations bill suggests that when it comes to narcotics related economic development "there is too little emphasis in either actual funding or policy."

It has long been suggested by many analysts that a massive foreign aid effort -- a so-called "mini-Marshall Plan" -- is the only feasible method of persuading developing nations to curb their production of narcotic crops. Such a plan would be a multilateral effort with participation of the United States, Europe, Japan, Australia, other industrialized nations susceptible to the drug problem, and the rich oil producing nations. The thrust of such a plan would be to promote economic development, replacing illicit cash crops with other marketable alternatives. Within the framework of such a plan, crops could be purchased or else destroyed by herbicidal spraying and/or biological control agents while substitute crops and markets are developed and assured. Any such program would be coupled with rigid domestic law enforcement and penalties for non-compliance. Thus, it would require a U.S. commitment of substantially increased enforcement assets to be used against both growers and traffickers, and might require direct U.S. military involvement at the request of the host country.

Critics find much to be concerned about in these positive incentive concepts. They warn of the precedent of appearing to pay "protection" compensations -- i.e., providing an incentive for economically disadvantaged countries to go into the drug export business. They also warn of the open-ended cost of agricultural development programs and of extraterritorial police intervention. Finding markets for viable alternative crops is yet another major constraint.

Expansion of Interdiction and Enforcement Activities to Disrupt Supply Lines/Expanding the Role of the Military

Drug supply line interdiction is both a foreign and domestic issue. Many argue that the United States should intensify law enforcement activities designed to disrupt the transit of illicit narcotics as early in the production/transit chain as possible -- well before the drugs reach the streets of the United States. This task is conceded to be very difficult because the United States is the world's greatest trading nation with vast volumes of imports daily flowing in through hundreds of sea, air, and land entry facilities and its systems have been designed to facilitate human and materials exchange. This has led some analysts to suggest that the military should assume a more active role in anti-drug activities.

Congress especially has urged an expanded role for the military in the "war on drugs." The idea of using the military is not novel. Outside the United States, military personnel have been involved in training and transporting foreign anti-narcotics personnel since 1983. Periodically, there have also been calls for multilateral military strikes against trafficking operations, as well as increased use of U.S. elite forces in preemptive strikes against drug fields and trafficker enclaves overseas.

The role of the military in narcotics interdiction was expanded by the FY1989 National Defense Authorization Act. The conference report (H.Rept. 100-989) concluded that the Department of Defense (DOD) can and should play a major role in

narcotics interdiction. Toward this goal, Congress required DOD to promptly provide civilian law enforcement agencies with relevant drug related intelligence; charged the President to direct that command, control, communications, and intelligence networks dedicated to drug control be integrated by DOD into an effective network; restricted the direct participation by military personnel in civilian law enforcement activities to those authorized by law; permitted the military to transport civilian law enforcement personnel outside the land area of the United States; expanded the role of the National Guard in drug interdiction activities; and authorized additional \$300 million for DOD and National Guard drug interdiction activities.

For FY1993, the Administration requested budget authority to use \$1.26 billion from the DOD operation and maintenance account for drug interdiction and counter-drug activities. (Another \$58.5 million would be spent in other DOD accounts for classified drug-suppression activities.) In H.R. 5006, Congress authorized the \$1.26 billion budget authority, though it also required the Administration to put more emphasis than it had planned on detection and monitoring systems and on demand reduction by military units. (It also clarified existing law, to say that the DOD has authority to report on the movement of persons and vehicles transporting drugs on land as well as in the air and water.) In H.R. 5504, Congress appropriated \$1.14 billion to fund these non-classified DOD activities. It directed the Administration to cut overall spending in this account by \$150 million. It also added \$12 million to the bill for the purchase of 12 light armored vehicles from Canada for use (unarmed) by the National Guard in drug intervention activities.

Despite the military's obvious ability to support drug law enforcement organizations, questions remain as to the overall effectiveness of a major military role in narcotics interdiction. Proponents of substantially increasing the military's role in narcotics interdiction argue that narcotics trafficking poses a national security threat to the United States; that only the military is equipped and has the resources to counter powerful trafficking organizations; and that drug interdiction provides the military with beneficial, realistic training.

In contrast, opponents argue that drug interdiction is a law enforcement mission, not a military mission; that drug enforcement is an unconventional war which the military is ill-equipped to fight; that a drug enforcement mission detracts from readiness; that a drug enforcement role exposes the military to corruption; that it is unwise public policy to require the U.S. military to operate against U.S. citizens; and that the use of the military may have serious political and diplomatic repercussions overseas. Moreover, some in the military remain concerned about an expanded role, seeing themselves as possible scapegoats for policies that have failed, or are likely to fail. The House Appropriations Committee report on the 1993 foreign operations appropriations bill expressed concern over a recent Administration decision to deploy U.S. Black Hawk helicopters to Guatemala, the Dominican Republic, and Jamaica and urged the Administration to perform a detailed study on the nature of the narcotics that threat to these countries and how best to respond to much-increased trafficking.

Expansion of Efforts to Reduce Worldwide Demand

Another option favored by many is to increase policy emphasis on development and implementation of programs worldwide that aim at increasing public intolerance for illicit drug use. Such programs, through information, technical assistance, and training

in prevention and treatment, would emphasize the health dangers of drug use, as well as the danger to regional and national stability. USIA and AID currently support modest efforts in this area. Some believe these programs should be increased and call for a more active role for the United Nations and other international agencies in development and implementation of such demand reduction programs.

Expansion of Economic Disincentives for Illicit Drug Trafficking

Proponents of this option say that the major factor in the international drug market is not the product, but the profit. Thus, they stress, international efforts to reduce the flow of drugs into the United States must identify means to seize and otherwise reduce assets and profits generated by the drug trade.

Policymakers pursuing this option must decide whether laws in countries where they exert influence are too lenient on financial institutions, such as banks and brokerage houses, which knowingly facilitate financial transactions of traffickers. If the answer is "yes," national leaders would then take concerted action to enact harsher criminal sanctions penalizing the movement of money generated by drug sales, including revocation of licenses of institutions regularly engaging in such practices. Finally, those supporting this option favor increased efforts to secure greater international cooperation on financial investigations related to money laundering of narcotics profits, including negotiation of mutual legal assistance treaties (MLATs).

President Bush's Anti-Drug Strategy

On Sept. 5, 1989, in a nationally televised speech, President Bush outlined a comprehensive anti-drug program with both domestic and international components. Detailed contents of the President's proposals were submitted to Congress in the White House's Sept. 5, 1989, National Drug Control Strategy. This strategy was fine tuned and resubmitted to Congress in an updated form on Jan. 25, 1990.

The President's strategy places emphasis on international cooperation in law enforcement, crop control, diplomacy, precursor chemical diversion, and research and development, and introduces the concept of focusing on "high-value" individuals involved in the drug trade and shipments of drugs. ("High value" does not necessarily refer to the dollar value of shipments, or the prominence of certain traffickers in the formal power structure, but their overall importance to drug trafficking based on the damage and disruptive effect their removal from the trafficking chain might have on the introduction of drugs into the United States.) The President's proposals also call for improved collection, analysis, and dissemination of drug-related intelligence; and improved command, control, and communications for anti-drug operations of Federal, State, and local law enforcement authorities and the U.S. Armed Forces. He also proposes increases in funding for Department of Defense anti-drug operations, primarily for interdiction of drug smuggling across the southern borders of the United States and surveillance and intelligence on domestic drug crops, but no fundamental changes in the nature of the Armed Forces' support for drug enforcement operations.

Multilateral initiatives are important aspects of the proposal that would seek to enlist European Community support for measures designed to reduce source and transit country production and distribution. One such proposed measure would be creation of

a joint intelligence collection center in the Caribbean basin. Seeking foreign cooperation in disrupting drug-related money laundering activities is another component of the international aspect of the President's strategy.

An "Andean initiative," estimated to cost about \$2.2 billion over the next five years, is a major component of the President's strategy. The initiative will provide enhanced law enforcement, military, and economic assistance to Bolivia, Colombia, and Peru (estimated at \$478 million for FY1993) in an attempt to dismantle drug trafficking organizations, isolate major coca growing regions, destroy labs, and block delivery of precursor chemicals. The initiative will focus on increasing the level of host nation military involvement in counter narcotics operations. U.S. military involvement will apparently be limited to providing logistical support, equipment, and training to host nation military forces, unless direct U.S. military assistance is specifically requested. Indeed, absent such a request, it does not appear that the President's strategy involves any substantial increase in the scope of U.S. military involvement in anti-drug efforts in Latin America, although the level of resources and personnel is being increased.

President Bush attended an Andean drug summit in Cartagena, Colombia, on Feb. 15, 1990, where he met with the presidents of Bolivia, Colombia, and Peru. The four Presidents agreed, in the communique issued after the meeting, to cooperate and exchange information in a variety of areas, including data on precursor chemical flows and money laundering activities, and to attack the drug trade from every angle: production, distribution, finance, and use.

Issues of concern to the Congress relating to the international aspects of the President's anti-drug strategy include the following:

- (1) Will the President's proposed increases in military and economic assistance materially aid the Andean nations in combatting drug production and trafficking? If not, what funding levels, or greater amounts of direct U.S. involvement, or other approaches, are politically, diplomatically, and operationally feasible?
- (2) How does U.S. involvement in anti-drug efforts in the Andean nations affect other aspects of American foreign policy in the region, and in Latin America generally? Does a concentration on drug-related issues obscure more fundamental issues of stability, democracy, and poverty; i.e., to what degree are drugs a major cause, or result, of the internal problems of certain Latin American countries?
- (3) How will the United States ensure that U.S. military aid and equipment is in fact used to combat drug traffickers and cartels, rather than diverted for use against domestic political opposition or used as an instrument of human rights violations? How great is the risk that such diversions could take place, and is the degree of risk worth the possible gains to be made against drug production and trafficking?
- (4) How extensive is drug related corruption in the armed forces and police of the Andean nations? What impact might such corruption have on the effectiveness of U.S. training and assistance to these forces?

(5) Will an enhanced role for the military in counter-narcotics support to foreign nations, result in U.S. casualties? If so, at what point, if at all, might Presidential actions fall within the scope of the War Powers Resolution; i.e., does the dispatch of military advisers to help other governments combat drug traffickers constitute the introduction of armed forces "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances"? (The War Powers Resolution requires the President to report such an introduction to Congress, and to withdraw the forces within 60 to 90 days unless authorized to remain by Congress.)

(6) Is a proper balance of resources being devoted to domestic (the demand side) vs. foreign (the supply side) components of an overall national anti-drug strategy? Are efforts to reduce the foreign supply level futile while domestic U.S. demand remains high? Are efforts to reduce domestic demand fruitless as long as foreign supplies can enter the country with relative impunity?

Additional Developments

San Antonio Drug Summit

On Feb. 25 and 26, 1992, representatives of Bolivia, Colombia, Ecuador, Mexico, Peru, Venezuela, and the United States met in San Antonio, Texas and agreed to continue and expand efforts to reduce demand, enhance interdiction, and promote economic diversification in major cocaine producing regions.

Developments in Peru

The United States suspended most aid to Peru in protest of President Alberto Fujimori's decision on April 5 to suspend the constitution, dissolve the congress, and rule by decree. Pending a return to constitutional democracy, no further economic support funds or military assistance will be disbursed, and the entire U.S. assistance program is under review, according to the State Department. Humanitarian aid and Drug Enforcement Administration activities are continuing for the time being. U.S. military green beret counter-narcotic training for the Peruvian police has been discontinued. Counternarcotics activity appears generally to remain unaffected by current events. Recently, the Peruvian Air Force took control of the Uchiza airstrip in the Upper Huallaga Valley to deny access to trafficking aircraft. The House Appropriations Committee report on the 1993 foreign operations appropriations bill states that the Administration's \$19 million drug control program request for Peru should be reduced due to uncertainties created by the coup and due to questionable behavior of the Peruvian Air Force in shooting at an American C-130 plane.

Mexico to Refuse U.S. Drug Aid

On July 25, 1992, Mexican President Carlos Salinas de Gortari announced that his country would no longer accept U.S. counter-narcotics aid, citing unwarranted U.S. interference that comes with such aid. The Administration's FY1993 International Narcotics Control Aid request for Mexico totalled \$27.5 million. Administration analysts see this development as part of an overall effort by the Mexican Government to beef up Mexican drug control efforts by assuming control of U.S. funded projects.

LEGISLATION

P.L. 102-190, H.R. 2100

National Defense Authorization Act, FY1992 and 1993. In addition to other drug control funding authorizations, provides for additional Department of Defense support (\$40 million total) for counter-drug activities of Federal, State, local, and foreign law enforcement agencies. Makes clear that the DOD lead role in detection and monitoring of aerial and maritime importation of illegal drugs into the U.S. is to be carried out in support of such agencies. Conference report (H.Rept. 102-311) passed House Nov. 18. Passed Senate Nov. 22. Signed into law Dec. 5, 1991.

P.L. 102-391, H.R. 5368

Foreign Operations, Export Financing, and Related Programs Appropriations, 1993. House and Senate Appropriations Committees both denied Administration's requested increase for \$173 million for international narcotics control programs and kept appropriation at the 1992 level of \$147,783,000. Approved by House Appropriations Committee (H.Rept. 102-585) June 18. Passed by the House June 25, 1992. Approved by Senate Appropriations Committee (S.Rept. 102-419) Sept. 23. Passed by the Senate Oct. 1. Conference report (H.Rept. 102-1011) approved by House and Senate Oct. 4, 1992. Signed into law Oct. 6, 1992.

H.R. 2508 (Fascell)

International Cooperation Act of 1991. Under Title III ("International Narcotics Control"), consolidates and revises authorities and requirements pertaining to narcotics control (including the process certifying antidrug efforts of foreign aid recipients), with revisions generally designed to provide greater flexibility for the executive branch; exempts narcotics-related military assistance for FY1992 and FY1993 from prohibition on assistance for law enforcement agencies; and provides for Export-Import Bank financing of sales of defense articles or services for antinarcotics purposes. Continues funding of the "Andean Initiative," authorizing \$300 million in economic assistance and for administration of justice programs for each of FY1992 and FY1993, and \$118 million for military assistance for the same years, subject to specified limitations. Introduced June 3, 1991; referred to Committee on Foreign Affairs. Reported, amended, June 4 (H. Rept. 102-96). Passed House, amended, June 20. In Senate, referred to Committee on Foreign Relations, June 28. Passed Senate in lieu of S. 1435 with an amendment in the nature of a substitute, July 26. Senate agreed to conference report Oct. 8. House failed to agree Oct. 30, 1991. Reintroduced Aug. 4, 1992 as a portion of H.R. 5757 (Fascell).

H.R. 5006 (Aspin)

National Defense Authorization Act for FY1993. Under Title X, *Subtitle E - Counter-Drug Activities*, extends authorization for DOD support to other agencies for counter-drug activities; requires the Secretary of Defense to establish requirements for detection and surveillance systems to be used by the Department; requires the identification and evaluation of existing and proposed counter-drug surveillance and detection systems and -- based on such evaluation -- preparation of a plan for development, acquisition, and use of improved systems by the Armed Forces, with a report to be submitted within 6 months of enactment. Reported by House Armed Services Committee (H.Rept. 102-527) May 19, 1992. Passed House, amended, June 5, 1992. Referred June 6 to Senate Committee on Armed Services. Senate bill S. 3114 (Nunn) reported by Armed Services Committee (S.Rept. 102-352) July 31, approved by

Senate and inserted in lieu into H.R. 5006 Sept. 19. House and Senate agreed to conference committee report (H.Rept. 102-966) Oct. 1, 1992.

S. 3097 (Gorton)

Precursor Chemical Regulation Act of 1992. Amends the Controlled Substances Act to further control the diversion of certain chemicals used in the illicit production of controlled substances. Introduced July 29, 1992. House companion bill, H.R. 5717 (Schumer) introduced same day. Very similar bill, Precursor Chemical Regulation Act of 1991, introduced June 27, 1991. Very similar provisions of that bill were incorporated into S. 1241 and H.R. 3371. S. 1241 passed Senate July 11, 1991 (71-26) and was inserted as substitute into H.R. 3371 by Senate on Nov. 21, 1991. House approved H.R. 3371 (305-118) on Oct. 22, 1991. House agreed (205-203) to conference report (H.Rept. 102-405) Nov. 27, 1991. Closure motion on conference report rejected in Senate May 6, 1992. Conference report considered in Senate, May 14, 1992. Closure motion rejected by Senate (55-42) on Oct. 1, 1992.

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CRS Report for Congress

Narcotics Control and International Cooperation

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June 22, 1992



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NARCOTICS CONTROL AND INTERNATIONAL COOPERATION

SUMMARY

Despite the resolve of many nations to facilitate international drug control cooperation, many formidable obstacles exist. Nations, because of differing economic, cultural and political experiences, differ in their perception of the drug problem and how best to confront it. International tensions generated by such differences are often compounded by a determination to retain national sovereignty while agreeing to pursue multilateral efforts to combat drug trafficking and abuse.

A cornerstone of U.S. international drug control policy has been to encourage other countries to assist the United States in combating drug production and trafficking, while the United States addresses the problem of drug abuse at home. However, despite publicly avowed goals of a multilateral drug policy, U.S. international drug policy has remained heavily bilateral and often unilateral in nature. Moreover, some critics suggest that U.S. Government efforts to address the problem of domestic consumption have been lackluster at best.

U.S. efforts to facilitate international counter-drug cooperation center on promoting supply-reduction measures. However, cooperation to implement such policies may be difficult to achieve unless other nations are convinced that overall U.S. international drug policy is sound and that specific measures offer promise of success. Increasingly, analysts have been critical of the poor U.S. record in reducing foreign illicit drug supplies. This has led some to suggest that effective cooperation in controlling international narcotic demand may ultimately hold more promise than a concentration on supply reduction.

A growing number of international organizations and working groups exist that are, or that might be, used as vehicles to facilitate international anti-drug cooperation. Some of these, such as the United Nations Drug Control Program (UNDCP), are truly worldwide organizations, while others, such as the Inter-American Drug Abuse Commission (CICAD) of the Organization of American States, are regional. Other mechanisms, such as the yearly meeting of Andean-nation foreign ministers, are best characterized as subregional.

Policymakers who wish to enhance the effectiveness of U.S. international counter-drug cooperation may wish to consider certain options. These include: (1) improving coordination of existing international narcotics control efforts; (2) increasing emphasis on international cooperation to reduce demand; (3) increasing support for regional drug-control programs; and (4) increasing support for an international drug data base network.

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NARCOTICS CONTROL AND INTERNATIONAL COOPERATION

INTRODUCTION

Illicit drug consumption and illicit drug production are widely recognized as phenomena that transcend national borders. This recognition has resulted in growing interest in enhanced international cooperation to combat the global narcotics abuse problem.

Despite the resolve of many nations to facilitate international drug control cooperation, many formidable obstacles continue to exist. Nations often differ in their basic perception of the nature of the drug problem itself. Some see it primarily as a public health, social, and demand reduction problem; some see it as a law enforcement and supply reduction problem; while yet others see it primarily as a trade and economic development issue. Some drug consuming nations, such as the United States, view containing or reducing the *supply* of illicit drugs as a primary policy goal. Such nations target the lion's share of their counter-drug resources on reducing supply and expect other nations to do the same. In contrast, many illicit drug producing and drug transit nations see the problem primarily as one of reducing *demand*.

Efforts to achieve concerted action are further complicated by the fact that some nations may derive substantial economic benefits either directly or indirectly from the illicit drug trade. Drug money may be laundered and invested, thereby stimulating local economies. The drug trade may support local arms and chemical industries by providing outlets for their products; and both drug production and drug interdiction support vast economic infrastructures in some nations. Thus, for many reasons, nations may not wholly support efforts to curb illicit drug production and trafficking.¹

¹ Allegations exist that some nations such as Cuba, Syria, and Burma have engaged in state-sponsored drug trafficking. The extent of Cuban government involvement in drug trafficking is uncertain. In 1989, a key general and three other military officers were sentenced to die for involvement in drug trafficking. Some suggest that Castro himself accepted payments from traffickers, but others suggest that he had no knowledge of drug activities by important officials.

The extent of Syrian government involvement in drug trafficking is also not definitively known. Syria is considered to be a pivotal player in the Arab-Israeli Peace process and the U.S. Government, which seeks Syrian cooperation in the process, has not publicly charged Syria with engaging in state-sponsored narcotics trafficking. However, Presidential determination 92-18 of February 28, 1992, which denies foreign aid to Syria on the basis of lack of narcotics

(continued...)

Achieving consensus on how to deal with the drug problem is even more elusive. For example, countries often differ over the potential effectiveness of measures designed to curb illicit crop growth such as eradication, crop substitution/ income substitution programs, relocation of farmers, general economic development and fining or jailing of farmers.

Countries also differ over the effectiveness of measures designed to combat drug trafficking. Contentious policy choices include whether interdiction is most effective at the street level, at the border, or at the producing laboratory; whether punitive measures should be focused on casual users, the addict, the small-time retailer, the local wholesaler, or primarily on hi-level cartel organization personnel, and whether most efforts should continue to be targeted on seizing drugs instead of seizing assets. Finally, widespread disagreement exists over what constitutes effective prevention, treatment, and rehabilitation. The answers to such questions are far from clear and what may seem clear and work in one society, may not work in another. Thus, although many nations do agree on the need to confront drug issues, common commitment to implement such agreement is often lacking.

Nations not only differ in their basic perceptions of the narcotics control problem and consequently how to best confront it, but they also differ in the priorities they assign to confronting it. Because the drug control issue is one with strong domestic political dynamics, national leaders find it necessary to carefully assess domestic political moods and economic conditions before committing resources to deal with a problem to which neighboring countries may assign a lower priority. The differences in the level of importance policymakers place on solving drug problems has been a major stumbling block in efforts to enhance international anti-drug cooperation.

Finally, additional obstacles to counter-drug cooperation may be generated by tension between the need of international economies to permit the free flow of persons, goods and money and the need for international controls on the narcotics trade. Such tension is particularly visible in the legal arena when provisions and concepts of differing legal systems affecting the drug trade do not mesh. The end result of such obstacles and tensions, some suggest, has been a limited form of cooperation without real agreement.

¹(...continued)

cooperation, states: "Syrian military and government officials are reliably reported to facilitate and participate in drug production and trafficking in the Bekaa Valley of Lebanon."

In the case of Burma, The Department of State has indicated: "We cannot confirm periodic reports of senior-level [government] drug involvement, although... the GOB clearly condones drug production and trafficking by ethnic groups with which it has reached an accommodation." See: U.S. Department of State, *International Narcotics Control Strategy Report*, March 1992, page 255.

SELECTING AN APPROPRIATE FRAMEWORK FOR INTERNATIONAL COOPERATION

The selection of appropriate organizational structures is of critical importance to effective cooperation. Organizational structures suited to promote overall cooperation on a policy level may be poorly suited to deal with more specific day-to-day operational issues. Some levels and categories of anti-drug cooperation may be more readily facilitated on a bilateral basis, whereas others might more readily lend themselves to subregional, regional, or global efforts.

Bilateral mechanisms are often appropriate for promoting effective working level relationships in such areas as: (1) law enforcement cooperation; (2) drug-related data exchange; and (3) drug prevention, treatment and rehabilitation. Because only two countries are involved in such arrangements, common interests and objectives can be more readily achieved. Moreover, oversight of U.S.-funded programs is easier to carry out. International consensus is often built from the bottom up and many see bilateral action as a building block for more extensive cooperation.

On the other hand, ~~multilateral, global, or regional~~ mechanisms for facilitating cooperation are often viewed as best suited vehicles for more technical activities such as: (1) setting broad policy in relatively noncontroversial fields such as establishing methodologies for drug-use studies; (2) funding drug-related research; and (3) collecting, storing, and exchanging noncontroversial drug-related data.

U.S. GOVERNMENT ROLE IN PROMOTING INTERNATIONAL NARCOTICS CONTROL COOPERATION

The primary goal of U.S. international narcotics control policy is to reduce the supply of illicit narcotics flowing into the United States. A second and supporting goal is to reduce the amount of illicit narcotics cultivated, processed, and consumed worldwide. U.S. drug control policymakers view international cooperation as necessary to achieve both objectives.

Executive branch international drug control policy is promulgated and coordinated by the Office of National Drug Control Policy (the so-called "Drug Czar's" office). However, numerous organizations and individuals with drug-related responsibilities are found within the U.S. Federal structure. Approximately 50 Federal agencies, departments, bureaus and other entities exercise jurisdiction over implementation of some aspect of Federal drug control policy as well.* In addition, more than 50 congressional committees and subcommittees exercise legislative and oversight responsibility over some aspect of U.S. drug control policy. This plethora of government actors is often perplexing to foreign government officials seeking enhanced anti-drug cooperation with U.S. entities.

Essentially all aspects of the U.S. international narcotics control strategy require international cooperation. A cornerstone of U.S. international drug policy has been to encourage other countries to assist the United States in combating drug trafficking, while the United States addresses the problem of drug abuse at home. By use of diplomatic initiatives, both bilateral and multilateral, the Department of State encourages and assists nations to reduce cultivation, production, and trafficking in illicit drugs. However, bilateral agreements and international conventions have thus far been largely ineffective in reversing the growth of international narcotics trafficking, in part because they lack strong enforcement mechanisms and are not uniformly interpreted by member nations. Currently, the United States has major bilateral narcotics control programs in 11 nations. Provision of law enforcement training and technical assistance are key elements of such programs.

The U.S. international narcotics control strategy also relies on international cooperation to promote coordinated border operations to interdict traffickers. To this end, the U.S. Government has provided technical assistance for coordinated cross-border operations in Colombia, Peru, and Ecuador. The United States also participates in multilateral assistance programs through the U.N. Fund for Drug Abuse Control (UNFDAC). U.S. law enforcement personnel communicate closely with counterpart personnel through INTERPOL and specifically with Caribbean and adjoining nation counterparts via Joint Information Coordination Centers.

EXISTING INTERNATIONAL ARRANGEMENTS

Numerous organizational structures exist that are, and that might be, used as vehicles for facilitating international narcotics control cooperation on policy levels as well as on a day-to-day working level. Organizations of this type may function on a multinational level, or on regional or subregional levels. Effective communication, coordination, and cooperation are often lacking among such organizations partly because there is no established network linking them, but also at times because the members of such organizations may have their own differing policy agendas. Individual country initiatives may play an important role in facilitating relationships between both policy-level and working-level groups involved in international narcotics control issues. One such initiative was that of the United Kingdom, which culminated in the April 1990 112-nation world ministerial summit to reduce demand for illicit drugs.

WORLDWIDE ORGANIZATIONS

A number of United Nations organizations facilitate anti-drug cooperation. These organizations are the offspring of a series of multilateral drug-control conventions, the most recent being the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Under this latter convention, nations pledge anti-drug cooperation in many areas, including attacking trafficker assets and curbing precursor chemical flows. At the center of the U.N. system is the United Nations International Drug Control Programme (UNDCP). The Programme, which is based in Vienna, was established in December 1990 to more fully integrate activities of the Division of Narcotic Drugs (DND), the Fund for Drug Abuse Control (UNFDAC), and the International Narcotics Control Board (INCB) into one coordinated effort. Within the U.N. Drug Control Programme, the Division on Narcotic Drugs disseminates drug related information; the Fund for Drug Abuse Control provides financial and technical assistance to countries,² and the International Narcotics Control Board sends questionnaires to governments and prepares an annual report with recommendations analyzing the drug control situation world-wide. In 1991, the Programme's operational budget of \$71.2 million funded 118 drug control projects in 65 countries worldwide.

The World Health Organization (WHO) has also been active in designing programs to improve drug-abuse prevention and treatment and in developing guidelines for assessing the quality of care in drug-dependence treatment. The

² The Fund has achieved recent success in facilitating a bilateral dialogue between Burma and Thailand, and Burma and China on drug policy coordination. The U.S. contribution to the Fund for Drug Abuse Control for fiscal year 1992 was \$4.2 million.

International Labour Organization (ILO) has recently initiated a multi-year project on drug abuse prevention in the workplace in developing countries.³

Other multinational groups are addressing important aspects of international drug control policy. These include: (1) the major industrialized nations' G-7 economic summit group, whose task forces on international chemical control and international money laundering have been particularly active; (2) the International Monetary Fund's Group of 24, which, in 1990, added the issue of narcotics control to its agenda; (3) the Organization for Economic Cooperation and Development (OECD) whose foreign aid donor's Development Assistance Committee (DAC) has established a subcommittee on funding narcotics reduction and related development programs; and (4) a group consisting of the United States, Italy, and Spain which has been formed to coordinate assistance efforts to the Andean nations.

Finally, international drug control cooperation is being facilitated by a series of worldwide groups or organizations which enjoy varying levels of status and official recognition. These include: (1) the International Criminal Police Organization (INTERPOL), which facilitates the exchange of law enforcement information to ministry of justice counterparts; (2) the International Drug Enforcement Conference (IDEC) through which 22 Latin American and European nations together with the United States sponsor a yearly conference for directors of national police forces to promote narcotics control policy coordination and routine exchange of information; (3) the International Association of Chiefs of Police (IACP) through which senior law enforcement personnel establish and solidify informal contacts and working relationships; and (4) the Heads of National Drug Law Enforcement Agencies (HONLEA) through which law enforcement agencies work to enhance counter-drug abuse cooperation at the working level.

REGIONAL ORGANIZATIONS

Regional organizations also provide an important mechanism for promoting anti-drug cooperation in the areas of supply reduction and demand reduction. In the Western Hemisphere, the Inter-American Drug Abuse Commission of the Organization of American States (CICAD) since the mid-1980s has been actively involved in promoting harmonization of narcotics control laws, in drafting precursor chemicals legislation, in promoting narcotics-related educational exchange and training programs, and in planning the creation of regional narcotics-related data banks which would be ultimately linked to an

³ In October 1991, the U.N. Secretary General issued a report suggesting international action to combat drug abuse and international trafficking. The report proposed improved methods of coordination of drug control activities within the United Nations framework and enhanced involvement in the issue by specialized U.N. organizations and related agencies. See: General Assembly document no. A/46/511, 15 October 1991.

international terminal system available in all member countries. At its eleventh session in Montevideo in March 1992, CICAD approved for submission to the OAS rules and regulations on the laundering of narco-dollars and on the smuggling of weapons and explosives linked to drug trafficking.

Drug-control policy has also been agenda items for the Andean Group's yearly meeting of foreign ministers. The secretariat of the Caribbean Community (also called "Caribbean Common Market" or CARICOM) has established a narcotics section that actively conducts workshops designed to facilitate drug data collection and dissemination among member nations. The Pan American Health Organization (PAHO), with financial support from the U.S. Department of State, actively seeks to help member nations generate drug-abuse status reports based on a common methodology and seeks to develop a regional data bank for such information. In 1989, the Inter-American Defense Board also established a working committee on narcotics information sharing. More recently, in March 1992, the foreign ministers of the Rio Group included in their agenda cooperation against drug trafficking.⁴

European-based regional organizations have been active in promoting counter-narcotics cooperation as well.⁵ In June 1990, a new drug consultative group--the Dublin Consultative Group--was formed and met for the first time. Its members include representatives of the European Community nations, as well as Japan, Canada, Sweden and the United States. The group, which aims primarily at facilitating cooperation in reducing the available supply of illicit drugs, does so by establishing a two-tier consultative process. The first tier consists of ministerial-level representatives who address drug policy issues at an annual meeting. Between yearly meetings, policy coordination is facilitated through six regional policy subgroups. The second tier consists of working level personnel familiar with drug issues at the program implementation level. This group meets twice a year, identifies problem areas, and recommends appropriate policy approaches to the policy-level group. A potential shortcoming of the group is that to date it does not include representatives of the major drug producing and transit nations.

⁴ The Rio Group comprises Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Paraguay, Peru, Uruguay, Venezuela, and Mexico. In the March 17, 1992, meeting in Buenos Aires, Honduras, and Jamaica were also represented.

⁵ Expanding drug production, trafficking and use in the eastern European nations and the newly proclaimed members of the Commonwealth of Independent States (CIS) has become an emerging policy issue for European policymakers. In response, the first Pan-European Ministerial Conference on illicit drug problem cooperation was held May 9, 1991, in Oslo at the joint invitation of the European Community's Committee for the Fight Against Drugs and the Pompidou Group of the Council of Europe. The meeting concentrated on the drug problems of Central and Eastern Europe and measures to counter the creation of new trafficking routes and drug markets.

Other European-based regional groups that have addressed the issue of promoting international counter-drug cooperation include: (1) the European Community's Trevy Group, which has facilitated informal information sharing arrangements; (2) the Council of Europe's Pompidou Group, which has been active in the demand reduction arena; and (3) the European Community's European Council, which in December 1990 adopted a European program for the fight against drugs. In late 1990, the European Council issued regulations granting generalized system of tariff preferences (GSP) to certain Andean nation products and laid down measures to prevent diversion of chemicals to illicit drug production, and in June 1991 the Council issued a directive curbing money laundering.⁶ Subsequently, in December 1991, the Council agreed on the creation of a European police office (Europol), the initial function of which was to organize the exchange of information on narcotic drugs at the level of the Community's 12 member states. The Council's European Committee on the Fight Against Drugs (CELAD) plans a "European Week" in the second half on 1992 to promote the prevention of drug abuse, and a proposed European Community Act to establish a European anti-drug monitoring body is expected to be enacted in mid-1992.

Beyond Europe, regional organizations have been active in addressing the drug issue as well. In Asia, the Colombo Plan has a drug advisory program that is partially funded by the U.S. Department of State. In June of 1990, the Plan initiated an Asian multi-city epidemiological drug abuse study.

⁶ See EEC Council regulation No. 3211/90 and No. 3677/90 and Council Directive No. 91/308/EEC.

ANALYSIS OF U.S. POLICIES

An analysis of U.S. efforts to facilitate international cooperation in achieving international narcotics control objectives reveals three central themes: (1) promoting supply-reduction measures; (2) promoting bilateral relationships; and (3) obtaining support for U.S. policy.

PROMOTING SUPPLY-REDUCTION MEASURES

The primary theme of U.S. international drug control cooperation policy centers on steps to reduce the illicit supply of drugs available to the United States. However, many suggest that supply-reduction is the most difficult area of drug control policy for nations to reach consensus over and consequently to achieve effective levels of cooperation. U.S. policymakers, it is suggested, respond to the drug abuse problem primarily as a law enforcement problem. European policymakers may be inclined to view the drug control problem more as a demand-related public health and social problem and less as a law enforcement problem. Third World policymakers--if pushed into looking at what is often seen as a problem of the industrially developed nations--would tend to agree that user nations have to reduce demand. Many Third World drug producing and transit nations simply do not perceive the drug abuse issue as their problem. It is, however, perceived as an economic and trade issue in which their governments have an interest.⁷

PROMOTING BILATERAL COOPERATION

A second theme of U.S. international drug control cooperation is that most U.S. drug control programs are implemented on a bilateral basis. Most U.S. drug control policy makers, as well as U.S. foreign aid distribution mechanisms, generally promote bilateral arrangements.⁸ Bilateral programs are seen as

⁷ U.S. efforts to enlist the support of other nations in supply reduction ventures may be hindered by a perception that the United States is using the drug abuse issue as a foreign policy issue to divert attention away from serious social and economic problems at home that promote rampant drug use and drug-related crime. In this context, the United States is seen as a nation avoiding its responsibilities at home, while demanding strong domestic action from others.

⁸ The congressionally mandated drug certification process emphasizes levels of bilateral cooperation. This process requires the President to certify to Congress that major drug producing or drug transit countries are fully cooperating with U.S. narcotics control programs in order for such nations to obtain U.S. foreign assistance. Country- by-country allocations by Congress of narcotics-related foreign assistance also tend to favor bilateral in-country programs, and bilateral agreements to promote such programs. Moreover, some suggest that endeavors such as the President's Andean drug strategy, the
(continued...)

easier to institute than multilateral ones. Multilateral consensus building is perceived by many as both a cumbersome and time-consuming process in which the domestic politics of many nations play a central role.

OBTAINING SUPPORT FOR U.S. POLICY

A third theme of U.S. efforts to promote international counter-drug cooperation is rooted in the belief that the U.S. policy approach is the best answer to the problem. However, many in other nations see this policy as selling U.S. drug enforcement methods abroad while condoning widespread recreational drug use at home. Increasingly, analysts in other countries are questioning whether U.S. foreign supply-reduction policies are based on faulty premises and are doomed to failure. A basic question to be confronted is how best to convince other nations that our international drug policy is a sound one. Until U.S. policymakers are effectively able to win converts for the policy, it may be unrealistic to expect other nations to cooperate with the United States in implementing the policy.

⁸(...continued)

February 1990 Cartagena Drug Summit, and the February 1992 San Antonio Summit--widely acclaimed as multilateral measures--might more accurately be characterized as bilateral achievements since they are implemented by a series of bilateral agreements.

AREAS FOR CONGRESSIONAL CONSIDERATION

ROLE OF CONGRESS

Congress influences international drug control policy through exercise of its legislative and oversight functions. Of particular importance is the so called "power of the purse": the ability of Congress to fund--or not to fund--certain programs, and to place performance requirements on the release of appropriated funding. As earlier sections of this report have indicated, there are those who question the extent to which international cooperation can be legislated or bought. If this view is accurate, then Congress may wish to consider increased promotion and funding of four categories of multilateral counter-drug activity. Areas for consideration include: (1) improving coordination of existing international narcotics control efforts; (2) increasing emphasis on international cooperation to reduce demand; (3) increasing support to regional drug-control programs; and (4) increasing support for an international drug data base network. Skeptics, however, question whether any of these measures can produce much of a payoff in terms of reducing drug availability or use in the United States.

IMPROVING COORDINATION OF INTERNATIONAL NARCOTICS CONTROL EFFORTS

Many suggest U.S. efforts to promote international anti-drug cooperation has been fragmented and ad hoc at best. U.S. agencies involved in counter-drug activities as a rule lack guidelines specifying under what circumstances and with which international organizations or groups counter drug policy could be better coordinated. Some suggest that international drug control coordination, cooperation, or information exchange could be more effectively promoted by the creation of a central list of organizations or groups actively involved in international narcotics control issues together with a description of the current nature of their activities. The creation of this list would provide the first step in facilitating decisions over whether to seek cooperation, by identifying international actors and the scope of involvement in the drug control issue. Such a list would serve the interests of U.S. drug control policymakers and working-level personnel, and facilitate cooperation between the organizations themselves. U.S. drug control policymakers might then choose to promote an annual meeting of list members in addition to specialized meetings of regional or subject matter subgroups. Another useful compilation might be a central list of national and international meetings addressing the drug control issue. A central coordinating office, either on the Office of National Drug Control Policy or the Department of State, could be created to draft these lists and to help foreign officials or scholars locate drug-abuse-related services, information, and counterpart personnel.

INCREASING EMPHASIS ON INTERNATIONAL COOPERATION TO REDUCE DEMAND

Cooperation is described by some social scientists as a building process. Parties first find an area of common interest upon which they reach agreement, then build upon and expand this area of agreement with time. In the field of international drug control policy, many suggest that it is easier to achieve consensus among producer, consumer, and transit nations on such relatively "neutral" issues as demand-reduction research programs, drug awareness education programs, and the establishment of common data reporting, storage and retrieval methodologies, than to achieve a consensus in the more controversial area of supply-reduction policies. Many analysts also suggest that nations should place increased emphasis on cooperating with each other to facilitate sharing of experiences and research in demand-reduction fields such as treatment, rehabilitation, and prevention. Enhanced funding for United States Information Agency (USIA) drug awareness projects could facilitate such cooperative endeavors. The World Health Organization might be one of many mechanisms utilized to assist in achieving such goals in less developed nations. Creation of a multination-funded series of prizes to recognize achievements in the demand-reduction area might also supplement any such enhanced cooperative endeavors.

INCREASING SUPPORT FOR REGIONAL DRUG PROGRAMS

Many analysts favor enhanced use of regional organizations to complement U.S. international drug control programs. Drug production and trafficking is expanding to new regions and countries as increased interdiction efforts force traffickers and producers to seek the path of least resistance and relocate operations. As a result, more countries are becoming so called secondary drug producing and transit nations. Some suggest that an appropriate response to counter this so-called "push down/pop up" syndrome--which displaces regional drug activity into adjacent nations--is for the United States to place more emphasis on structuring counter-drug programs with mechanisms for regional input.⁹

⁹ The Organization of American States (OAS) umbrella might prove to be a useful vehicle to achieve such ends. In the past the Department of State has funded the OAS's Inter-American Drug Abuse Commission's (CICAD) projects on an ad hoc basis. Direct and ongoing appropriations for CICAD is one option to consider. Another organization actively involved in regional narcotics issues is the Pan American Health Organization (PAHO), which is in the process of developing a regional drug abuse monitoring and reporting system. Some analysts also suggest that the U.S. policymakers might also exert influence on the United Nations to make more use of regional groups to implement international narcotics control activities. Yet to be more fully explored is the creation of regional counter-drug training centers operated by regional organizations.

INCREASING SUPPORT FOR AN INTERNATIONAL DRUG DATA BASE NETWORK

A prerequisite to recognition of any problem is data to substantiate its existence. Subsequent efforts to solve a problem are facilitated by the ongoing availability of current data. Many favor establishment of an international drug information data base network. The U.N.'s Division of Narcotic Drugs (DND) might play an active role in such an endeavor. Regional data bases, such as the one CICAD is trying to establish within the OAS structure, could play an important role in such a network. A data base which initially focuses on demand reduction measures, i.e., prevention, treatment, and rehabilitation issues would be politically relatively benign and might form the basis for additional exchanges of drug related information.

Financial Times
February 13, 1993, Saturday

SECTION: Pg. 4

LENGTH: 520 words

HEADLINE: UN asks world's leading companies to join war on drugs

BYLINE: By IAN HAMILTON FAZEY

THE United Nations is to ask leading companies to watch their share registers for signs that drug barons are trying to launder money through international stock exchanges.

The aim is to pool information to help identify what UN officials believe is one route through which the profits of drug dealing are made legitimate.

Money laundering experts in UN or other international agencies would look for patterns of share buying and selling in international markets by the same, or connected, nominees.

The share register watch would be one function of a partnership the UN wants to form with the private sector worldwide to involve companies in the global war on drugs.

Much of the UN's anti-laundering work is relatively unsophisticated at present, and is related to training police officers in Third World countries.

Apart from helping in the fight against organised crime, companies will also be asked to sponsor public awareness initiatives to reduce demand for illegal drugs, and to support industrial development in the Third World.

UN projects in drug -growing countries have shown that crop-substitution campaigns only work if there is parallel development of economic and physical infrastructure to enable transport and sale of new crops, such as strawberries and vegetables. Large retail chains buying out-of-season produce from across the world could help by providing guaranteed markets.

Six large US companies - Exxon, Texaco, Boeing, Delta Airlines, Coca Cola and IBM - have agreed to a preliminary meeting in May in Vienna, where the UN's Drug Control Programme is based. Hoffman La Roche, the Swiss pharmaceuticals company, will also attend.

The May meeting will set an agenda for a large conference in Vienna in October, to which the UN will invite about 200 leading companies. Targets include Fiat, Lufthansa, Philips, Volvo, BP, Hyundai, Canon, Honda, Nissan, Toyota, and Mitsubishi.

The UN wants the private sector partnership to be a forum and information exchange on the world's illegal drug markets so that companies can be more aware of trends in drug production, trafficking, abuse and laundering activities, and how they can help.

A voluntary share register watch is regarded as a potential source of crucial intelligence. Combined with similarly networked intelligence from banks on money transfers, it opens the possibility of tracking back some illegal funds to their sources.

Tracking is very difficult because nominees - often based in offshore financial centres - can disguise what they are doing by buying many small stakes to fragment their efforts worldwide.

The UN particularly wants co-operation from chemicals and drug companies. The UN already has agreements with them to monitor sales of chemicals needed to refine raw opium and coca, or to manufacture drugs such as LSD and ecstasy.

One way way of cutting down illegal drug production would be to control sales of such chemicals more tightly, although the difficulty is acknowledged of controlling sales of commodity chemicals such as acetone, which is used in cocaine production.
[END]

BARBARA F. VUCANOVICH
2D DISTRICT, NEVADA
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RURAL DEVELOPMENT, AGRICULTURE
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March 27, 1993

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The Honorable Carol Rasco
Assistant to the President
Domestic Policy Council
1600 Pennsylvania Avenue
Washington, D.C. 20506

Dear Ms. Rasco:

Small business needs the President's help by providing clear direction to promote small business as an alternative to the military and other government agencies in supporting law enforcement in the drug war. One area which can be supported from the private sector is aerial photography and image interpretation. The use of military support in the area has proven to make it almost impossible for the private small business to compete. The military has been heavily funded and has provided this service to law enforcement agencies with no apparent impact on that agency's budget. Additionally, many Government agencies have chosen at great expense to develop aerial photographic capability, thus providing stiff competition to the small business currently providing these services. Those companies which can provide the services need the opportunity to fairly compete with the government. Because of funding, this is not currently happening.

What I am proposing is that small private sector companies be used to provide government agencies with the same services that they have become accustomed to from the military. We need to privatize the war on drugs. This would provide jobs for displaced military and aerospace personnel, along with saving the country a significant amount of money as aerial imagery, as an example, can be provided at a cost of half of what the military spends. AIR Photo is such a company. I believe that government agencies will benefit tremendously from allowing AIR Photo to provide these valuable services. Please allow them to present their proposal on funding a test program to support Local, State and Federal agencies with aerial imagery and image interpretation.

A test program as proposed by AIR Photo would provide funds for numerous small aerial photography companies around the country. The funds would have a nationwide impact. The program employs displaced military and aerospace personnel and fulfills a need which the military cannot support due to the downsizing.

The Honorable Carol Rasco -- Page 2

I appreciate your attention on this issue and will look forward to your response.

Sincerely,


BARBARA F. VUCANOVICH
Member of Congress

BFV:jjk
Enclosure

AIR PHOTO INC.

**P.O. Box 71148
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Office 800-842-5541**

CORPORATE MISSION

AIR Photo, Inc. is dedicated to providing high quality, inexpensive aerial photography and image interpretation.

CORPORATE OBJECTIVE

AIR Photo, Inc. will provide rapid response and high quality photography with indepth analysis to support the efforts of local, state, and federal law enforcement agencies.

CORPORATE GOALS

1. AIR Photo, Inc. will penetrate the Nevada, California, and Arizona markets in the first year providing law enforcement with the analysis of 400 targets.
2. AIR Photo, Inc. will make the service available to all the law enforcement agencies in the Southwest border states within five years exceeding 9,600 targets.
3. AIR Photo, Inc. will provide the service within 48 hours of the request.
4. AIR Photo, Inc. will provide an inexpensive and responsive alternative to the high cost and long lead times of military photography.

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Barbara J. Vucanovich
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Center for Strategic & International Studies
Washington, DC

MULTILATERALISM AND DRUGS

July 15, 1993
2203 Rayburn House Office Building

AGENDA

- 8:30 - 8:45 *Welcoming Remarks and Introduction*
Georges Fauriol, Director
Americas Program, CSIS
- 8:45 - 9:15 *Opportunity for Multilateral Engagement on Drugs*
David Musto, M.D., Yale University
- 9:15 - 9:30 *Changing U.S. International Drug Strategy*
Congressman Tom Lantos, Chairman, Subcommittee on
International Security, International Organizations,
and Human Rights, House Foreign Affairs Committee
- 9:30 - 10:15 *Global Problem - The Role of the United Nations*
Giorgio Giacomelli, Executive Director
United Nations International Drug Control Program
- 10:15 - 10:30 *Maintaining U.S. Foreign Policy Commitments on*
International Drug Issues
Congressman Benjamin Gilman, Ranking Minority
Member, House Foreign Affairs Committee
- 10:30 - 11:00 *New Approaches to the Global Drug Problem*
U.S. Government Representative
- 11:00 - 11:15 Coffee Break
- 11:15 - 12:30 *Toward an International Drug Agenda:*
New Strategies, New Institutions, New Programs
Irving Tragen
OAS/CICAD
Exxon Representative
Stephen Flynn
Brookings Institution
- 12:30 - 1:00 *Discussion and Closing Remarks*

Helene Kaufman
Conference Moderator



Center for Strategic & International Studies
Washington, DC

Multilateralism and Drugs

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You are cordially invited to attend a conference on Multilateralism and Drugs, jointly sponsored by the House Foreign Affairs Committee, its Subcommittee on International Security, International Organizations and Human Rights, the Senate Committee on the Judiciary, and The Center for Strategic and International Studies.

DATE: Thursday, July 15, 1993
TIME: 8:30 a.m. - 1:00 p.m.
PLACE: 2203 Rayburn House Office Building

The seminar will be occurring at a time when U.S. policy on multilateral approaches to drug control is open to significant change. Illicit drug consumption, trafficking, and production is on the rise worldwide and U.S. government resources devoted to international drug control are expected to decline. Conference participants will consider how we might best use the opportunities for multilateral drug control initiatives that the post Cold War era offers. How much increased emphasis should be given to multilateral institutions in reshaping U.S. drug policy is very much a matter of debate. How might we foster regional approaches? What are the drug control programs best undertaken multilaterally? How do we help build multilateral institutional capabilities to handle global drug-related problems? These are all policy issues needing a thorough review. Speakers, including directors of multilateral agencies, members of Congress, and international drug experts from government and private corporations, will examine these issues from their vantage points and offer drug policy and program options.

This conference is part of an ongoing two year CSIS series on the international drug industry and drug policy. Our last session was on April 19th cosponsored with the Congressional Research Service and the hosts of this conference. If you wish to attend or have any questions, please contact me at the CSIS Americas Program, telephone (202) 887-0200, extension 3341 and leave a message. RSVP is required. I look forward to seeing you on July 15th.

Sincerely,

Helene Kaufman
Visiting Fellow



Center for Strategic & International Studies
Washington, DC

International Drug Policy for the 1990s
Conference on Multilateralism and Drugs

July 15, 1993
8:30 a.m. - 1:00 p.m.
2203 Rayburn House Office Building

Background: A new administration in the White House provides a fortuitous opportunity to reexamine the international drug strategy and make recommendations for increased attention to the promising developments emanating from the post Cold War political, social and economic environment. Prior administrations were often limited in pursuing multilateral efforts, based on Cold War realities. North/South issues that pitted production versus consumption nations were also viewed as major stumbling blocks to effective multilateral approaches to the narcotics problem. Following the dictum, if you want something done, you do it yourself, unilateral and even bilateral initiatives were viewed as the only real viable approaches to actually accomplish the task of reducing the supply of illicit drugs entering the United States. Prior to the break up of the Soviet Union, diplomatic initiatives within the context of the United Nations and other regional organizations were circumscribed by larger bilateral agendas.

The intractable nature of the worldwide drug problem and the modest success of U.S. international supply reduction efforts over the past ten years to stem the flow of drugs, has prompted renewed calls for a backing away from these initiatives and the placing of more emphasis on domestic demand reduction and treatment efforts. A recent editorial has even called for an end to the drug war (Peter Reuter, "Truce in Needle Park", The Washington Post, February 28, 1993.) As an example, the Andean Drug Strategy, the centerpiece of the U.S. international drug policy, is widely criticized in the academic literature for its failure, despite increasing seizures, to achieve any noticeable impact on the U.S. domestic supply of cocaine.

Increasingly, new approaches to global issues require the further refinement of the strategic role of multilateral institutions. Environmental problems, non-proliferation of weapons of mass destruction,, poverty, production and

distribution of illegal drugs, are all examples of problems that lend themselves increasingly to bilateral and multilateral efforts. While recognizing the limitations of existing institutions to confront drug issues, there is increased emphasis being placed on exploring new global approaches to drug consumption, distribution, and production.

From a strategic perspective, dramatic multilateral examples are rarely cited. Even those who applaud the limited efforts to approach the problem from a diplomatic perspective through the Cartagena Summit, and more recently the San Antonio Summit, point to those efforts as largely bilateral ones based on bilateral agreements, rather than multilateral approaches with global implications. (See Bruce M. Bagley, "After San Antonio," *Journal of Interamerican Studies and World Affairs*, Vol. 34, Number 3, Fall 1992 and Rafael F. Perl, "Narcotics Control and International Cooperation," CRS Report for Congress, June 22, 1992). For example, the European Community and its donor nations were excluded from the San Antonio Summit. While many are quick to point to multilateral achievements such as those in the areas of moneylaundering and precursor chemicals, others believe that multilateral institutions lack technical, organizational and financial resources to mount major new drug initiatives either in demand reduction or law enforcement. International financial and development institutions, e.g., International Monetary Fund, World Bank, UNICEF, UNDP, have not, by and large, incorporated drug-related issues in their strategic planning and project development.

At the same time, the literature is replete with articles arguing that illicit drug consumption, trafficking, and production are all on the rise worldwide. Indications that consumption is on the rise is supported by some epidemiological data and reinforced by growing anecdotal and survey data. (See Stephen Flynn, "Worldwide Drug Scourge," *The Brookings Review*, Winter 1993.) Use of "bazuco", a highly concentrated cocaine paste, is spreading in Latin America; heroin use is rising in Pakistan and Thailand (estimates range upward of one million users for Pakistan); heroin and cocaine seizures are up worldwide (See International Control Strategy Report, March 1992, United States Department of State); and addiction levels are estimated to have reached epidemic proportions in some Eastern European countries, especially Poland, while consumption is expected to increase with increased poppy cultivation and heroin distribution in Russia and the former Soviet republics.

Definition of a Global Problem: A multilateral approach to illicit drugs requires a definition of the drug problem as a global one. Each component of the issue requires further refinement in any effort to draft a multilateral approach to drug control. Health education and prevention, public awareness, law enforcement, security, intelligence, treatment and aftercare, and interdiction -- all require increased consensus from the

developed and developing countries involved. Those dealing with the drug problem need to agree to both the salient definition of the global problem and the priority approaches for dealing with drugs. For example, zero use versus harm minimization are two divergent approaches that need to be rationalized at some level if an effective multilateral strategy is to be developed.

A multilateral approach that integrates the multi-dimensional aspects of the drug issue would require both diplomatic and programmatic components, as well as new organizational and institutional arrangements. In July 1992, in a statement issued on behalf of the G-7, the Chairman of the Group, Chancellor Kohl, called for close cooperation in mastering global challenges such as environmental protection and drugs. He highlighted the importance of the Financial Action Task Force and the Chemical Task Force dealing respectively with moneylaundering and precursor chemicals.

There are several obvious reasons for approaching the problem multilaterally:

- * The problem, by almost any definition, is global and transcends national borders;

- * Even successful unilateral approaches only send the problem elsewhere, whether the intervention involves efforts to halt production, distribution, or consumption.

- * Current multilateral anti-drug initiatives are underfunded, often disjointed, and lack strategic underpinnings. Multilateral institutions, such as the United Nations International Drug Control Program (UNDCP) are sometimes used as a funding conduit for bilateral donors with particular foreign policy agendas. This approach sometimes makes it difficult to create a global strategic framework for a multilateral approach to drugs.

- * Considerable efforts to bring development, health and social welfare, child-related agencies, and research entities into the international drug agenda have often met with resistance from agencies not directly responsible for the drug problem. Rather than focus on drug related issues such as child health and drugs, environment and drugs, development and drugs, multilateral institutions have sometimes financed governments independent of their anti-drug policies. Multilateral institutions sometimes ignore the economic and social consequences of illicit drug production when making loans. By ignoring the drug problem, multilateral resources can inadvertently create incentives for recipient governments to ignore the hard political decisions required for a vigorous anti-drug effort. This is particularly troublesome when the recipients of multilateral aid are both major illicit drug production countries and desperately in need of humanitarian resources, e.g., Afghanistan, Peru, Burma.

* Law enforcement and peacekeeping efforts to confront the drug industry are often limited when pursued at the multilateral level as well. If drugs are not a priority issue within the Security Council, multilateral security-related efforts will not even begin to get off the ground. Other regional institutions, while active in the area, e.g., Organization of American States, are hampered by organizational, technical and financial resource limitations.

Conference Purpose: The conference is designed to engage international drug experts, international corporate representatives, those involved in multilateral initiatives, and U.S. government representatives (legislative and executive) to explore multilateral options for dealing with the global drug problem. By providing information about existing multilateral initiatives to date, participants can build on those activities and explore opportunities for an expanded multilateral strategy as a productive element of U.S. drug policy.

**U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON CRIME AND CRIMINAL JUSTICE**

WITNESS LIST

DATE: July 15, 1993

TIME: 9:30 a.m.

ROOM: 2226 Rayburn House Office Building

RE: Oversight Hearing on International Drug Supply, Control and Interdiction

=====

PANEL I

Honorable Philip B. Heymann
Deputy Attorney General
U.S. Department of Justice

PANEL II

Mr. Peter B. Bensinger
President and CEO
Bensinger, DuPont and Associates
Chicago, Illinois

Mr. John P. Walters
Visiting Fellow
The Hudson Institute
Washington, DC

Mr. Peter Reuter
Co-Director
The Rand Corporation
Washington, DC
Accompanied by: Dr. Kevin Jack Riley

PANEL III

Mr. Harold D. Wankel
Deputy Assistant Administrator
for Operations
Drug Enforcement Administration
U.S. Department of Justice

Rear Admiral Richard A. Appelbaum
Chief, Office of Law Enforcement
and Defense Operations
U.S. Coast Guard

Mr. John E. Hensley
Assistant Commissioner, Office of Enforcement
U.S. Customs Service

Mr. Brian E. Sheridan
Deputy Assistant Secretary for
Drug Enforcement Policy and Support
U.S. Department of Defense

Mr. R. Grant Smith
Acting Assistant Secretary for
Bureau of International Narcotics Matters
U.S. Department of State



Department of Justice

STATEMENT OF

PHILIP B. HEYMANN

DEPUTY ATTORNEY GENERAL

BEFORE THE

SUBCOMMITTEE ON CRIME AND CRIMINAL JUSTICE

COMMITTEE ON THE JUDICIARY

U.S. HOUSE OF REPRESENTATIVES

CONCERNING

INTERNATIONAL DRUG INTERDICTION

AND ERADICATION

PRESENTED ON

JULY 15, 1993

STATEMENT OF PHILIP B. HEYMANN
DEPUTY ATTORNEY GENERAL
BEFORE THE SUBCOMMITTEE ON CRIME AND CRIMINAL JUSTICE
JUDICIARY COMMITTEE
U.S. HOUSE OF REPRESENTATIVES
JULY 15, 1993

Mr. Chairman, Members of the Committee, the recent appointment of Dr. Lee Brown as Director of National Drug Control Policy has initiated a process through which the Administration will develop its policy from the answers to a large number of important and difficult questions. A large part of that process will involve addressing the overseas activities of the United States Government in its battle against drugs. Therefore, in testifying today well before the completion of the executive process now under way, I can state the questions we will have to address but cannot provide many of the answers.

Still, understanding the right questions is a very important part of understanding any issue. Let me tell you what I think they are with regard to the issue of programs at or outside our borders to deal with the problems of dangerous drugs. I will try to define the issues starting with the growing and processing areas abroad and moving towards the United States, initially concentrating on cocaine and crack, turning to the growing danger of heroin at the end.

We are talking about efforts to reduce supply and efforts that are focused abroad. A relatively complete list would include eradication, attempts to destroy the major organizations themselves or undermine their necessary resources and structures, and interdiction of transportation of the drugs to the United States.

There is an initial problem that is common to both eradication and interdiction. It is important to decide whether success in either of these efforts does more than require the producers and transporters of the dangerous drug to bear the cost of replacing what has been destroyed or seized. An increase -- even a significant increase -- in that relatively small fraction of the cost of getting cocaine to the streets of Washington, New York, or San Francisco -- cannot increase the street price of cocaine significantly enough to bring about any sizable reduction in use. This question must be addressed, however difficult it is to reach an indisputable conclusion.

In dealing with eradication, it is important to distinguish between voluntary eradication programs based in part upon funds furnished for crop substitution or involuntary programs such as spraying from the air. As to the former, we must assess the evidence bearing on whether payments to abandon cocaine are in fact only useful to shift the location in which cocaine is grown, perhaps by the same farmers. That is not a problem with regard to involuntary eradication, but here the political consequences

can be severe for any country agreeing to spray the coca crops, even if the spray is a very safe herbicide. Assessing the political cost in different countries even of acceptance of U.S. assistance in eradication must be part of our process. In some Latin American countries, for example, it can be a substantial problem.

Interdiction of airplanes or ships moving across our ocean borders or of individuals' vehicles crossing the Mexican border also has two forms. Targeted interdiction, where we know from law enforcement or intelligence sources of the shipment, is far less expensive in terms of its use of American equipment and people. It also can have a significant payoff, not only in the drug seized and the cost that imposes on drug distributing organizations, but also in the opportunity that comes with such knowledge to pursue the networks in the United States responsible for receiving, transporting, and distributing the drugs.

The other form is interdiction without advance information by random patrol which like most other random patrol does not produce a high ratio of successful seizures to cost. There are, of course, other benefits to random patrol. It signifies our concern for our borders; its randomness produces seizures that can tell us new information about new organizations; and it undoubtedly imposes costs of avoidance that increase, at least marginally, the cost of drugs on the street. Still, we must look carefully at the relative benefits and costs of untargeted

patrol.

A third and final set of options involves efforts to destroy the major organizations operating abroad. It is essential that any country's use of the military or the police to help disrupt, dismantle or destroy trafficker organizations must be done in a fashion fully consistent with fundamental principles of human rights. Therefore, destroying a powerful drug dealing organization requires successful prosecutions and the seizure of equipment and proceeds.

As to successful prosecutions, I believe that the United States is now quite effective at gathering the necessary information and evidence even abroad. But successful prosecution also requires honest and effective prosecutors, courts, and prisons. These are often lacking, to a greater or lesser extent, in the countries of Latin America. The alternative -- extradition proceedings followed by trial in the United States -- is often barred by the practice of some civil law countries of refusing to extradite their nationals. Seizures of processing plants are rarely permanently disabling. Seizure of even substantial funds may only temporarily affect the capacity of a drug dealing organization, but can nevertheless be effectively disruptive to the operations of such an organization.

What I have described so far largely bears on the use of

several resources other than prosecution. Our prosecutorial resources should be allocated among the tasks of pursuing major cartels or other drug organizations abroad; the distribution network in the United States which receives those drugs and transports them to the city where they will be used; the gangs or other organizations which handle distribution from the vertically integrated drug producing and transporting syndicate; and the dealer on the street whose prosecution can make it more difficult for a purchaser to find drugs -- this allocation presents a separate set of questions. In the absence of effective extradition or other means of apprehension -- consistent with the principles of international law and practice -- only foreign prosecutors may actually be able to conduct prosecutions of some members of trafficking organizations, and local prosecutors must play the equally crucial market disrupting roles reflected by the last. The federal government can assist in both areas, but may not be able to play a leading role.

However, setting aside the uncertainties about federal prosecutive efforts at those two extremes of the narcotics trafficking and distribution chain, it is easy to recognize a crucial federal role to the investigation and the prosecution of those who, for example, receive drugs at a port of entry and transport them to the place of sale. The interstate character of the transaction and the likelihood the crucial information will come from investigations of activities abroad make the resources

and assets of the federal government indispensable in this area. As to the category of sizable organizations or gangs managing distribution in a city such as Chicago or Los Angeles, we must look more carefully at the allocation of responsibility between federal, state and local prosecutors. A variety of federal/local drug task forces are at work in this area, reflecting the present sense of joint responsibility.

Mr. Chairman and Members of the Committee, these seem to me to be the major questions with regard to interdiction and other overseas activities of the United States in the field of drug enforcement. They reflect the problem of cocaine and their formulation reflects, in some ways, the problem of cocaine and the location of distributors and transporters in Latin America. The situation may differ in relatively minor respects, if we attend to the growing and frightening problem of heroin. So I think that is enough of the description of the questions that we must address. I look forward to responding to your questions.

U.S. Department
of Transportation
**United States
Coast Guard**



Commandant
U.S. Coast Guard

2100 Second Street S.W.
Washington, DC 20593-0001
Staff Symbol:
Phone:

DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF REAR ADMIRAL RICHARD A. APPELBAUM

ON THE COAST GUARD DRUG INTERDICTION PROGRAM

BEFORE THE

SUBCOMMITTEE ON CRIME AND CRIMINAL JUSTICE

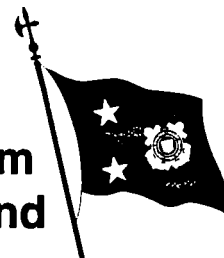
COMMITTEE ON THE JUDICIARY

HOUSE OF REPRESENTATIVES

JULY 15, 1993



Rear Admiral Richard A. Appelbaum Chief, Office of Law Enforcement and Defense Operations United States Coast Guard



Rear Admiral Richard A. Appelbaum became Chief, Office of Law Enforcement and Defense Operations, U.S. Coast Guard Headquarters, Washington, DC, in June 1992. Rear Admiral Appelbaum directs several Coast Guard programs, including: enforcement of laws and treaties; operational and military readiness; ocean operations; intelligence; and investigative and security activities. He also directs programs regarding the allocation, distribution, functional assignment and status of Coast Guard aircraft (fixed wing and helicopters) and ships (high and medium endurance cutters and patrol boats).

Prior to his present assignment, Rear Admiral Appelbaum served as Commander, National Pollution Funds Center, located in Ballston, VA. He was the first officer to hold that position. He was responsible for managing the billion-dollar Oil Spill Liability Trust Fund established by the Oil Pollution Act of 1990.



Rear Admiral Appelbaum's other flag assignments were as Chief, Office of Navigation Safety and Waterway Services, at Coast Guard Headquarters, Washington, DC, and as Commander, Ninth Coast Guard District and Maritime Defense Zone Sector Nine, headquartered in Cleveland, OH.

Rear Admiral Appelbaum received a Bachelor of Science Degree, in 1961, from the Coast Guard Academy in New London, CT, and a law degree, in 1970, from George Washington University.

Rear Admiral Appelbaum, as a Coast Guard law specialist, has served as: Legal Officer of the Seventh District (Miami, FL) and the Eleventh District (Long Beach, CA); the Service's General Court-Martial Military Judge; and the Head of the Law Faculty at the Coast Guard Academy.

Other shore assignments included command of the Long Range Navigation (LORAN) Station at Hokkaido, Japan, and Chief of Intelligence and Law Enforcement and Chief of Operations at the Seventh District.

Rear Admiral Appelbaum's seagoing assignments included command of the cutters CAPE YORK (Pascagoula, MS), CAPE FLORIDA (Anacortes, WA), and VIGOROUS (New London, CT). He also served on the cutter SALVIA (Mobile, AL), and as Executive Officer of the cutters PAPA W (Charleston, SC), EAGLE (the Academy's training barque), and WESTWIND (Milwaukee, WI).

Rear Admiral Appelbaum has received the Legion of Merit (two awards), the Meritorious Service Medal and four Coast Guard Commendation Medals.

A native of Chicago, Illinois, Rear Admiral Appelbaum has called Miami, Florida, his home since 1950. He is married to the former Maureen Eddy Carr of Nashville, Tennessee. The Appelbaums have three sons: Kevin, Paul and David.

STATEMENT OF
REAR ADMIRAL RICHARD A. APPELBAUM
CHIEF, OFFICE OF LAW ENFORCEMENT AND DEFENSE OPERATIONS
UNITED STATES COAST GUARD
BEFORE
THE SUBCOMMITTEE ON CRIME AND CRIMINAL JUSTICE
JUDICIARY COMMITTEE
U.S. HOUSE OF REPRESENTATIVES
JULY 15, 1993

Good morning, Mr. Chairman and distinguished members of the Subcommittee. I am RADM Richard Appelbaum, Chief of the Office of Law Enforcement and Defense Operations of the United States Coast Guard. I am pleased to appear before this Subcommittee to discuss the Coast Guard drug interdiction program.

The Coast Guard is a multi-mission organization of about 38,000 active duty military personnel and slightly more than 5,000 civilian employees, operating 200 shore stations, approximately 2,000 boats, 250 ships of various types and sizes, and over 200 helicopters and fixed-wing aircraft to execute our diverse missions.

The Coast Guard has four major mission areas: maritime safety, marine environmental protection, defense readiness and maritime law enforcement. With rare exceptions, Coast Guard cutters, boats, and aircraft are multi-mission assets. For example, it is routine for a single cutter to be involved in search and rescue, fisheries enforcement, alien interdiction, and

drug interdiction missions in the course of a single 4-6 week patrol.

Maritime law enforcement is our oldest mission. The suppression of smuggling was the main reason for forming our early fleet of cutters in 1790. Today, however, our law enforcement missions include fisheries enforcement, alien interdiction, drug interdiction, and the enforcement of a variety of laws, treaties, and agreements. Our law enforcement authority is derived from 14 USC 89 and other statutes.

While the focus of this hearing is on our drug interdiction effort, I wanted to mention our other activities in order to highlight the fact that law enforcement is just one of many Coast Guard missions, and within law enforcement, drug interdiction is only one of several functions the Coast Guard performs.

The Coast Guard's drug control efforts are focused on supply reduction. We are the lead agency for maritime interdiction and share the lead role with the U.S. Customs Service (USCS) for air interdiction. We also provide support to international counterdrug initiatives and the intelligence community.

First, I'd like to state some terms of reference which I will use while discussing interdiction. There are five major phases to interdiction: detecting and monitoring the target; sorting legitimate traffic from that which might be illegal; intercepting potential smugglers; searching them; and if they are violating the law, arresting them. The Coast Guard specializes in intercepting, searching, and arresting, which I will simply refer to as apprehension.

Seizing all drugs in transit, i.e. sealing the borders, would be cost prohibitive and disruptive to legitimate commerce, and so is unrealistic. Because such a goal would be unreachable, the stated goals of air and maritime interdiction are to deter smuggling and to deny the smuggler the safe, direct, and economical air, land, and maritime routes. In other words, we are trying to keep traffickers off-balance by forcing them to develop new, more costly methods and routes through effective interdiction efforts. Through this disruption, we hope to increase the cost to the trafficker and reduce the flow into the United States. Seizures and arrests contribute to interdiction and route denial.

With the goal of interdiction being route denial, any interdiction operation that results in the trafficker increasing costs and risks by changing the methods or routes by which contraband is transported is considered a success. Seizing contraband and arresting suspects has both a direct and indirect effect on the drug supply entering the United States. The direct effect is that contraband seized reduces the amount immediately available for consumption. The indirect effect is that traffickers will be forced to develop alternative methods to avoid effective interdiction. This increases the difficulty of smuggling and reduces their profitability. Potential criminal penalties and high operating costs create a deterrent to smugglers. Deterrence is also a form of route denial.

Apprehension is the key to successful deterrence and route denial. Detection and monitoring and the other phases of

interdiction are integral to the process, but it is the law enforcement aspect, the ability to apprehend if you will, that ultimately creates deterrence. This is what the Coast Guard has the legal authority to do at sea.

We strive to achieve route denial by distributing counterdrug forces and operations throughout the geographic area of interest, which is divided into four generic zones; the source countries, and the departure, transit, and arrival zones.

In the source countries, and other nations, the Coast Guard supports the efforts led by the Departments of State and Justice in helping to build the political will and indigenous capability of the host nation to combat maritime smuggling. The International Maritime Law Enforcement Team (IMLET) is a unit of about thirty Coast Guard officers and petty officers specifically formed to provide waterways law enforcement training to other nations. Teams of two to three personnel deploy to a host nation to build credible host nation interdiction forces. Based on the comments of the U.S. ambassadors, the IMLET has had a significant and positive impact on the nations to which it has deployed.

The IMLET is only one example of our support of international training initiatives. We deploy International Training Teams to various nations to train indigenous military and police forces in law enforcement and other areas of USCG expertise. The U.S. Coast Guard is an excellent model for these nations' developing law enforcement programs because of its relatively small size, the nature of its missions, the dual military/law enforcement role, and the unique expertise of its people in small boat

operations, at-sea boardings, and control of commerce. We also support combined operations with those nations' navies and/or coast guards and provide training to foreign police and military students in the United States at various Coast Guard training sites. All of these international initiatives in which the Coast Guard is involved are closely coordinated with the State Department.

Coast Guard maritime interdiction operations in the departure and transit zones rely primarily on our high seas boarding program. A common thread among all Coast Guard missions is maritime expertise, and this is reflected in our designation as the lead agency for maritime interdiction. High seas boardings are our most effective tool in both deterring and interdicting drug shipments at sea. The Coast Guard may board any U.S. registered vessel almost anywhere; however, foreign territorial waters are excluded, unless we are working under an arrangement with that coastal nation obtained through the assistance of the Department of State. While U.S. registered vessels are subject to broad Coast Guard boarding, search, and seizure authority, the Coast Guard can also obtain permission to board foreign flagged vessels from either the vessel's master or from the vessel's flag state. It is this boarding program which enables the Coast Guard to directly interdict contraband and apprehend suspects, and also provide a deterrent against future smuggling ventures.

Our tactics in the departure zone, generally out to about 100 miles off the coast of Central/South America, rely heavily on the presence of a joint squadron of USCG/USN ships in the deep

Caribbean and eastern Pacific corridor. Recently, Royal Navy ships have become involved. While these units are primarily assigned to detection and monitoring duties, we take advantage of the presence of those assets by placing Coast Guard law enforcement detachments (LEDET) -- 7-person teams specifically trained for boardings -- aboard to provide a significant interdiction and apprehension capability at a minimal additional cost.

The impact of such operations is felt up to, and sometimes even into, the territorial seas of the source and transit countries through our participation in bilateral operations. Agreements such as the one recently signed with Belize also allow increased flexibility in interdiction operations close to the source and transit countries.

Our transit zone strategy attempts to make the most of the traffic constrictions at the geographic choke points such as the Windward and Yucatan Passes. We try to keep a cutter in each of the passes, and rely on detection and monitoring support from the Department of Defense (DoD) to make choke point interdiction more effective.

Arrival zone operations involve a diverse group of participants. Coast Guard group commanders must coordinate the forces of shore based local, state, and federal civil law enforcement agencies with the operations of our coastal patrol boats. Our arrival zone operations generally extend from our shoreline out to about 50 nautical miles. Most of these operations also incorporate Coast Guard fixed wing aircraft, helicopters, vessels, and the assets provided by other agencies.

The National Drug Control Strategy, under which the Coast Guard has been operating for a number of years, also calls for improved collection, coordination, analysis, and dissemination of intelligence by the various agencies involved in the drug war. The Coast Guard is a major contributor to, and user of, the maritime intelligence program, and routinely supports the intelligence community through post-seizure analysis and information reports following the boarding of vessels. The use of intelligence is vital to conducting efficient interdiction operations. Our reliance on intelligence is reflected by the fact that over 75 per cent of Coast Guard seizures last year were as a result of prior intelligence. Ten years ago, Coast Guard vessels steamed looking for vessels that met a drug smuggler's profile. Today we primarily intercept, search, and apprehend suspects based on the intelligence provided by the intelligence community.

A description of Coast Guard's air interdiction program will demonstrate the degree of interagency coordination required to achieve success in this very dynamic and time critical mission.

Airborne smuggling by general aviation aircraft constitutes a major means by which cocaine is transported from foreign countries toward the United States. Typically, a DoD asset detects a northbound aircraft which has departed from a clandestine airstrip in Colombia. The target information is passed through DoD channels to Joint Task Force Four (JTF4), located in Key West, where the target data is initially sorted for national security purposes. JTF4 then notifies the joint

U.S. Coast Guard/Customs Command, Control, Communications, and Intelligence Center - East (C3IE) located in Miami. C3IE performs the law enforcement sorting function by checking with air traffic control and tactical intelligence databases maintained by the Drug Enforcement Administration (DEA), USCS, and other agencies.

If the target is determined to be of interest, an interceptor aircraft (either USCG, USCS, or DoD) conducts an intercept to identify the aircraft. The interceptor aircraft obtains more target information, and passes this to the C3IE for further sorting. If the aircraft is sorted as suspect, based on known intelligence and other sorting criteria, constant monitoring continues using available assets, regardless of parent agency. As the suspect approaches its destination, apprehension forces are alerted.

A combined DEA, USCG, DoD, and Bahamian operation, Operation Bahamas and Turks and Caicos (OPBAT) is the model air apprehension operation. Utilizing Coast Guard and U.S. Army helicopters, OPBAT assets receive target information, and interdict the suspect aircraft as it offloads contraband in the Bahamas. Because aircraft currently tend to air drop contraband to awaiting vessels, C3IE also helps coordinate a maritime response, while DEA and Royal Bahamian Defense Force personnel aboard the OPBAT helicopters are ready to apprehend the suspects if the aircraft lands or the pick-up boats beach themselves.

If the suspect aircraft conducts an airdrop and does not land, apprehension forces focus on interdicting the contraband

and arresting suspects, while the aircraft is tracked throughout the return flight. Apprehension forces in the destination (original source) country are alerted and, if able, respond to meet the aircraft upon arrival.

This is a complicated scenario but it works, thanks to the extraordinary amount of coordination between the many agencies. Of significant note is that while intense interagency coordination is required to maintain a constant surveillance and apprehension response to these events, international coordination is also required to coordinate an apprehension response in foreign countries. The fact that this scenario is effective, despite the inherent complexity, bears witness to the level of close coordination agencies and governments share.

While the Coast Guard is the lead agency for maritime interdiction and co-lead with the USCS for air interdiction, we simply cannot do these jobs alone. We rely on the support and assistance of many other agencies involved in counterdrug operations, including: USCS, DEA, Office of National Drug Control Policy, and the Departments of Defense, Justice, State, Transportation, and Treasury. Furthermore, other agencies are involved at the Federal, state and local levels and assist in the planning and execution of operations.

The National Counter-Drug Planning Process was implemented because interagency cooperation is essential to coordinating and conducting effective counterdrug operations. Under this process, quarterly assessments of the air and maritime cocaine smuggling threat are conducted. Based on these assessments, quarterly

planning conferences between involved agencies are first conducted at the strategic level, followed by planning conferences at the operational and tactical levels. Operational requirements are provided by the lead agencies, and the known capabilities of involved agency assets are coordinated to optimize their use for counterdrug operations. Thus, this process encourages synergy between agencies in assigning assets to specific joint operations; the operational impact of resource constraints are minimized.

We have also expanded our efforts at increasing the effectiveness of interdiction through shared technological developments. We have made significant progress in the research and development of drug detection equipment which will enable us to detect the presence of illegal substances without intrusive or destructive searches. Enhancements to data processing, such as the Law Enforcement Information System (LEIS), and increased interoperability and connectivity with other federal agencies have resulted in a more rapid sharing of information required to sort legitimate from suspect traffic. Additionally, the capabilities of both cutters and aircraft to classify and identify targets have been enhanced through electro-optical systems, such as night vision devices.

With the assignment of DoD as the lead agency for the detection and monitoring of trafficking events, Coast Guard operational assets have become increasingly focused on apprehension. Through interagency cooperation and technological developments, overall interdiction effectiveness has been

maintained, while the amount of time Coast Guard assets have devoted to counterdrug operations has decreased. This has allowed the Coast Guard to dedicate more asset time to meet the increasing requirements of the marine environmental protection, migrant interdiction, maritime safety, defense readiness and fisheries law enforcement missions. The proportion of the Coast Guard Operating Expenses Appropriation for drug interdiction has declined from 24 percent in FY89 to 14 percent in FY93.

These interdiction programs are effective. I make this statement based on comparing how the various air and maritime trafficking routes and methods have changed in response to U.S. interdiction operations. The national goal of interdiction is route denial, so effectiveness of interdiction should be measured against this goal.

Seizure data is tempting to use as a measure of effectiveness, but without knowing the amount shipped or the amount received, the amount of contraband seized does not yield a meaningful measure of effectiveness. Successful interdiction operations deny routes, so it is logical to expect a decrease in the quantities of drugs seized on these routes. Route denial can be determined from detection and monitoring data, intelligence, and smuggling methods. Using this information, we have observed that trafficking routes have changed in response to apprehension operations.

For air interdiction, the direct narcotrafficking flight into the United States, which was common a few years ago, is now a rare event because of effective interagency and international

efforts. Air traffickers have shifted from landing and offloading in the United States to conducting airdrops at transshipment areas. While the Bahamas is an ideal transshipment area because of the many remote islands and proximity to the United States, it is no longer the destination for most air trafficking events.

The overall maritime interdiction program is also disrupting the narcotrafficker and thus partially achieving the goal of route denial. The increased use of aircraft to transport contraband, the practice of concealing contraband in the legitimate cargo of commercial vessels, the increased use of concealed compartments and low profile vessels, and the increased willingness of traffickers to jettison loads prior to Coast Guard boardings, are all costly measures which traffickers have adopted in response to effective maritime interdiction.

In summary, the Coast Guard is involved in many of the facets of the National Drug Control Strategy, from interdiction to intelligence, from waterways law enforcement training initiatives in host nations to operations on the borders of the United States, and in the air and at sea. We have, along with all other agencies, worked hard to achieve the level of interagency and international cooperation and effective interdiction and deterrence enjoyed today. Our multi-mission character makes the Coast Guard unique, always ready to respond to a variety of mission taskings, including drug interdiction, in the maritime environment.

Mr. Chairman, I thank you and the members of this Subcommittee for this opportunity to discuss Coast Guard counterdrug initiatives. I am ready to answer any questions you may have. Thank you.

Statement to Subcommittee on Crime,
Committee on the Judiciary,
House of Representatives
July 15, 1993

Feuter

Mr. Chairman and members of the Committee I am grateful for the opportunity to testify today. I am a post-doctoral fellow in public policy studies at the RAND Graduate School and a consultant at RAND. The views I am about to express are my own; they do not necessarily reflect those of RAND or of RAND's research sponsors.

Previous RAND work has demonstrated that efforts to limit the amount of cocaine production are likely to be frustrated by the market's dynamics over the long run. Recent RAND research, however, has indicated that drug production can be significantly disrupted over the medium term, albeit only under exacting circumstances, and only attended by high budget and social costs. These results emerged by adapting RAND's simple model of the cocaine trade, which generated only long run results, to reflect the lags and delays that govern the cocaine production chain. It is important to note that permanent disruption still is not possible because ultimately policy intervention does nothing to change the basic structure and underlying economics of cocaine production. Nevertheless, a two to three year disruption might be of significant use to policy makers, particularly if it is paired with an expansion of domestic treatment, prevention, and law enforcement programs that attack drug demand.

To see how a medium term disruption of cocaine production can be generated, consider what happens when 50% of the coca crop in Bolivia, Colombia and Peru is eradicated in one six month period. Simulation results indicate that retail drug prices in the United States rise more than 185%, and intermediate product prices (leaf, paste, base and export cocaine) rise by even larger percentages. During that six month period, cocaine output falls by approximately 40% as traffickers are able to counteract some of eradication's impact through more efficient processing. Nevertheless, the higher prices signal the traffickers,

processors and farmers that there are profits to be earned from drug production and, as the participants begin to undertake new production, output expands back to the pre-policy level. That is where the simple story ends: policy results in market signals that encourage more participation, so that over the long run policy is ineffective at curtailing production.

It turns out, however, that it may take cocaine industry traffickers, processors and farmers a rather substantial amount of time to undertake new production and thus for the cocaine industry to recover from eradication. In particular, production cannot increase until the farmers locate new land, clear it, plant new crops, and re-establish market links with processors and traffickers. It is precisely the lag between eradication and recovery that generates the medium term disruption of production.

The most important lag in the recovery process is the coca plant itself. Depending on whether the plants are started from seeds or seedlings, coca plants take 18 to 24 months to mature and provide full harvests. Eradication induces additional lags by forcing farmers to locate and clear additional land. Other points in the production chain, for example, the building of processing laboratories and the training of personnel, are vulnerable to disruption as well. Typically, however, the lags associated with laboratories and personnel are on the order of days and weeks rather than months and years associated with coca leaves. In the 50% eradication scenario previously described, cocaine production is 60% of normal at six months; 59% of normal at one year; 76% of normal at 18 months; 97% of normal at two years; and 101% of normal at two and one-half years. The majority of the delay in the return to full production can be attributed to delays in bringing coca plants into production.

I noted earlier that in order to be successful, these policies must be implemented under specific circumstances. At best, these turn out to be very difficult circumstances to create. The most important condition is that the intervention needs to come as a surprise. If the traffickers anticipate the policy, then they can take steps in advance

to mitigate its impact. Keeping operations on the scale of those necessary to substantially disrupt production a secret will prove difficult, however. Second, better knowledge about the size and the structure of the of the market is needed. In particular, if the traffickers hold inventory -- be it of coca fields or of finished cocaine -- the size of the policy intervention needed to create the desired disruption will vary accordingly.

It turns out that forced eradication and in-country interdiction are relatively effective at generating market disruptions, voluntary eradication is an intermediate case, and crop substitution relatively ineffective at market disruption. The operation and impact of eradication was covered earlier, and will not be repeated here. In-country interdiction has its effects through essentially the same mechanisms as eradication, though for in-country interdiction to successfully disrupt production the seizures must be repeated in every time period. Sustained in-country interdiction means farmers, processors and traffickers must produce twice as much of everything to deliver the pre-interdiction amount of cocaine. Voluntary eradication and crop substitution tend to operate more slowly than eradication and in-country interdiction, and thus it is difficult to imagine the policies creating market "disruptions" in very short periods of time. The speed with which their impact is felt notwithstanding, voluntary eradication and crop substitution do affect cocaine markets in the same way that eradication and in-country interdiction do.

Since a spectrum of policies are capable of generating medium term market disruptions, what distinguishes them are their attendant budget and social costs. Returning to the forced eradication example, 50% eradication might be accomplished for somewhere between \$200 million and \$1 billion. In-country interdiction of 50% could probably be accomplished for \$1 billion to \$2 billion, but those expenses would be incurred annually. Crop substitution proves to be very impractical: \$79 billion in assistance is required to achieve a 1% reduction in output, and nearly \$1 trillion is required to achieve a 5% reduction. Finally, a 50% reduction in output through voluntary eradication would cost on the order of \$4 billion.

Even disregarding the certainty of great political opposition to an expansion of source country control programs, the policies carry great external costs that have yet to be fully recognized. Eradication, whether manual or herbicidal, would have unknown but palpable environmental effects, including chemical damage and further deforestation in the region. Any medium term disruption would foster tremendous movement throughout the region as farming and processing disperse to areas where there is less policy pressure. Sustained policies force an over-accumulation of productive infrastructure that leaves the cocaine industry poised to rapidly expand production when implementation of the policy falters. But perhaps the most important consequence would be the effect of large-scale policy implementation on political violence.

History provides us with one compelling example of how policy implementation can lead to incremental political violence. The 1989-90 crackdown on Colombian refining capacity was a milestone because it marked one of the largest efforts to suppress the drug trade. Although the effort was one of the largest on record, it was still substantially smaller than the 50% scale that I talked about here today. Nevertheless, the policy was successful from the perspective that U.S. retail cocaine prices increased on the order of 50% in the aftermath of the crackdown. However, concomitant with the increase in prices was a substantial increase in drug industry violence in Colombia. The Colombian drug lords initiated a full-scale attack against the state in an effort to intimidate policymakers that is still being felt in Colombia today. If the types of policies that I discussed here today are implemented, it would have to be assumed that a violent response would result again. Since the policies I have discussed would be implemented throughout the Andean region, it is likely that the violence would spread to Bolivia and Peru. Additionally, since many of the policies I discussed involved targeting the farming community, it is possible that the violence would move in to population segments that had heretofore been calm.

In summary, source country cocaine control programs can in theory be expanded to disrupt cocaine production for periods of two to three years, resulting in a significant impact on the availability and use of cocaine in the United States. Expansion of source country control programs, however, is constrained by two relevant factors. First, the scale of programs required to achieve a significant reduction in cocaine availability would bring unquantifiable, but likely very large, social costs throughout the Andean region. The modest programs currently in place, which have very little effect on drug production but which have substantial political and economic effects in the region, are nowhere near the size of the programs needed to significantly disrupt drug production. Second, experience indicates that source country policy pressure cannot be effectively maintained over time. Simply put, the cocaine industry adjusts very effectively to policy measures. Thus, source country control programs are likely to remain as marginal contributors to U.S. efforts to control cocaine use.

TESTIMONY OF JOHN P. WALTERS

Before the Subcommittee on Crime and Criminal Justice
Committee on the Judiciary
United State House of Representatives

July 15, 1993

Mr. Chairman and Members of the Committee I am pleased to testify before you today. As you know, I am here today as a private citizen.

INTRODUCTION

In order to understand the topic of this hearing properly, it is important to establish its context -- the drug war: where we are today and how we got here.

On September 5, 1989, President Bush delivered his first major televised address. The subject was illicit drugs, which the President called "the gravest threat facing our Nation today." Every major public opinion poll showed that by a wide margin Americans regarded the drug epidemic as the Nation's most serious problem.

Four years ago more than 14 million Americans were current, active users of such drugs as cocaine, marijuana, and heroin. Nearly 2 million adolescents were using drugs.

The drug epidemic was fueled by unprecedented quantities of cocaine flooding across our borders, bringing ever-lower street prices that fostered the seduction of new users. Abroad, narco-terrorists in Colombia were on the verge of bringing one of Latin America's oldest democracies to its knees with the brutal murders of a Presidential candidate and some 200 judges, including seven supreme court justices.

Throughout most of the 1980's, the Nation's response to the drug threat had been vigorous and well-intentioned, but it was not always well coordinated. Federal agencies with responsibilities for law enforcement, interdiction, and demand reduction had overlapping responsibilities and often worked at cross purposes -- sometimes erupting in so called turf battles. Communities hit hard by drugs often lacked the means and support for mobilizing against the threat. Many States had yet to marshal effectively their own resources to fight drugs or to form a productive and effective alliance with the Federal government. Insufficient attention was paid to drug prevention in the schools, and Federal support for drug treatment and research languished. Much remained to be done by the United States to work with source and transit

countries such as Peru, Colombia, and Mexico to control the cultivation, manufacture, and export of drugs.

President Bush's 1989 speech to the American people signalled not just a call for new resources with which to fight drugs, but also a new approach. To develop and coordinate the implementation of this new approach, the Office of National Drug Control Policy (ONDCP) was created within the Executive Office of the President. The Office was authorized by the Anti-Drug Abuse Act of 1988 to develop and advise the President on a national drug control strategy, a consolidated drug control budget, and other management and organizational issues.

The September 1989 Strategy and each succeeding Strategy were grounded on four key principles that made explicit the Bush Administration's understanding of the nature our Nation's drug problem:

1. The essence of the drug problem is drug use. Our ultimate goal, and the measure of our success, must be to reduce the number of Americans who use drugs. Heretofore, our progress in fighting drugs was frequently measured in terms of the number of arrests, conviction rates, and quantities of drugs seized. These are useful indicators, but they address only the symptoms, not the problem itself: drug use. Too little attention had been given to such indicators of drug use as drug-related deaths, injuries, and levels of drug use among various populations.

2. Because they are the heart of the problem, drug users must be held accountable. Although there are many reasons individuals offer for taking drugs -- such as unemployment, boredom, peer pressure, homelessness, and depression -- by and large, drug use is the result of bad decisions by individuals exercising free will. An important means of persuading individuals not to use drugs is to make it clear to them that using drugs will lead inevitably to specific adverse consequences and sanctions. These may and should include a range of civil and criminal penalties, from loss of professional license to court-ordered drug treatment, as well as social sanctions from family, school, employer, and community.

3. To be effective, the Nation's anti-drug efforts must integrate efforts to reduce the supply of as well as the demand for illegal drugs. No single tactic, pursued alone or to the detriment of others, can be effective in reducing drug use. Rather, to be fully effective, prevention and treatment programs need the support of programs to reduce the supply and availability of illegal drugs. I should also note, that a portion of the supply reduction effort contributes directly to reducing the demand for illegal drugs in two ways:

- o by discouraging use through the threat of apprehension and punishment, and
- o by directing substance-dependent individuals who enter the criminal justice system to undertake and complete treatment programs.

The remainder of the supply reduction effort contributes to reducing drug

use only if it can reduce the availability of illegal drugs -- that is, make them more difficult to obtain, more costly, and less pure.

4. We must have a national, not just a Federal anti-drug effort. Any national drug control effort that fails to energize and support State and local officials, the private sector, families, religious institutions, and community initiatives, is unlikely to get the job done. Part of the fight involves Federal resources expended by Federal authorities, but an even bigger part of the fight involves Federal, State, local, and non-governmental resources expended by communities, neighborhoods, schools, workplaces, and individuals.

In response to the National Drug Control Strategy, more money, attention, thinking, research, legislative and government action, cooperative effort, and personnel were applied to the drug problem than at any time in our history. More citizens mobilized in their communities to battle drugs. More schools implemented drug prevention programs. More drug users were able to obtain treatment. And efforts to arrest traffickers, eradicate domestic drug crops, and interdict incoming drugs were intensified.

President Bush bolstered the National Drug Control Strategy by seeking unprecedented increases in Federal funding for virtually every facet of the war on drugs. His first budget alone proposed a 40 percent increase in funding for drug control programs. During the Bush Administration, funding for drug programs increased by nearly 80 percent to \$11.9 billion in FY 1993. Funding for domestic law enforcement grew by 90 percent, for international cooperation and interdiction by 38 percent, and for demand reduction by 99 percent since FY 1989. The Bush Administration projected a budget of \$13.4 billion, an 11 percent increase over the FY 1993 appropriation, to support the National Drug Control Strategy in FY 1994.

From the first to the fourth and last National Drug Control Strategy a number of initiatives were launched, including:

- o Creation of a \$100 million per year grant program to help communities mobilize against drugs.
- o Increased funding for drug prevention in public housing communities from \$8 million in FY 1989 to \$175 million in FY 1993.
- o Funding requests that would have doubled Federal funding for school systems ravaged by drugs and drug-related crime.
- o Doubled funding for drug treatment services and research, and proposed and signed into law legislation that improves state strategic planning for drug treatment systems.
- o Initiated the development of model drug treatment protocols and standards of care for treatment providers.
- o Pioneered multi-modality drug treatment campuses and experimental programs integrating drug treatment at Job Corps training centers.

- o Expanded funding and encouragement for community policing approaches by local law enforcement.
- o Increased the use of significant elements of the U.S. Armed Forces in the fight against illegal drugs.
- o Expanded cooperative programs with Colombia, Mexico, Bolivia, Peru, and other source and transit countries.
- o Increased the use of boot camps and other alternative sanctions for drug offenders.
- o Greatly increased the eradication of domestically-grown marijuana crops.

There is always a temptation to assess progress or failure in the fight against drugs by whatever happens to be the latest piece of good or bad news. But a strategy designed to fight a national drug problem requires a more systematic evaluation of its progress. It requires that we look beyond vivid anecdotal reports or piecemeal statistical data such as the number of arrests, the amount of seizures, or the number of people treated. This information is important, but as noted above, the only real gauge of how we are doing is the number of Americans using drugs.

Against this bench mark there has been significant progress. The number of current users of drugs (that is, persons reporting use of an illicit drug during the past month) declined steadily in the 1980's and continued to decline in the 1990's. Indeed, the number of current drug users is now half that in 1979. Since 1988, the number of Americans who reported using cocaine within the past month is down by 45 percent. Since 1985, it has declined by almost 80 percent. As impressive as these statistics are, declines in adolescent drug use are even more impressive. The number of adolescents who use cocaine on a current basis has declined by 76 percent since 1988, and by 86 percent since 1985. Adolescent drug use is now at the lowest level since national data collection began in 1975.

Behind these statistics is a sea change in Americans' attitudes toward drug use. For years we equivocated over whether drugs were bad or simply a lifestyle choice. A Time magazine cover from the early 1980's portrayed cocaine as the contemporary equivalent to the martini, and a number of States decriminalized the use of marijuana. Our national leaders did not speak about the drug problem, nor unite the Nation in an effective course of action against it.

But through the leadership of President Bush, President and Mrs. Reagan, key Democratic and Republican Members of Congress, the Partnership for a Drug-Free America, and many others -- and after many lives were lost or ruined -- the Nation finally made up its mind. We've come to understand that drug use not only is dangerous, it is wrong, and that drug use makes bad parents, unreliable co-workers, poor students, and erratic citizens.

The 1992 data show, as expected, there are two distinct fronts in the war on drugs. The National Drug Control Strategy was designed to curtail the spread

of drug use by dramatically reducing casual use -- the vector by which this pathology spreads. Recent data confirm that we have been successful beyond expectation on this front -- and reveals how wrong the critics and legalizers were. Hard-core addicted users -- those on the second front -- now probably constitute over 50 percent of all current drug users. Since they are more resistant to conventional anti-drug use measures than casual users, progress in this area will be difficult. Despite a doubling of Federal treatment funding since 1988, the available evidence indicates the addict population has not declined.

SUPPLY REDUCTION, INTERDICTION, AND DRUG USE

Your area of interest today is the interdiction and international portion of what is usually called our supply reduction effort. Interdiction attacks the supply networks that link domestic and international trafficking operations. Interdiction also complements investigative efforts. Post seizure analysis can determine the source of the narcotics and help initiate successful investigations of trafficking organizations. Also, controlled deliveries and informant development can lead to the trafficking kingpins and their money launderers.

In general, our interdiction efforts create numerous problems for traffickers:

- o Seizing large amounts of drugs from mid- and lower-level traffickers has a direct impact on the profitability of their operations, and may even cause them to go out of business. Interdicting drugs consigned to lower-level dealers creates mistrust within the trafficking chain of distribution and makes the supply of drugs to their customers erratic and unreliable.
- o At higher levels, trafficking organizations can absorb greater losses from interdiction seizures as part of their operating cost. At these levels, a particular interdiction success is more of a nuisance to drug trafficking organizations than a threat to their existence. However, even here interdiction creates uncertainty, increases the cost of doing business, and raises the chance of getting caught and punished. If interdiction efforts are sustained over long periods of time, the accumulated losses and increased difficulty of doing business begin to affect even high level traffickers.
- o From an investigative standpoint, individual interdiction efforts that lead to the seizure of drugs at our ports of entry provide law enforcement with the necessary physical evidence to prosecute high-level domestic and foreign traffickers. Such prosecutions eliminate traffickers and their agents and support our goal of disrupting trafficking operations and dismantling the organizations that control them.

Perhaps of greatest significance overall, interdiction efforts prevent substantial quantities of drugs from reaching our streets. The chart below shows, the hundreds of tons of illegal drugs stopped from reaching our

communities by Federal agencies working at or near our borders -- it does not include even greater seizures made abroad in a cooperative effort with our allies. Some of your other witnesses may be able to provide more detailed and current data in this regard.

FEDERAL-WIDE DRUG SEIZURE SYSTEM*
(in kilograms)

	FY 1990	FY 1991	FY 1992
HEROIN	815	1,374	1,121
COCAINE	107,300	109,500	137,800
MARIJUANA	227,460	307,845	354,994

* FDSS contains information about drug seizures made within the jurisdiction of the United States by the DEA, FBI, Customs, as well as maritime seizures by the Coast Guard. Drug seizures made by other Federal agencies are included in the FDSS when custody of the drug evidence was transferred to one of the four agencies above. Hence, FDSS statistics reflect the combined Federal drug seizure effort.

THE ANDEAN STRATEGY

Our international drug war exists to reduce the availability of drugs here at home. The Andean Strategy, as it is known, has three crucial objectives: attack the major cocaine trafficking organizations headquartered in Colombia, disrupt the main transit routes (air, river, and road) of the cocaine trade, and establish sufficient enforcement presence in key coca growing areas in Peru and Bolivia to sustain a major reduction in the sale and processing of the coca leaf and thereby substantially reduce the incentives for illicit coca farming. To this source country effort was joined a partnership with Central American and Caribbean nations, with particular emphasis on Mexico, to attack secondary drug production areas and attack cocaine shipments from the Andes to the U.S.

What happened? Colombia mounted and sustained (against all predictions) a campaign to put the Medellin Cartel out of business. There were some ups and downs -- the escape of Pablo Escobar being the worst setback -- but the Medellin Cartel, generally described as the most powerful criminal organization in the world in 1988, has been almost completely destroyed. The courts and criminal justice system is rebuilding after assassinations on a wide scale by the cartels, attacks on the Cali Cartel were launched for the first time, and greater resources were deployed against the air traffic that is the transportation backbone of the cocaine industry. No nation can attack the cocaine trade's senior and key management as Colombia can, and as it has. Its peak pressure on the Medellin leadership in late 1989 and early 1990 resulted in sharply reduced cocaine availability in the U.S. -- and a

corresponding decline in cocaine use and in deaths and emergency room admissions related to cocaine use.

Bolivian enforcement efforts over the last four years have gone from inconsequential destruction of small coca-farmer leaf processing pits to a sustained disruption of trafficker operations throughout the Chapare. Major Bolivian trafficking organizations have been identified and apprehended, and towns previously used by traffickers as free operating areas have been raided and brought under government control. As much as a 50 percent disruption in the flow of coca products out of Bolivia may have occurred last year, with reports of Colombians arriving to reconstruct damaged Bolivian operations. Corruption and weak political commitment have required constant attention, but have been managed in almost all cases. According to the World Bank, the coca/cocaine trade in Bolivia has dropped from 26 percent of Gross Domestic Product in 1987 to only 2 percent in recent years.

In contrast, Peru's performance, by any standard has been disappointing. Corruption, an attack on a U.S. military aircraft on a drug surveillance mission (killing one crew member and severely injuring another) by the Peruvian air force, and President Fujimori's inability to place subordinates in charge of fashioning and carrying out anti-drug programs, have all hurt results.

Nonetheless, even in Peru, some progress was made. The police and the army have conducted numerous operations in coordination -- something that many did not believe possible just a few years ago. At various times, trafficker air flights have been disrupted by Peruvian air force patrols, forcedowns, and even shootdowns. And government authority has been extended to airfields previously under the control of the traffickers. President Fujimori, can do more. The U.S. has not and is not giving him a choice: cut the cocaine flow or we will stop all our aid, trade, and support for Peru. It is time to be more forceful with Peru.

The U.S. has led the creation of anti-drug initiatives throughout the world, but none have grown more than our drug control partnership with Mexico. Mexico was the largest producer of opium in this hemisphere and the largest producer of marijuana in the world, in 1989. Since then Mexico has cut its harvestable poppy production by 50 percent, and its estimated marijuana production by more than two-thirds.

Of even greater importance Mexico seized almost 40 metric tons of cocaine last year -- second only to the U.S. in worldwide seizures -- and roughly equivalent to 10-15 percent of estimated U.S. consumption.

In 1992, Mexico also arrested the heads of some of the largest trafficking groups known to operate within its borders, including a senior member of the Medellin cartel. And, the Salinas Administration has taken some of the most extensive anti-corruption measures ever seen. Last year 270 police personnel were referred for prosecution on charges of corruption, abuse of authority, and drug-related crimes. The year before, 3,000 Mexican Customs Police were fired. Yes, corruption is still a problem, but Mexican drug enforcement has improved dramatically.

DRUG AVAILABILITY

As I noted at the beginning of this testimony, aside from the two aspects of our supply reduction efforts that contribute directly to reducing demand, supply reduction activities must be judged in terms of their cost effectiveness in diminishing the availability of illegal drugs. So what do we know about trends in the availability of illegal drugs?

Availability estimates have been produced every year by the U.S. Government in two formats:

- o The International Narcotics Control Strategy Report (INCSR), required by the Foreign Assistance Act, has been produced annually by the Department of State in consultation with U.S. Embassies, DEA, DOD, CIA, ONDCP, as well as other offices and agencies of the U.S. Government. The INCSR addresses the major source and transit country situations as they relate to cultivation, production, and transit of drugs.
- o The National Narcotics Intelligence Consumers Committee (NNICC), an eleven-agency group chaired by DEA, has produced an annual report that addresses the availability of drugs in the United States.

These two assessment reports have been fully reviewed by the primary drug law enforcement, treatment, and interdiction agencies to develop a unified judgment within the U.S. Government community using the best information and analysis. In addition, for cocaine, a private-sector research firm has produced the best existing model of availability and use, relying on all current use data and the cocaine supply data noted above.

A primary element in producing estimates of the amounts of drugs entering the United States is the assessment of the quantities of drugs produced overseas and available for export. Both the coca and opium production estimates have reflected maximum production possible with limited information to account for variations in crop yields and loss factors from cultivation through final processing. Studies are well under way to define more precisely coca and cocaine processing losses caused by factors including: weather, disease, insects, leaf harvesting and drying inefficiencies, waste, spoilage, eradication, local consumption, conversion losses, local consumption and seizures. As these factors are defined, they should be included in the production estimate methodology to provide a more accurate picture of available cocaine. Studies are also underway to size opium cultivation in new areas and more accurately estimate opium yields.

Figures on drug seizures cannot be taken as direct evidence of the amount of drugs entering the United States, because the percentage of drugs that evades seizure is generally not known. There was a time when the prevailing view was that seizures always represented 10 percent of the total amount of illegal drugs shipped and the more that was seized the more the total estimated flow was said to increase. We still hear such baseless pseudo-analysis from time to time by would-be drug experts. In fact, higher seizures may reflect better intelligence, improved interdiction techniques, increased interdiction resources, and luck. They do not necessarily imply commensurately increasing

amounts of drugs actually entering the United States.

Illicit drug price and purity are some of the best current indicators of drug availability in the United States. When an illegal drug's availability decreases, its purity declines and its price rises. However, price and purity reflect the interaction of supply and demand. As demand falls (as it has in terms of the number of users of most illegal drugs in recent years), supply reductions have to exceed demand declines to reduce availability. We also know that increased prices for illegal drugs (as with other products) tends to diminish consumption and traffickers may try to reduce purity as means of keeping prices low when supply fails to keep pace with demand.

So what do we know about the trends in availability for the most dangerous drugs we have sought to control?

Heroin

Worldwide opium production remains near its historic high over the past decade or more (although it has been below the actual 1989 peak). Heroin in the U.S. has generally increased in purity and decreased in price in recent years. The volume consumed in this country remains small -- in the tens of metric tons, and totalling approximately seven percent of world opium production. There may be some increase in U.S. heroin consumption. We do not have indications of an epidemic, and most new users of heroin seem to be coming from the pool of older, heavy cocaine users, but there are signs of increased availability and increased use.

In my view we do not yet have an effective means of marshalling intelligence and attacking the domestic heroin trafficking organizations in a manner broad enough to disrupt supply nationally. Increased heroin seizures have not kept pace with estimated increases in supply. International cooperation may offer some opportunities, but given the scope of the problem internationally and the political situation in the major producing countries, particularly Burma, I believe the most realistic means of attacking supply is to focus on domestic heroin trafficking organizations. In that regard, the key to any heroin supply, or demand reduction effort, is the New York City metropolitan area where consumption is most heavily concentrated.

Marijuana

Marijuana is a supply reduction success story. Through aggressive interdiction, greatly expanded Mexican eradication efforts, and our own extensive domestic eradication program, marijuana prices have risen sharply. In the last couple of years, in many places, the cost of marijuana by weight has exceeded gold. This decline in availability has been paralleled by a decline in use.

Indoor cultivation efforts in this country and greater smuggling from abroad are a growing trafficker response. DEA has sought to target "indoor grows" and it remains to be seen if this and other aspects of this domestic and foreign success story will be sustained. The price remains high, but has dropped a bit recently.

Cocaine

After rising rapidly in the 1980's coca cultivation seems to have peaked in 1990 and declined slightly, with estimated potential cocaine production peaking in 1991.

Cocaine seizures worldwide have grown steadily from approximately 200 metric tons in 1989 to well over 300 metric tons for 1992. Seizures at or near the U.S. border were roughly 100 metric tons for 1989, 1990, and 1991. They increased to roughly 140 metric tons in 1992.

But the real growth in seizures has been the result of our partnership with source and transit countries in Latin America. In particular, we and our allies are exploiting the air interdiction vulnerabilities of traffickers throughout the hemisphere. Seizures of cocaine in Latin America have grown from 57 metric tons in 1988 to over 200 metric tons in 1991 and over 180 metric tons in 1992. This means that, depending upon the analytic model used, between 30 and 50 percent of estimated potential cocaine production is now stopped between source countries and the U.S. Or put another way, the best analysis presently available indicates that less than half the potential cocaine production, now reaches the U.S.

Let me quickly add three points:

- o the estimates are imprecise and no law enforcement or national security official I have ever served with would claim otherwise;
- o even with a substantial decline in the supply of cocaine reaching the U.S., there is still enough reaching our shores to pose a serious problem; and
- o the most sobering lesson this data offers, may be how much more cocaine - cheaper and purer -- could be on our streets.

As I noted earlier, current cocaine use has dropped by almost 80 percent since its peak in 1985. Prices generally fell and purity increased through 1988. In 1989 and 1990 purity dropped and prices rose. Cocaine prices remained relatively stable at the wholesale and retail levels during 1991. Wholesale and retail cocaine purity levels, however, increased significantly in 1991.

- o Wholesale (KG) cocaine prices nationwide increased 13 percent since 1988; retail prices have increased 23.5 percent over the same period. (Table 1)
- o Average wholesale purity has remained relatively constant -- from 90 percent in 1988 to 87 percent in 1991. At the retail or gram level, cocaine purity decreased from 70 percent to 59 percent in 1991 (Table 2)

TABLE 1: AVERAGE COCAINE PRICES
(in dollars per pure gram)

CY	Kilogram	Ounce	Gram
1987	12,000-40,000	800-1,200	80-120
1988	11,000-34,000	500-1,200	50-120
1989	11,000-35,000	450-2,500	35-125
1990	11,000-40,000	500-2,500	35-175
1991	11,000-40,000	400-2,500	35-175

Source: DEA Illegal Drug Price/Purity Report, March 1991, January 1992, and April 1992.

TABLE 2: COCAINE PURITY
(by percent)

CY	Kilogram	Ounce	Gram
1987	87	78	55
1988	90	80	70
1989	87	75	66
1990	80	58	54
1991	86	72	59

Source: DEA Illegal Drug Price/Purity Report, March 1991, January 1992, and April 1992.

DEA data for the first three quarters of 1992 show roughly stable prices from 1991 at the kilogram, ounce, and gram quantities, but declining purity:

- o at the kilogram level from 85 percent, to 83 percent, to 81 percent for the three quarters, respectively;
- o at the ounce level from 77 percent, to 72 percent, to 69 percent; and
- o at the gram level from 69 percent, to 64 percent, to 53 percent.

You will note that the third-quarter 1992 purity is lower at each level than any previous yearly average in table 2.

Taken together, this data suggest that cocaine availability in the U.S. has declined between 1989 and 1992, with a slight increase between 1990 and 1991, before declining to the lowest level of the period in 1992. Most importantly, these declines in the supply of cocaine directly parallel the pattern of

cocaine use. The same relationship seems to exist in regard to marijuana and the inverse (i.e., increased availability and increased use) with heroin.

Certainly these data do not allow us to jump to the conclusion that supply reductions caused demand reductions. The data are frustratingly limited and must include significant areas of approximation where we all would like precision. Some of this data is subject to revision and some of your other witnesses may have such revisions, based upon further analysis. But I believe it is reasonable and prudent to note that -- as limited and as imperfect as the data are -- the successes of our supply reduction efforts not only have been real, they seem to be associated with reductions in current drug use.

CONCLUSION

Casual drug use has dropped dramatically, but hard core drug use has not. With this backdrop, the Administration and its new Drug Czar have been called upon to take money out of drug interdiction and international anti-drug programs and put it into treatment. Interdiction is a costly failure, many now say, and the money can be better spent treating addicts.

This argument is hardly new, of course. I heard the same advice while serving in the White House Drug Czar's office during the Bush Administration. Indeed, more and better treatment is needed -- that's why Federal treatment spending doubled during the last four years. But, those who argue that we should pay for more drug treatment by taking dollars away from drug interdiction ignore the essential fact that we cannot substantially reduce drug use -- with or without more treatment -- unless the supply of drugs is controlled.

It used to be common sense that drug use wouldn't decline so long as drugs were plentiful and cheap. Indeed, proponents of gun control make much the same argument with respect to urban violence. And, making cigarettes difficult and more expensive to obtain has long been a staple of the anti-smoking crusade. Interdiction is one way, and in some cases the only way, to reduce the availability of illegal drugs.

There is even evidence interdiction works. For the past two years, interdiction and international supply reduction removed about a third of the total potential world production of cocaine -- an amount roughly equal to total estimated U.S. consumption. During 1989-1990 it forced street prices up significantly; use went down, as did cocaine-related hospital emergency room admissions and deaths. In addition, for the last several years, marijuana interdiction and eradication efforts have driven the street price to the level of gold by weight -- and cut use over 60 percent since 1988.

So why are critics calling for an end to interdiction and international programs? Because they assume supply reduction is peripheral to reducing hard core drug use. With hard core use still a problem, it seems easy to call for a shift of interdiction dollars to dollars for more treatment slots.

But these proposals are superficial and dead wrong. Hard core users are more -- not less -- price sensitive than casual users. Casual users buy

infrequently and can afford to pay much more than heavy users. Heavy users spend essentially all their money on drugs. When prices go up, they must use less cocaine. Often, they then encounter the difficulties of withdrawal. The result is fewer deaths and a powerful incentive (second only, perhaps, to the threat of incarceration) to enter treatment.

While an effective interdiction program is critical to any credible national drug control strategy, current interdiction programs do not produce what they could. That is because they are allowed to be only half measures at best.

For example, the Defense Department receives the single largest share of Federal interdiction funds. Yet, DoD sees its role as strictly subordinate to that of the numerous law enforcement agencies engaged in tracking and arresting traffickers -- and law enforcement agencies seek to keep it that way when behaving bureaucratically. We have come as far as we can with interdiction by bureaucratic consensus -- and it's not far enough.

Throwing our borders open to drugs is an extremely dangerous course. So, how about a real debate with options that would make a real difference? How about some real national leadership to protect the young, inner-city lives that are most at risk today? Here are three examples:

1) The cheapest and fastest way to reduce cocaine availability on our streets is to stop the small aircraft that transport it north from South America. It is now possible to sort and track these aircraft with a high degree of accuracy. We should deploy additional resources to detect, turn back, force down, and if necessary, shoot down such aircraft. Stopping these flights would dramatically -- and immediately -- cut the cocaine flow.

2) Assign DoD responsibility for directing all interdiction operations. And, make it clear that its mission is not merely to assist law enforcement agencies, but the broader task of substantially disrupting the flow of cocaine into this country. To do this, law enforcement interdiction needs to be subordinate to the DoD-led mission of cutting the flow, not the other way around.

3) Beef up assistance to Latin America. Although it is difficult to work with foreign partners at times, anti-drug efforts by these countries are cheap and cost-effective. Latin America receives approximately four percent of Federal anti-drug spending, yet it accounts for two-thirds of the cocaine seizures, and virtually all the kingpin apprehensions.

Interdiction is a powerful weapon, those serious about fighting the scourge of drugs will use it -- aggressively.

Thank you for this opportunity to contribute to the record and I will be happy to answer questions.

STATEMENT OF

MR. BRIAN SHERIDAN
DEPUTY ASSISTANT SECRETARY FOR
DRUG ENFORCEMENT POLICY AND SUPPORT

AT A HEARING BEFORE THE
SUBCOMMITTEE ON CRIME AND CRIMINAL JUSTICE
HOUSE JUDICIARY COMMITTEE

JULY 14, 1993

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**BRIAN EDWARD SHERIDAN
DEPUTY ASSISTANT SECRETARY OF DEFENSE
FOR
DRUG ENFORCEMENT POLICY AND SUPPORT**

Brian Edward Sheridan was appointed Deputy Assistant Secretary of Defense on June 23, 1993. He serves as the primary staff advisor to the Department of Defense Coordinator for Drug Enforcement Policy and Support, on matters relating to interagency coordination of actions to implement the President's National Drug Control Strategy, the preparation of the counterdrug program and budget for the Department of Defense, and on such other matters as may be assigned by the Coordinator.

Mr. Sheridan was born in 1960 in (b)(6) and was educated in public schools in (b)(6). He received a Bachelor of Arts degree in Political Science from Boston College in 1982, and then a Masters of Science in Foreign Service degree from the Graduate School of Foreign Service, Georgetown University, in 1985. In 1991, Mr. Sheridan received a Masters in Business Administration from the University of Chicago. [001]

Mr. Sheridan served from 1991 to 1992 as an Advanced Staff Consultant with Frank Lynn and Associates, an international marketing consultant firm. From 1985 to 1989, Mr. Sheridan served as an Intelligence Officer and Political-Military Analyst with the Central Intelligence Agency.

Mr. Sheridan is married to the former Anne Welch of Rochester, New York. He has a son, Connor.

June 1993

The foundation of the Defense program, the National Drug Control Strategy, is currently under review by the Administration and new guidance and direction is expected later this year. Once this guidance is received, we will review its impact on Department of Defense missions, and implementation plans will be readdressed as necessary.

Overall Progress in the Counterdrug Programs

To appreciate the progress that has been made by the Department of Defense in the performance of the counterdrug missions that have been assigned to it since the Fall of 1988, it is only necessary to compare the condition of its several counterdrug programs today, with the condition of those programs only a very few years ago.

As recently as FY 1989, the counterdrug budget of the Department was \$380.3 million. In the fiscal year that ended on September 30, 1992, that budget was approximately \$1.247 billion. Since 1989, the detection and monitoring effort has increased almost five-fold. Since 1990, the tempo of counterdrug operations, measured by level of effort, has grown by more than 250 percent. The number of missions performed by Forces Command in support of domestic law enforcement has increased 1,110 percent. The Atlantic Command's flying hour program has risen by 32 percent and its ship steaming days have increased by 68 percent. The number of support missions

conducted by the Southern Command has increased from 71 in 1990, to 89 in 1991, and 99 in 1992.

Budget figures and level of effort data, however, do not begin to tell the story. A more accurate understanding of the degree to which the Department has performed its counterdrug missions can be obtained from an examination of each mission.

Attacking the Flow of Drugs at the Source

The Andean Ridge region continues to be the primary source of cocaine consumed in the United States. At the request of U.S. ambassadors, and in coordination with U.S. law enforcement agencies which have counterdrug responsibilities, DoD has assisted the Andean Ridge countries by training host nation forces to fight drug traffickers within their respective countries. Since 1989, the Department has provided well over \$200 million in training, equipment, and operational planning support to the Andean Ridge host nation forces.

The DoD involvement in the counterdrug efforts in the source countries has, of course, been limited to a support role. Military personnel provide operational support and human rights training for host-nation forces, but no DoD personnel accompany host nation forces during actual operations. The training and equipment that have been provided to host-nation forces (both police and military) have led to numerous successes in Colombia, Bolivia and Peru.

Because narcotraffickers do not respect the borders of sovereign nations, DoD has recently assisted in the coordination of plans for regional operations. Such operations have promoted cooperation among Andean nations and have demonstrated the air interdiction concept as an effective means of disrupting the flow of cocaine. Future activities will continue to emphasize joint and combined operations, and will seek to incorporate counterdrug activities of all cooperating nations in the region affected.

Attacking the Flow of Drugs in Transit

Since 1989, the Department has continued to improve its detection and monitoring of suspect narcotics-trafficking aircraft and maritime vessels in the transit zone, while supporting the interdiction efforts of law enforcement agencies within cooperating host nations and at our own borders. These efforts involve the close integration of a wide range of fixed and mobile DoD assets including U.S. Navy ships, airborne early warning aircraft, land- and ocean-based aerostats, ground-based radars, and other sensors and platforms.

In addition, the Department continues to enhance its near real-time capability both to gather intelligence and to disseminate it to drug law enforcement agencies (DLEAs). In 1989, the law enforcement agencies and the Department of Defense had very little experience working together and did not effectively and jointly plan counterdrug operations. Each agency

essentially produced its own intelligence estimates and threat assessments. Today, the majority of operations are closely and effectively coordinated, and semiannual interagency counterdrug intelligence assessments are available to all participants. The Department of Defense also hosts the quarterly National Counterdrug Planning Conference, and the counterdrug Commanders-in-Chief host similar regional planning conferences to ensure better cooperation, inter-operability, and communications, and to reduce redundancy and duplication of effort.

Attacking the Distribution and Use of Illegal Drugs in the United States

The support provided by the National Guard to the individual states and territories has also increased significantly during each of the last three years. All fifty-four states and territories have aggressive counterdrug programs that support the eradication of marijuana and provide either surface or aerial reconnaissance, surveillance, and transportation support to law enforcement agencies.

The number of National Guard mandays that have been dedicated to counterdrug support for law enforcement has more than doubled since 1990, breaking the one million mark in 1992. The number of containers that have been inspected by National Guard personnel at ports of entry in support of the U.S. Customs Service has, for example, increased by more than 79% during the same period.

Demand Reduction

Independent of our extensive program of support to drug law enforcement agencies, the Department of Defense has maintained a highly effective program for combatting the illegal use of drugs among military members, their families, and Defense contractors. DoD has long been committed to enforcing restrictions on the illegal use of drugs through periodic random testing of military and certain civilian employees; prevention education for all DoD communities; and the requirement that all DoD contractors working in areas of national security, public health and safety institute a program for achieving a drug-free workforce.

Throughout the decade of the 1980s, and as recently reflected during the 1992 Worldwide Survey of Substance Abuse and Health Behaviors Among Military Personnel, DoD has developed what is essentially a drug-free uniformed military force. The 1992 confidential survey, the fifth conducted since 1980, assessed through a self-report questionnaire the extent of drug abuse among members of the Armed Forces. Chart 1 displays the trend in reported drug use over the thirty day period prior to the survey. Reported drug use is at an all time low of 3.4% among service men and women world-wide. This represents an 88% reduction in reported drug use since 1980. The Department's aggressive encouragement and management of demand reduction efforts are clearly producing positive results.

The FY93 Defense Authorization Act directs the Defense Department to establish a pilot outreach program to reduce the demand for illegal drugs. The program involves military members, both Active duty and Reserve, and focusses on inner-city youth in particular. Each of the Services and the National Guard Bureau were asked to nominate proposed programs for inclusion in this study. From among the many worthwhile nominations, twelve programs were selected as pilot programs. The outreach program has been designed to take advantage of the enormous dispersal of military facilities and personnel throughout the United States. A report on the pilot program is due to the Congress in October, 1994.

Progress in the Unified and Specific Commands

The Commanders in Chief of the Atlantic (LANTCOM), Pacific (PACOM), North American Aerospace Defense (NORAD), Southern (SOUTHCOM), and Forces (FORSCOM) Commands have executed their respective counterdrug missions under detailed plans approved by the Secretary of Defense. To facilitate effective command and control, three fully operational joint task forces (JTFs) have been dedicated to DoD's counterdrug mission: JTF-4 in Key West, Florida; JTF-5 in Alameda, California; and JTF-6 in El Paso, Texas. LANTCOM has deployed a Caribbean counterdrug task group, with appropriate planes and ships, to further enhance the DoD detection and monitoring mission in the Caribbean Basin. NORAD

has incorporated internal awareness and execution of its counterdrug detection and monitoring mission within the scope of its air sovereignty responsibilities. To that end, the NORAD "steady state" sensor and tactical response networks have been augmented with surge operations by mobile forces coordinated through FORSCOM and DLEAs to combat drug trafficking into the North American continent.

Now more than ever, law enforcement agencies and DoD assets in the Caribbean are engaged in the planning and execution of counterdrug operations as a single, integrated team. LANTCOM has improved its coordination with host-nation law enforcement agencies. This improved coordination among allied naval units has enhanced LANTCOM's ability to detect and monitor suspect traffic throughout the Caribbean. LANTCOM continues its efforts to detect and monitor suspect activities with the most efficient mix of collection assets. Projects have included the expansion of the Caribbean Basin Radar Network, continued progress toward a wide area surveillance system and the improvement of available sensing assets.

PACOM's strategy for combatting the production and trafficking of illegal drugs employs a two-tier warfighting command and control strategy through the employment of a joint task force. This task force, JTF-5, is PACOM's supported command for all counterdrug operations. Through JTF-5, PACOM conducts operations based on intelligence to detect and monitor both air and maritime narcotraffickers; provides air and maritime support

to LANTCOM; and provides support to DLEAs, including transportation, maritime support, and aerial surveillance. PACOM also provides support, with personnel and equipment, to FORSCOM and NORAD for their counterdrug operations along the southwest border. Additionally, PACOM has conducted several counterdrug training missions in host nations in the Pacific.

FORSCOM has consistently increased its level of support to DLEAs throughout the continental United States and Mexico. In the first year of its existence, FORSCOM's counterdrug headquarters for the southwest border, JTF-6, conducted only 38 missions in support of law enforcement. Having continually refined its outstanding relationship with Operation ALLIANCE, JTF-6 conducted over 408 operational missions in support of ALLIANCE during FY 1992. This represents a 76% increase over FY 1991, and almost eleven times the level of 1989. Support missions include ground and aerial reconnaissance, deterrence operations, air and ground transport operations, and engineering projects. Operational support has also increased in the Continental U.S. Army (CONUSA) regions. The CONUSAs now provide the same type support as JTF-6 and conducted a total of 100 operations, a 35 per cent increase over FY 1991.

NORAD has continued to refine its methods for carrying out detection and monitoring activities. NORAD has concentrated its resources in high intensity drug trafficking areas and in providing support to drug enforcement surge operations. These operations include both airborne and ground radar assets targeted

against suspected transit routes. Additionally, direct communications and data sharing are occurring between NORAD, the Federal Aviation Administration, and the U.S. Customs Service to obtain timely identification of routine legitimate traffic and to facilitate rapid response to suspicious flights. The land-based tethered aerostats along the southwest border are now fully integrated into NORAD operations. NORAD continues to explore and develop wide area surveillance capabilities with the Over-the-Horizon-Backscatter (OTH-B) radar and Airborne Warning and Control System (AWACS) aircraft.

SOUTHCOM has provided a wide variety of support to the Latin American nations engaged in counterdrug efforts. SOUTHCOM provides Tactical Analysis Teams (TATs) which operate from numerous embassies to provide timely intelligence fusion and analysis in support of ambassadors and their country teams, as well as support for host-nation counterdrug operations. Additionally, in Central America, the Regional Counterdrug Analysis Team provides support to DLEAs throughout the region.

The training of host-nation counterdrug forces has grown at a rapid pace throughout the theater with special emphasis on the Andean Ridge countries, especially Colombia. Mobile Training Teams (MTTs) are providing important training in light infantry tactics, riverine operations, maintenance and logistics, and aviation skills. This training has focused on increasing the skills required to use and maintain the equipment being provided to Latin American counterdrug forces through the Foreign Military

Sales, Excess Defense Articles, and 506(a)(2) drawdown programs.

Communications Integration

When the Department of Defense became significantly involved in counterdrug support in 1989, communications interoperability among law enforcement agencies and between DoD and those agencies was almost non-existent. As a result of a four year effort and the expenditure of more than \$160 million in DoD funds, there now exists a highly effective, secure, long-haul communications system that links 123 nodes at 56 locations of federal law enforcement and the Department of Defense. The Department has also provided significant additional assistance in the form of data base establishment and management, and data systems design and installation.

Research and Development

DoD's research, development, test, and evaluation (RDT&E) initiatives have supported not only the Department's counterdrug mission but also the key RDT&E objectives of the National Drug Control Strategy. The efforts have been designed to enhance existing technical and operational capabilities and explore critically needed future new technologies and in particular, those with multi-mission applications. The key elements include emergent and existing technologies to: (1) detect and monitor the

flow of illegal drugs into the United States; (2) identify contraband and automate cargo container inspection; and, (3) improve the interoperability of communications and information systems used in counterdrug enforcement, providing for dual military and law enforcement applications.

Continuing progress has been made by the Advanced Research Projects Agency in developing technologies to detect contraband in cargoes entering the country that otherwise appear legitimate. The program will result in the establishment of test beds at several ports of entry.

Additional DoD Support to the Counterdrug Effort

Over the past four years, the Department of Defense has established of a number of additional programs and activities in support of the National Drug Control Strategy.

In 1989, the Department authorized the assignment of 275 military personnel to federal law enforcement agencies and the Office of National Drug Control Policy in order to provide liaison, planning and training support. The agencies have, without exception, praised the dedication, professionalism, and significant support provided by these fine men and women of the Armed Forces.

Regional logistical support offices (RLSOs) located in Long Beach, California; Miami, Florida; Buffalo, New York; and El

Paso, Texas have been operational since August 1990, providing a wide spectrum of non-operational support, including formal training, use of DoD facilities, and loan, lease or transfer of military equipment. Examples of the thousands of pieces of equipment which have been furnished include ground sensors, trucks, night vision devices, uniforms, body armor, and radios. In addition, DoD has approved the transfer of numerous types of aircraft, weapons, vessels, and armored vehicles for use by federal, state, local and foreign agencies.

Military working dog teams have assisted drug law enforcement agencies with cargo inspections at land, sea, and aerial ports of entry. In 1992, for example, using a record 4,944 team days in 17 separate operations, 2,705 pounds of contraband drugs were discovered.

The training that the Department of Defense has provided to federal, state, local, and foreign drug law enforcement agencies has varied widely. For example, the Department of the Army has trained law enforcement officials in foreign language skills, pilot (fixed-winged and rotor) training, helicopter maintenance, tactical survival, and bomb detection. The Air Force has provided training in canine drug detection. The Marine Corps has provided training in tactics, small arms and riverine operations in selected South American countries. The Navy has trained law enforcement officials in riverine operations. The Department has also trained several hundred personnel from state and local agencies in the tasks that are required to establish and operate

rehabilitation-oriented training camps for first-time drug offenders.

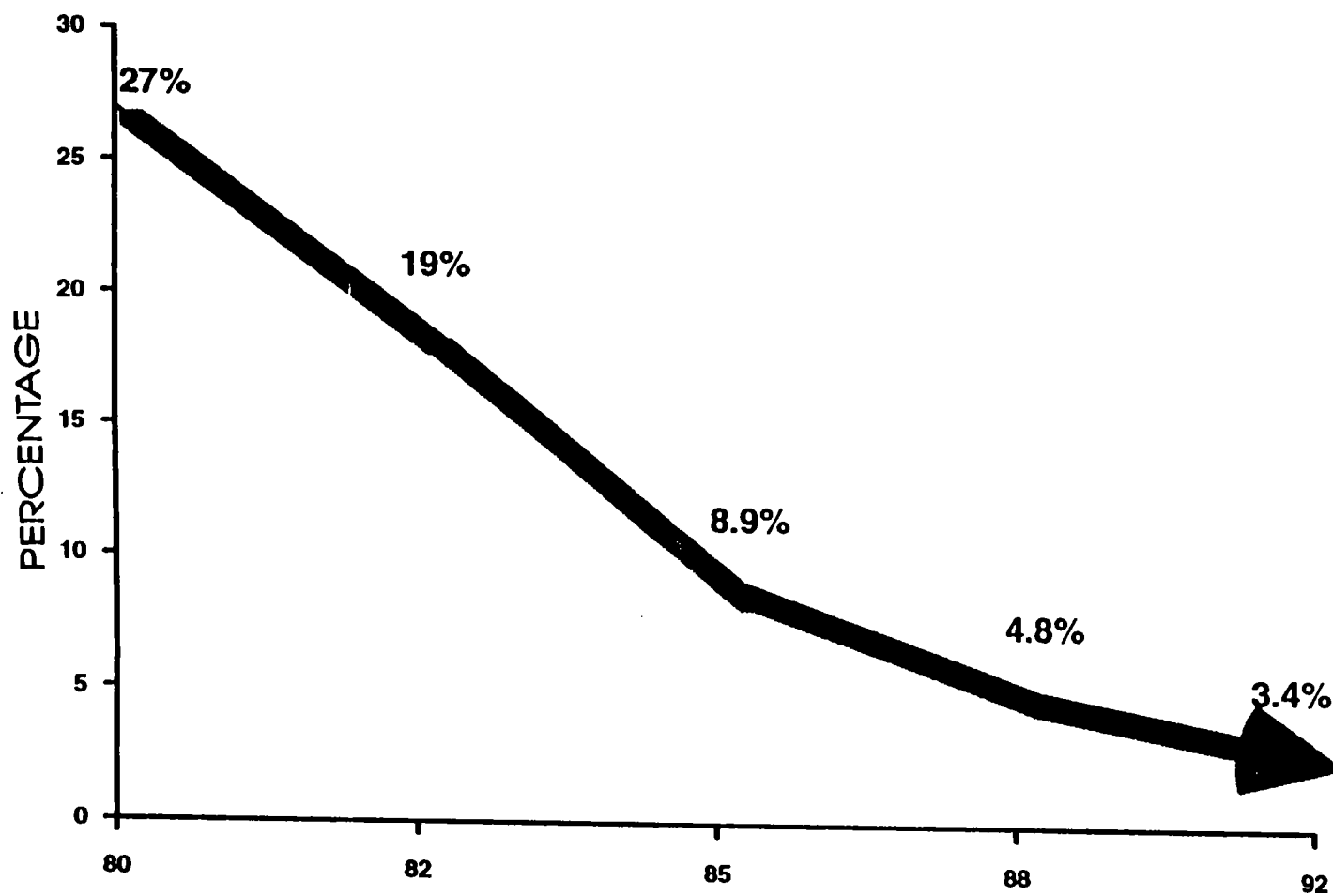
CONCLUSION

During a period of massive change in both the security and fiscal environment, which has included the end of the Cold War, an armed conflict in Panama, a major war in the Persian Gulf, a wide range of unanticipated peacetime demands, and major reductions in the defense budget, the Department of Defense has aggressively performed its new counterdrug missions. Although mistakes may have been made as part of the learning process, they were not the result of a lack of commitment or effort on the part of DoD personnel.



CHART 1

ILLICIT DRUG USE BY MILITARY PERSONNEL





TESTIMONY OF

**JOHN E. HENSLEY
ASSISTANT COMMISSIONER - OFFICE OF ENFORCEMENT
U.S. CUSTOMS SERVICE**

BEFORE THE

HOUSE JUDICIARY COMMITTEE

SUBCOMMITTEE ON CRIME AND CRIMINAL JUSTICE

JULY 14, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, MY NAME IS JOHN HENSLEY, I AM THE ASSISTANT COMMISSIONER, OFFICE OF ENFORCEMENT, FOR THE U.S. CUSTOMS SERVICE. I WOULD LIKE TO THANK YOU FOR GIVING ME THIS OPPORTUNITY TO DISCUSS FOREIGN INTERDICTION INITIATIVES AND THEIR KEY ROLE IN OUR INTEGRATED APPROACH TO COMBATTING THE ILLEGAL DRUG PROBLEM.

LET ME BEGIN BY MAKING A FEW GENERAL COMMENTS ABOUT THE SIGNIFICANCE OF INTERDICTION IN THE OVERALL SUPPLY REDUCTION STRATEGY AND WHY THE UNITED STATES CUSTOMS SERVICE FEELS THE CONTINUATION OF INTERDICTION PROGRAMS IS A NECESSARY FEDERAL RESPONSIBILITY.

INTERDICTION IS A PRODUCTIVE AND PROVEN CONCEPT. CONSIDER, FOR EXAMPLE, THE CUSTOMS PROGRAM TO PREVENT THE ENTRY OF SMUGGLING AIRCRAFT INTO THE UNITED STATES WHICH HAS REDUCED BY NEARLY THREE QUARTERS THE NUMBER OF SMUGGLING AIRCRAFT CROSSING OUR BORDER AND THE COAST GUARD PROGRAM FOR PREVENTING THE ENTRY OF DRUGS BY VESSEL WHICH HAS HAD TREMENDOUS SUCCESS IN ADDRESSING THE THREAT OF MOTHERSHIPS OFF OUR COASTS.

THE PROCESSES THAT FORM THE FOUNDATION OF DRUG INTERDICTION PROGRAMS INCLUDE TECHNOLOGY BASED SYSTEMS, INSPECTION, INVESTIGATION, AND INTELLIGENCE.

AT THE BORDER, NETWORKED SYSTEMS (AIR, MARITIME, AND LAND)

INCLUDING TECHNOLOGY, HARDWARE, PERSONNEL, AND COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE SYSTEMS HAVE BEEN IMPLEMENTED TO INTERDICT THE DRUG SUPPLY. CLOSELY INTERRELATED WITH THESE EFFORTS IS THE INVESTIGATIVE PROCESS THAT ATTACKS THE DRUG SUPPLY AND CONTROLLING CRIMINAL ORGANIZATIONS USING CONFIDENTIAL INFORMANTS, UNDERCOVER OPERATIONS, WIRETAPS, AND A VARIETY OF OTHER INVESTIGATIVE TECHNIQUES. THESE INTERRELATED EFFORTS ALL FORM THE FOUNDATION OF A SUCCESSFUL DRUG INTERDICTION PROGRAM.

INTERDICTION SERVES MANY PURPOSES. THE INTERDICTION PROCESS NOT ONLY GUARDS AGAINST NARCOTICS SMUGGLING, BUT ALSO GUARDS AGAINST ILLEGAL IMMIGRATION, PROTECTS THE ENVIRONMENT, PROTECTS THE DOMESTIC AGRICULTURAL INDUSTRY, AND PREVENTS THE ENTRY OR EXIT OF DANGEROUS MATERIALS SUCH AS WEAPONS OR MUNITIONS. THESE FUNCTIONS ARE PERFORMED SIMULTANEOUSLY WITH THE INTERDICTION OF ILLICIT DRUGS.

AS PART OF CUSTOMS RESPONSIBILITY TO MONITOR THE FLOW OF CARRIERS, PEOPLE AND MERCHANDISE INTO OUR COUNTRY AND COLLECT ANY DUTIES AND TAXES, WE RECEIVE VAST AMOUNTS OF COMMERCIAL DATA CONCERNING IMPORTED MERCHANDISE AND THE IMPORTING CARRIERS, IN AN ELECTRONIC FORMAT. WE ARE ABLE TO EXTRACT VALUABLE TARGETING DATA ON SUSPECT SHIPMENTS FROM THIS DATA,

USING OUR AUTOMATED TARGETING SYSTEMS.

OUR INTERDICTION SYSTEMS IN THE PORTS OF ENTRY ARE TECHNOLOGY BASED TO SUPPORT TARGETING AND EXAMINATION FUNCTIONS. IN RESPONSE TO THE VOLUME OF TRAFFIC AT OUR PORTS OF ENTRY, CUSTOMS BEGAN AN AGGRESSIVE PROGRAM OF USING ELECTRONIC INFORMATION SYSTEMS TO ASSIST ITS WORK FORCE IN TARGETING HIGH RISK CARGO, CONVEYANCES AND PERSONS AT THE PORTS OF ENTRY.

THE UNITED STATES INTERDICTION SYSTEMS ARE NEARING COMPLETION. THE MAJOR EXPENDITURES FOR SYSTEMS DEVELOPMENT AND ACQUISITION ARE BEHIND US.

MOST IMPORTANTLY, THE INTERDICTION SYSTEM IS PROACTIVE. INTERDICTION OCCURS AT OR BEYOND OUR BORDERS, BEFORE DRUGS CAN ENTER THE MARKET, BECOME WIDELY DISPERSED, AND BEGIN DOING THEIR DAMAGE. INTERDICTION ALLOWS DRUGS TO BE SEIZED AT THEIR HIGHEST LEVEL OF PURITY AND IN THEIR GREATEST CONCENTRATED VOLUMES. INTERDICTION CONSISTENTLY PRODUCES MORE ARRESTS AND SEIZURES OF WHOLESALE QUANTITIES OF DRUGS THAN ANY OTHER ENFORCEMENT APPROACH.

THE CONSIDERATION OF THE DETERRENT EFFECTS MUST ALSO BE WEIGHED WHEN CALCULATING THE TRUE VALUE OF A PROGRAM. CUSTOMS BELIEVES THAT THE INTERDICTION SYSTEMS ARE INDEED DETERRENTS AND THAT THIS IS EVIDENCED BY THE DRAMATIC REDUCTION IN THE AVIATION

THREAT AND THE SHIFTING OF BOTH SMUGGLING ROUTES AND METHODS TO AVOID THESE SYSTEMS (RECENT DETECTION OF ELABORATE TUNNELS BENEATH THE SOUTHWEST BORDER ATTEST TO THIS).

ADDITIONALLY, THE FEDERAL GOVERNMENT HAS THE SUPPORT OF NATIONAL INTELLIGENCE SYSTEMS THAT ALLOW THEM TO MORE PRECISELY TARGET SPECIFIC AREAS FOR ENFORCEMENT ACTIVITIES.

SUCCESSFUL INTERDICTION REQUIRES INTERNATIONAL COOPERATION. THE FEDERAL GOVERNMENT IS RESPONSIBLE FOR NEGOTIATIONS WITH FOREIGN COUNTRIES.

MR. CHAIRMAN, I CAN ASSURE THIS COMMITTEE THAT THE APPROACH TO INTERDICTION TAKEN BY THE CUSTOMS SERVICE AND THE OTHER AGENCIES HERE TODAY HAS BEEN BOTH THOROUGHLY CONSIDERED AND INDEPENDENTLY VALIDATED.

IN SUMMARY, INTERDICTION IS ONE STRATEGY THAT IS ENTIRELY THE RESPONSIBILITY OF THE FEDERAL GOVERNMENT. INTERDICTION, PERHAPS MORE THAN ANY OTHER ANTI-DRUG PROGRAM, RELIES ON SOPHISTICATED TECHNOLOGY. INTERDICTION OPERATIONS ARE PROACTIVE AND CAN BE IMPROVED AS NEW TECHNOLOGY AND SYSTEMS ARE APPLIED. FINALLY, INTERDICTION NOT ONLY PROTECTS OUR BORDERS FROM NARCOTICS, BUT FROM MANY OTHER SAFETY, HEALTH, ENVIRONMENTAL, AND LAW ENFORCEMENT THREATS.

CUSTOMS VIEWS INTERDICTION NOT AS SIMPLY A MEANS OF SEIZING

DRUGS, BUT ALSO AS A SIGNIFICANT DETERRENT AND A METHOD FOR GATHERING INFORMATION VITAL TO THE INVESTIGATION AND DISMANTLING OF TRAFFICKING ORGANIZATIONS. WE HAVE TAKEN SIGNIFICANT STEPS TO ENSURE THAT THESE ELEMENTS ARE INCORPORATED INTO OUR APPROACH. ONE OF THESE STEPS WAS TO ACCEPT THE FACT THAT INTERNATIONAL INTERDICTION EFFORTS COULD SIGNIFICANTLY CONTRIBUTE THE INTERDICTION PROGRAM'S SUCCESS.

IN THE EARLY 1990'S, NEARING FULFILLMENT OF OUR INITIAL OBJECTIVE TO REDUCE THE FLOW OF NARCOTICS INTO THE U.S. VIA GENERAL AVIATION AIRCRAFT, CUSTOMS EXPANDED UPON ITS MISSION BY PROJECTING OUR LINE OF DEFENSE SOUTHWARD TO COMBAT THE AIR SMUGGLING THREAT AT ITS HIGHEST CONCENTRATION - AT ITS SOURCE. THIS, THE DEFENSE-IN-DEPTH STRATEGY, AFFORDS THE US AND HOST NATIONS A GREATER OPPORTUNITY FOR SUCCESSFUL INTERDICTION BY TRACKING THE SUSPECT AT THE EARLIEST POINT ALONG HIS SMUGGLING ROUTE.

CUSTOMS DETERMINED THAT, BY CREATIVELY MANAGING AND SCHEDULING EXISTING RESOURCES, WE COULD CONTINUE TO MAINTAIN A "7X24" (7 DAYS PER WEEK/24 HOURS PER DAY) INTERDICTION CAPABILITY WITHIN THE U.S., WHILE ALSO DEPLOYING A SMALL DETACHMENT OF AIRCRAFT AND PERSONNEL TO AREAS WHERE THE MEASURABLE RETURN ON OUR INVESTMENT WOULD BE GREATER.

IN GENERAL, CUSTOMS DEFINES "FOREIGN OPERATIONS" AS THOSE AIR INTERDICTION OPERATIONS OR MISSIONS CONDUCTED OUTSIDE U.S. BORDERS, USING CUSTOMS AIRCRAFT BASED OUT OF FOREIGN LOCATIONS. AT PRESENT, CUSTOMS AIR INTERDICTION AIRCRAFT AND PERSONNEL ARE FORWARD DEPLOYED TO LOCATIONS IN MEXICO, HONDURAS, AND PANAMA, TO SUPPORT THE MEXICAN NBRF (NORTHERN BORDER RESPONSE FORCE) AND US SOUTHERN COMMAND (SOUTHCOM) TRANSIT ZONE AND ANDEAN RIDGE INITIATIVES.

IN 1990, THE U.S. CUSTOMS SERVICE AND THE GOVERNMENT OF MEXICO JOINED FORCES TO ADDRESS THE INCREASING USE OF MEXICO AS AN AIR TRANSSHIPMENT POINT FOR COCAINE DESTINED FOR THE U.S. PRESENTLY, CUSTOMS HAS ROUTINELY DEPLOYED TO MEXICO TWO CITATION II (C-550) AIRCRAFT DEDICATED TO TRAINING AND SUPPORTING THE MEXICANS IN INTERCEPTING AND TRACKING SUSPECT AIRCRAFT PENETRATING MEXICAN AIRSPACE.

THE RESULTS OF THIS JOINT USCS/NBRF VENTURE HAVE BEEN MORE THAN ENCOURAGING. IN 1991, IN FACT, THE THEN ATTORNEY GENERAL OF MEXICO ATTRIBUTED 80 PERCENT OF THE SEIZURES MADE IN HIS COUNTRY TO DIRECT U.S. CUSTOMS SERVICE SUPPORT. THESE ARE DRUGS THAT DID NOT MAKE IT ACROSS THE BORDER INTO THE UNITED STATES. ACCORDING TO DATA FROM THE "INTERAGENCY D&M PERFORMANCE ASSESSMENT," MEXICAN END-GAME PERFORMANCE HAS IMPROVED DRAMATICALLY, EVEN

SINCE LAST YEAR. I WILL BE HAPPY TO PROVIDE THE SUBCOMMITTEE WITH THIS DATA AND RELATED SEIZURE STATISTICS FOR MEXICO.

IN SUPPORT OF SOUTHCOM COUNTERDRUG INITIATIVES, CUSTOMS DEPLOYS BOTH INTERCEPTOR CITATION INTERCEPTORS, P-3 SLICK, AND P-3AEW DETECTION AIRCRAFT TO THE THEATER. WHILE ALL AIRCRAFT CAN BE USED TO DETECT, INTERCEPT AND TRACK SUSPECT AIRCRAFT DEPARTING COLOMBIA, THE P-3 AIRCRAFT ARE TYPICALLY USED TO SUPPORT USSOUTHCOM "D&M" (DETECTION & MONITORING) OPERATIONS WITHIN SOUTH AMERICA AND ALONG THE TRANSIT ROUTES. AGAIN, I WILL BE HAPPY TO PROVIDE STATISTICAL INFORMATION ON OUR SOUTHCOM SUPPORT.

DUE LARGELY TO THE FLEXIBILITY AND UNOBTRUSIVENESS OF CUSTOMS AIRCRAFT, SUPPORT TO FOREIGN HOST NATIONS IN MEXICO, CENTRAL AMERICA, AND SOUTH AMERICA HAS YIELDED TREMENDOUS RESULTS. THESE RESULTS ARE PARTICULARLY IMPRESSIVE WHEN ONE CONSIDERS THE FACT THAT, AT ANY GIVEN TIME, CUSTOMS HAS DEPLOYED ABROAD ONLY *EIGHT* AIRCRAFT.

THE U.S. CUSTOMS SERVICE HAS BEEN FIGHTING THE BATTLE AGAINST DRUG SMUGGLING, ON ALL FRONTS, FOR DECADES. WHILE WE HAVE REALIZED SUCCESS IN DENYING THE SMUGGLER ACCESS TO U.S. AIRWAYS, MUCH REMAINS TO BE DONE AS THE DRUG SMUGGLER CONTINUES TO ADAPT AND FIND ALTERNATIVE ROUTES AND METHODS. CUSTOMS FIRMLY

BELIEVES, HOWEVER, THAT THE SOLUTION TO OUR NATION'S DRUG PROBLEM DOES NOT LIE IN ENHANCING ONE PROGRAM AT THE EXPENSE OF ANOTHER, BUT RATHER IN CONTINUING TO BUILD UPON WHAT HAS ALREADY BEEN ACHIEVED.

TAB I -

TOTAL of major Drugs
All drugs to ^{House}
check MAJOR CUTS : 425 m

Then the ondcp letter for
Clearance

Agenda

- A -
- B - Proposed ondcp letter
- C - Sam BSA
- D - Sam Hill

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PLYMOUTH COUNTY DA

P.02

INTRODUCTION OF WCO

William C. O'Malley is in his fourteenth year as District Attorney for Plymouth County. He was born and raised in Brockton where he currently resides with his wife, Amy and two sons, Bill and Ryan.

Bill is President of the National District Attorney's Association and formerly a Vice President and Director of that Association. He is a member of the National Advisory Board of the American Bar Association's Center on Children and the Law, and the Board of Regent's for the National College of District Attorneys. He is a member of the Board of Directors of the American Prosecutor's Research Institute. He is a member and past president of the Massachusetts District Attorneys Association. Bill is also a member of the Medical-Legal Investigation Commission.

As District Attorney, Bill is known as an aggressive and innovative prosecutor. He created the first juvenile diversion program in Massachusetts which provides an alternative to traditional prosecution for first time non-violent juvenile offenders, but seeks adult status for violent juveniles. He has been a longtime advocate for victim's rights and instituted one of the early Victim Assistance Programs in Massachusetts. His office was the first District Attorneys Office in Massachusetts to be automated.

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PLYMOUTH COUNTY DA

P.03

At the Governor's request he has served on the Massachusetts Victim's Assistance Board, the Governor's Commission on Child Support Enforcement and most recently, the Governor's Commission on Computer Crime.

As District Attorney, Bill O'Malley continues in his role as the chief law enforcement officer for the county he has repeatedly been elected to serve. He continues to advance and expand prosecution efforts in such areas as domestic violence, child support enforcement, child abuse and victim's rights.

6611P

FROM: NAAG

(202) 628-8435

TO:

2249516

AUG 10, 1993

3:04PM

P.04



MISSISSIPPI

Mike Moore

Attorney General Mike Moore was born in Jackson, Mississippi. He received a bachelor of arts degree in political science in 1974 and a law degree in 1976 from the University of Mississippi.

He was elected District Attorney in 1979, serving two terms, and is currently serving his second term as Attorney General, having first been elected in 1987 and re-elected in 1991.

General Moore is a member and former chairman of NAAG's Criminal Law Committee; a member of NAAG's Children and the Law Subcommittee; International Aspects of Criminal Law Enforcement Subcommittee; Indian Gaming Subcommittee; and Executive Working Group on Gaming. He serves as a member of the U.S. Department of Justice's Executive Working Group on Prosecutorial Relations; the U.S. Attorney's Federal-State Law Enforcement Coordinating Committee; and the American Bar Association's Prosecution Function Committee.

The U.S. Jaycees selected him as one of the Ten Outstanding Young Americans for 1991.



Mike Moore

Birthdate:	April 3, 1952
Family:	Married, one child
Party:	Democrat
Assured Office:	January 7, 1993
Re-election:	1991
Term Expires:	January 1996

*former Chair
of the NAAG
Criminal Law
Committee*

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STATEMENT OF

THE HONORABLE LEE P. BROWN

**DIRECTOR OF THE OFFICE OF
NATIONAL DRUG CONTROL POLICY**

...

HOUSE FOREIGN AFFAIRS COMMITTEE

NOVEMBER 3, 1993

Mr. Chairman, the Interim National Drug Control Strategy, which the President released on October 20, 1993, provides a new direction and focus for implementing the Administration's international anti-drug policies. The international section of the Interim Strategy is the product of a very comprehensive review of our international strategy, involving all of the relevant agencies of the Executive Branch, including the Department of State, the Department of Defense, the Drug Enforcement Administration, the National Security Council, the Customs Service, the Coast Guard, and the Intelligence Community. Under the auspices of a Presidential Review Directive, this review required hundreds of man-hours and produced over a thousand pages of documentation.

The result is a well-balanced approach that includes support to our allies, attacking criminal syndicates and effective interdiction activities. The Administration's international narcotics control programs are consistent with the overall approach of the interim strategy to aggressively respond to hard-core drug use and the rising tide of violence throughout the nation.

Mr. Chairman, last month I attended the funeral of four year old Launice Smith who was killed in a cross-fire while watching a

ball game at a public park here in the District of Columbia. This precious child could have been my grandchild or the child or grandchild of any one in this room. This type of occurrence is morally reprehensible.

Serious drug abuse, especially hard-core drug use is fueling this crisis of violence. Data released recently by the Substance Abuse and Mental Health Services Administration (SAMHSA) showed a 10 percent nationwide increase in drug-related hospital emergency room episodes between 1991 and 1992. Cocaine-related emergencies increased by 18 percent, and heroin-related episodes rose by 34 percent.

Drug use fosters a culture that accepts violence and serious risk to oneself and others as a natural way of life. It creates communities where employment is scarce, school drop-out rates high, decent health care inaccessible, HIV/AIDS rampant, violence and property crime rates are high, and social services ineffective.

1. Presidential Decision Directive for Counternarcotics

The Presidential Decision Directive for International Counternarcotics is the classified companion document that delineates the President's policies for the international arena, as well as the interagency structure for developing, coordinating and implementing international counter-drug strategies and

policies. The directive concludes that our government will treat as a national security threat the operations of international criminal narcotics syndicates. This will require a extraordinary coordination by civilian and military agencies engaged in national security affairs.

When I assumed my position as Director of the Office of National Drug Control Policy, the President made clear to me that he wanted to support those countries that demonstrated the political will to tackle the drug trafficking problem. He also wants his Administration's strategy to concentrate on those programs that work and eliminate those that do not. Our international strategy will accomplish these objectives.

Holding on to programs because they make us look "tough" but actually accomplish little fails to be honest with the American people who want a drug strategy that effectively responds to the realities of the drug problem America faces.

Since becoming Director, I have traveled to Latin America and the Caribbean to discuss the drug problem with foreign leaders and looked at many of our cooperative counternarcotics drug programs. During these trips, I discussed our new strategy with the Presidents of Colombia, Peru and Bolivia and the Prime Minister of the Bahamas. I have been to the poppy fields of Colombia, the coca growing areas of the Upper Huallaga Valley in Peru and the

Chapare in Bolivia. I have visited Operation Bahamas, Turks, and Caicos Islands (OPBAT) in the Bahamas and met with the Navy and Coast Guard leaders responsible for interdiction in the Caribbean.

Our review of previous drug strategies and programs has led us to a number of conclusions that are reflected in our interim strategy. I am comfortable that our new strategy properly reflects my own assessment of how we should proceed.

2. Comprehensive and Balanced Approach: A Realistic Look at Interdiction

Traditionally, we have separated U.S. international drug control programs into distinct areas of source country control programs and interdiction activities in the transit zones.

In the mid to late 1980's the Federal government decided to take significant action to address a major increase in the flow of cocaine to the United States. The Customs Service and the Coast Guard received infusions of resources to address the problem. When the Department of Defense was instructed by the Congress to get directly involved in the counter-drug area, it did so with the energy and resources that it believed were necessary to meet its mission requirements. Over time we have developed a better understanding of where we can effectively apply our interdiction resources. Nearly a decade of experience, however, has taught us

that interdiction is not a silver bullet.

It is clear from our review that all our international programs - - interdiction, crop control, intelligence, alternative development, judicial reform, and law enforcement -- are interdependent and mutually supportive endeavors that need to be advanced as an entity, rather than a collection of seemingly disparate individual programs. We can and will adjust the program mix to meet new challenges.

The shift in our emphasis to source countries is predicated on the conclusion that, despite valiant efforts by our military and civilian law enforcement agencies, the availability of drugs at home has not been significantly reduced enough to disrupt local drug markets. In addition, changes in drug smuggling patterns and the increased U.S. and host nation capabilities to attack drug trafficking in the source countries further justify this shift.

Last year we and our allies seized around 338 metric tons of cocaine, which cost the traffickers billions of dollars in potential profits. In the end, however, drug availability on the streets did not decline. These potential losses have led the traffickers to expand their use of maritime and commercial transportation, which has resulted in a noticeable drop in trafficker air flights across the Caribbean and through Central

America. Entrances to the smuggling pipeline are reaching deeper into the source countries, and the pipeline itself is becoming less visible. In our new strategy, we are responding to this evolutionary development. Changes in cocaine production has made traffickers and their operations more vulnerable in the source countries, so we are concentrating our resources there.

3. Controlled Shift of Emphasis

Thus, our strategy calls for a controlled shift of emphasis from the transit to the source countries. We use the term controlled shift because we anticipate that this move could precipitate a responsive adjustment by the cartels, which requires that we be prepared to respond in kind. Because interdiction is an expensive endeavor, we anticipate that our reduced efforts in the transit zone will help finance expanded efforts in the source countries.

To this end, the Department of Defense announced last Thursday that it has issued new policy guidance redirecting its counterdrug program to emphasize support to nations battling cocaine cultivation and processing while shifting away from transit zone interdiction. DoD support will be aimed at enhancing the host nations' professional capabilities and fostering regional support. Intelligence collection and analysis will target the cocaine cartels.

The cartels and other international drug trafficking organizations are highly vulnerable. Not only do traffickers fear the loss of profit, as we have learned in Colombia, they fear arrest, conviction, and seizure of their assets. Our ability to collect intelligence and build cases against major traffickers, as in DEA's Kingpin strategy, has improved considerably over recent years, and we will exploit this growing capability.

4. Counternarcotics and Foreign Policy

Drug trafficking is a criminal activity that threatens democratic institutions, fuels terrorism and human rights abuses, and undermines economic development. In the major source and transit countries, therefore, counternarcotics must be an integral part of our foreign policy and must be pursued with same long-term, worldwide commitment that the U.S. devotes to the promotion of democracy and economic advancement. Again, we should not expect to progress very far on the counternarcotics front unless we also progress on the others.

In Peru, for example, the insistence on the part of our foreign policy that the Fujimori Government continue on the path toward democracy and the protection of human rights has enhanced narcotics control efforts in this most important coca source country. Over the course of the recent year, we have seen Peru conduct three free and open elections, undertake a significant effort against corruption, and improve their record on human

rights. At the same time, our narcotics control efforts have led to the closing by Peru of municipal and clandestine airstrips used by the traffickers, the deployment of the Peruvian Air Force against suspect drug trafficking aircraft, and the expansion of chemical control efforts. While this is not to say we have the type of program we need in Peru, I respectfully submit that we are on the right path to establish such an undertaking.

Similarly, in Burma progress on the human rights front and democratization is inextricably linked to progress on the narcotics control front. Progress on reducing the cultivation of opium and heroin conversion in Burma will come about as the United States and the international community prods the current ruling regime to restore basic freedoms in their country.

5. Mobilizing International Cooperation

Since assuming my position, I have met with a number of leaders from around the world. In every case, I am advised of the need to mobilize greater international cooperation, because the scope and complexity of drug problem, along with the resources required to deal with it are too great for any one country. In this endeavor, the U.S. must continue its strong leadership role, or little progress will be made. As a nation, we cannot ignore this responsibility, and our strategy reflects this.

Last week I addressed the United Nations General Assembly and had

fruitful meetings with the U.N. Drug Control Program (UNDCP) officials. I regret that Mr. Gilman's schedule prevented him from joining me at the General Assembly because I know that this Committee shares my view that the Legislative and Executive Branch be united on the drug issues in world bodies. The UN's role in and contribution to counternarcotics is growing, and we will place priority on supporting this effort. UNDCP, for example, is playing a greater and more effective role than it did in the past. In Burma and Afghanistan, where we have had very little influence, they are actively engaged. Accordingly, in FY 93 we increased our contribution to the UNDCP to \$6.2 million and plan to increase it this year.

We will continue to work closely with the Organization of American States (OAS) and its Inter-American Drug Abuse Control Commission (CICAD), the Dublin Group, and other international bodies to address the problems of drug trafficking and use. In this regard, the strategy will give increased emphasis to prodding international financial institutions to revise their policies to reflect the threat posed by drugs and expand the pool of resources available to international narcotics control activities.

6. Measures of Effectiveness

In the past, we have tended to look at program management and efficiency as appropriate measures. While such assessments often

told us whether the dollars were spent correctly, the inventories properly managed, or desired training accomplished, they did not tell us how well individual programs contributed to the accomplishment of our strategy. Since many of our programs entail the development of host nation capabilities, their effectiveness is often difficult to measure and often a long time in coming.

These challenges, however, do not make measures of effectiveness any less important or necessary. The President has made it a priority that this area be addressed. In addition to the traditional measures of drug availability, we need to look at the long-term objectives of our programs, and evaluate our success in terms of improving the ability of source and transit nations to better control their territory and combat the drug trade. As part of this effort, we will look at goals such as dismantling major trafficking organizations, strengthening judicial capability, promoting sustained economic growth, and participating in multi-lateral law enforcement efforts.

7. Interagency Responsibilities

The President's Directive identifies the interagency processes to consist of developing, coordinating and implementing international counternarcotics policies, strategies, and programs. My role in overseeing counternarcotics policy development and coordination will be greater than that given my

predecessors. State will chair an interagency working group on counternarcotics. I will oversee the activities of this working group and will have the authority I need to mediate interagency disputes, manage the implementation of the strategy, appoint an interdiction coordinator who will report to me, and make appropriate budget recommendations to the President for the implementation of the international strategy.

8. Heroin Strategy

The Presidential Directive calls for a full review of the heroin strategy within 120 days. We are extremely concerned about the increase in opium production and heroin trafficking worldwide, particularly in Pakistan and Burma, and the increase in heroin-related activity in Eastern Europe and the former Soviet Union. As a result, the Drug Enforcement Agency has dedicated 25% of its kingpin activities be directed against heroin trafficking organizations.

In addition, we recognize that the heroin problem must be addressed on a multilateral basis. For example, while 50% of the heroin seized in the United States is of Southeast Asian variety, close to 70% of the heroin seized in Europe is of Southwest Asian variety. Further, it is obvious that because of the limited influence the United States has in some major heroin source nations, it is imperative that we work through the United Nations

and other multi-lateral forums to curtail the worldwide trafficking and abuse of heroin. This will be a major focus of our heroin review. We will aim to improve the ability of law enforcement and judicial institutions in Eastern Europe and the former Soviet Union to be better equipped to respond to the heroin threat.

9. Adequate Budget Support

As the entire Committee is aware, the Foreign Operations Appropriations Bill for FY 1994 made significant reductions to State's counternarcotics budget, as well as to Foreign Military Financing (FMF), Economic Support Funds (ESF), and International Military Education and Training (IMET). The obvious concern is whether there is sufficient funding to carry out the interim strategy. The President shares my concern and, at his direction, we are reviewing our funding requirements and potential sources of funding. Once this review is complete, we will come back to the Congress, if necessary, and seek its support in any required reprogramming of FY 93 and 94 funds. I believe that under this approach we will be able to sustain our current major international activities and begin to implement the President's strategy.

However, I must caution the Committee that any further reductions in the Department of Defense Drug Interdiction account beyond the levels proposed by the Senate in the DoD Appropriations Bill

could seriously impair our ability to carry out our strategy. I ask the help of this committee in this effort.

Similarly, looking toward the FY 95 budget, it will be important to get our international budget back to the levels proposed in the President's FY 1994 budget. This will provide the funding levels necessary to achieve the goals in our international counternarcotics effort.

One final note: demand reduction efforts will be an integral element in our overall international drug strategy. U.S. drug control agencies will encourage the expansion of drug abuse treatment and prevention programs in source and transit nations. Successful drug enforcement efforts are more likely when drug use is strongly condemned by these countries.

In conclusion, the interim strategy and the Presidential Directive provides the foundation for developing and implementing changes in U.S. counter drug efforts. Our international drug control efforts aim at getting at the source of illicit drug flows in the most cost-efficient and effective manner, and reduce the level of hard-core and serious drug use in the United States.

I would be pleased to answer any questions that you may have.

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FOR IMMEDIATE RELEASE

President William J. Clinton today signed a Decision Directive that not only provides a policy framework for U.S. international drug control efforts but also gives broad new authorities to the Director, Office of Drug Control Policy (ONDCP).

In particular, the Directive establishes that the Director will be responsible to the President for providing oversight and direction to all counter-drug policy development and implementation; for mediating interagency disputes and for the conduct of periodic reviews of international efforts. The Director will appoint a coordinator to report to him on activities and differences in international interdiction efforts; require that heads of departments and agencies report to him on steps taken to implement the Directive by December 15, 1993, and will annually approve and submit an international drug control strategy to the President. In addition, an interagency working group, chaired by the Secretary of State, will be charged with managing the implementation of the international strategy. Those activities and any differences will be reported to the Director, ONDCP.

"This Directive provides a strong foundation for developing and implementing changes that will strengthen U.S. counter-drug efforts." The President said.

"Through this process we will not only strengthen our neighbors and their democratic institutions, but get to the very heart of the international drug problem."

The Presidential Policy Directive:

- * Treats the operations of international criminal narcotics syndicates as a national security threat requiring an extraordinary and coordinated response by civilian and military agencies engaged in national security.
- * Helps strengthen democratic institutions in neighboring countries to protect them from criminal syndicates that are eroding internal stability of already weakened nations.
- * Concentrates financial support and material technical assistance to nations that have the political will to confront this serious threat.
- * States the U.S. will act unilaterally and in concert with other nations to implement the international strategy.
- * Changes emphasis from the past concentration largely on stopping narcotics shipments to a more evenly distributed effort across three programs:
 - A. Assisting institutions in other nations.
 - B. destroying narco-trafficking organizations, and
 - C. practicing more selective and flexible interdiction programs near the U.S. border, in the transit zone, and in source countries.
- * Mobilizing international cooperation and action against the illicit drug trade using the U.N., OAS, other regional bodies. Further, Multinational Development Banks and other international financial institutions will be encouraged to increase their support for counter-drug programs.

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INTERNATIONAL DRUG POLICY

Thank you very much for the opportunity to be here.....(opening)

- I am here to testify on the Administration's International Counter-drug Strategy.
- Despite comprising only a tenth of the overall counter-drug budget (\$1.2 billion in FY-93), our foreign efforts have been a "lightning rod" for much of the criticism levied at U.S. drug policies, especially interdiction.
- The interdiction effort has not been a failure as some have reported, but it has been expensive and a perception has evolved that interdiction is the "flag ship" in our foreign counter-drug effort and that the U.S. military is carrying the bulk of the support effort.
- Consequently, at the direction of the President, we have just completed an exhaustive nine month review of our international policies and strategies and this week the President signed a Decision Directive establishing the policy framework from which we will develop an international drug strategy by January 15, 1994.

Let me outline for you some of the key points of the Directive:

- We will treat as a national security threat the operations of international criminal narcotics syndicates requiring an extraordinary and coordinated response by civilian and military agencies engaged in national security.
- It is in our national interest to have strong neighbors and friends. These criminal syndicates are eroding the internal stability of already economically weakened countries. In this regard, counter-drug programs are fundamentally essential to strengthening democratic institutions and defending them against one of the most insidious threats to representative government, free market economies, human rights and environmental protection.
- We will concentrate our financial support and material technical assistance to states that have the political will to confront this serious threat.
- We will act unilaterally and in concert with other nations to implement the international strategy.
- There will be a change of emphasis from the past concentration largely on stopping narcotics shipments to a more evenly distributed effort across three programs:
 - 1) Assisting institutions in other nations,
 - 2) destroying narco-trafficking organizations, and
 - 3) more selective and flexible interdiction programs near the U.S. border, in the transit zone, and in source

countries.

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- The U.S. will lead an effort to mobilize international cooperation and action against all aspects of the illicit drug trade using the United Nations, the Organization of American States and other regional bodies. Also, Multinational Development Banks and other international financing institutions should increase their support for counter-drug programs.
- We will work with the Congress and the Office of Management and Budget to limit reductions in funding for international counter-drug programs.

(Optional) By December 1, I will submit a report to the President on the status and implications of the budget cuts and recommendations for budget projections for the implementation of the international strategy.

- One criticism levied at the current counter-drug strategy has been the lack of leadership and accountability. Let me comment on some organizational changes directed by the President at the administration of international counter-drug policies.
 - o I will be responsible to the President for providing oversight and direction for all counter-drug policy development and implementation.
 - o I will also mediate interagency disputes and conduct periodic reviews of the international efforts.
 - o An interagency working group chaired by State will be charged to manage the implementation of the international strategy and report their activities and any differences to me.
 - o I will appoint a coordinator who will report to me activities and differences in the international interdiction efforts.
 - o Heads of departments and agencies will submit reports to me on steps they have taken to implement this directive by December 15.
 - o I will annually approve and submit an international drug control strategy to the President.
- Mr. Chairman, as I mentioned before, this Directive is the result of an arduous and lengthy process and describes policy changes that deviate significantly from the international counter-drug focus of the past. Also, effective international counter-drug policies require that they be merged with our overall foreign policies. Such change cannot be developed precipitously.

Some critics no doubt will argue that by reducing our interdiction focus and shifting to greater support for source countries, we will cause an avalanche of drugs to hit our shores. But the policies of the past have been costly,

DRAFT

and as the review concluded, despite the valiant interdiction efforts by our military and civilian forces, the availability of drugs has not been significantly reduced at home. Neither are we terminating all interdiction efforts. We will continue a limited and focused interdiction effort both along our borders and abroad, but as part of a more integrated and balanced effort.

This directive provides the foundation for developing and implementing changes in U.S. counter-drug efforts. Although this directive effects predominantly the production and trafficking of cocaine in this hemisphere, it tasks a comprehensive review of our global and heroin counter-drug programs. It also recognizes the need for additional and more specific studies on our command, control, communications and intelligence centers.

Mr. Chairman, the U.S. "war on drugs" cannot be won in an international theater. It must be fought at home, in the streets of inner cities, in our schools, in our life styles and with all the law enforcement, prevention, education, treatment, and demand reduction programs we can muster. But, that is the subject of another briefing.

-- (other remarks, closing.....)

MEMORANDUM

TO: DR. BROWN

FROM: CAROL BERGMAN
RICH PORTER
HANK MARSDEN
JOHN CARNEVALE

RE: USIC RECOMMENDATIONS

DATE: DECEMBER 13, 1994

As was discussed last week, the USIC recommendations attempt to make a strong case for dramatically increasing the budget for interdiction efforts but do not provide a coherent analysis of the benefits that would accrue from such an increase. There is no analysis of the cost effectiveness of interdiction efforts in relation to dollars spent.

An evaluation of interdiction efforts encompasses an analysis of the impact of: (1) price, purity, and availability of narcotics; (2) deterrence on use and trafficking; (3) disruption of trafficking patterns; and (4) the ability to gather intelligence.

Studies do not indicate ANY impact of interdiction on price, purity, and availability. Interdiction does significantly affect and disrupt trafficking patterns, and may raise the cost of doing business to drug traffickers. (However, there is also evidence to suggest that drug traffickers and producers become more efficient in response to interdiction.) Interdiction efforts do generate intelligence which can be used in a myriad of ways with enormous benefit. The impact of interdiction on deterrence is probably the most difficult to quantify in terms of dollars. Obviously, there is an important political and symbolic role that affects and deters trafficking if not use.

The question then is one of goals. How much is gained by increased expenditure of resources on interdiction efforts?

BUDGET ANALYSIS

Implicit in the USIC recommendations is the assumption that the Federal interdiction budget should be returned to the 1992 level.

From FY 90 to FY 92, the nation's drug strategy focused heavily on supply reduction. This period saw an increase in funds from 1990 to 1991 for the six agencies that had primary responsibility for interdiction: DOD, Bureau of Land Management, Office of Territorial and International Affairs, INS, US Coast Guard, FAA, and US Customs. Total funds allocated for this period increased from \$1,752 million to \$2,028 million.

Some funds were spent on hardware systems that assisted these agencies in detecting, monitoring and confiscating the flow of drugs into the U.S. Hardware included items such as helicopters, cutters, patrol boats and other aircraft; aerostat systems and other radar detecting equipment; the construction of facilities to house Border Patrol personnel. The hardware was purchased in FY 91 and FY 92. This is the reason for budget increases during that period.

For example:

U.S. Coast Guard

FY 91: \$122 million for HH-60 replacement helicopters; completion of the fleet modernization program; upgrades to command and control communications systems.

FY 92: \$78.6 million to complete the fleet renovation and modernization program.

DoD

FY 91: \$13 million for SOUTHCOM ADP upgrades; \$6 million for unmanned aerial vehicles; \$24 million for small aerostat surveillance systems; \$7.0 to establish a data network connect law enforcement and Defense; \$10 million to establish the NDIC facility; \$14 million for unspecified equipment purchases; \$18 for Navy patrol hydrofoils.

FY 92: \$30 million for an HH-60J helicopter; \$3.3 million for SOUTHCOM equipment upgrades; \$7.8 million for deployed mobile radar systems; \$46.9 million to develop CBRN; \$13.5 million for AWAC systems improvements; \$71.2 million for other new items including OTH radar; \$20 million for enhanced SOUTHCOM communications equipment; \$40 million for continued NDIC facility development.

The apparent reduction in funding level that followed reflected maintenance and operation costs for the hardware purchased in previous years, and the change in the drug strategy from supply reduction to demand reduction with an emphasis on prevention education and treatment.

A more reasonable funding level for interdiction is one that excludes the procurement of capital items from its base. Our budget information suggests that the FY 94 budget best reflects such a budget. Its spending level includes resources to provide the operations and maintenance for the equipment then applied to the drug interdiction program. We might consider budgeting for additional resources for Coast Guard Operations and Maintenance for assets being returned to the drug interdiction program now that the Haiti operation has ended. (The Coast Guard is in a

better position than we are to estimate the O&M costs associated with the increase in its interdiction effort.)

As you know, the NSC conducted a 7-month evaluation of interdiction and concluded that a shift in resources from transit to source countries was warranted. However, the 1994 budget did not permit full funding for the source country component of the budget, thereby not allowing the changed interdiction policy to be implemented. It can be argued that additional available monies should go towards the implementation of that source country strategy, and not to put funds back into the original interdiction plans.

If, in fact, an additional \$25 million is available for DOD as Pres. Clinton has indicated, then it could be suggested that some of those funds should be used to implement the goals and priorities of the National Drug Control Strategy as developed, not to restore funding omitted based on earlier analyses.

cc: Bob Wasserman
Ricia McMahon
Ed Jurith
Charlotte Hayes

Director's Responses to USIC Recommendations

A. Brief the President and National Security Advisor on the outcome of the conference.

The President has demonstrated his commitment to the counter-drug program on numerous occasions, so the central issue is not a re-prioritization of his commitment, but the resources needed to adequately implement the transit zone interdiction portion of his strategy, especially in light of strong public pressures to reduce the federal expenditures. Field commanders attending the conference signaled the need to increase interdiction capability in the transit zone, but they provided few specifics on what was needed and why.

Briefing the President may be warranted at some point, but the Conference's recommendation to increase resources first needs to be distilled into a decision package that is consistent with previous Administration statements on interdiction. The package should provide the President and other senior policy makers with a concise statement of the problem and some specific policy and funding recommendations to resolve it. To prepare such a package will require some more assistance from conference attendees, since they possess the professional expertise and data needed to define the problem and develop the proposed solutions. Once the decision package is drafted, it should be coordinated and vetted among appropriate principals to ensure completeness and concurrence. Only if the Director and USIC are not able to achieve interagency consensus, should the Director take the decision package to the President.

B. Provide appropriate resource management guidance to OMB, Secretaries of Defense, State, Transportation, Treasury and the Attorney General.

As noted above, we should not expect the President to commit to \$540 million enhancement of the interdiction budget without a clear definition of the problem and specific resource recommendations to remedy it. The FY-94 funding levels for transit zone interdiction were established based on an extensive NSC study of what interdiction capability was required for this zone. The study responded to improving US capabilities against the air smuggling threat and the indicators showing greater trafficker use of maritime and commercial platforms. This revised approach has been routinely briefed to the Congress to show that the Administration was not turning its back on transit zone interdiction and that the FY-94 resources requested by the President provided the necessary capability to optimize our efforts there. Source country interdiction has traditionally been funded by Southern Command and agency source country budgets and this should continue.

Given its public commitment to the adequacy of the transit zone resources requested in the President's FY-94 budget, this funding level and capability should be the base line for assessing any subsequent overages or shortfalls in capability, based on variations such as changes in the threat or reductions in funding. The Administration already has been criticized by the Congress for not ensuring that deployment of resources in the field are consistent with the overall strategy, and we should be sensitive to this criticism. Accordingly, the FY-94 capability and funding should be the baseline for developing any decision package requesting the reallocation or addition of resources. Once this is done, the support of OMB and the Secretaries of Defense, State, Transportation, Treasury, and Attorney General can be enlisted.

Items C through I (General)

We have existing mechanisms (IWG, USIC, TIC) to develop and carry out these recommendations. Except as noted below, all are good ideas and do not involve substantial policy questions. The USIC and IWG should move forward to carry out the tasks.

C. Develop a Congressional and public awareness plan.

The general recommendation to develop a congressional and public awareness plan is clearly a good idea, though not new. The IWG was asked to do something similar to this but, to date, has not apparently completed the task. Though not specifically stated in the recommendation, it is apparent that part of this "plan" would be to show that interdiction is an important, and maybe equal, component of the overall Strategy and that it (interdiction) should be given more emphasis.

We should agree that there needs to be a Congressional and public awareness plan but ensure that the plan emphasizes all parts of our Strategy.

D. Review the certification process and secure "Congressional release" from prohibitions against some source country programs.

The certification process was reviewed and revamped as part of PDD 14 and probably doesn't need to be reviewed again. Getting the Congress to remove impediments to source country programs is a different matter. Part of the value to doing the Congressional and public awareness plan mentioned in the previous bullet is that the Hill would be better informed on our objectives and programs. Based on this better understanding, it might be more likely that the Hill would remove some of the impediments.

We should build on the Congressional awareness plan mentioned above and develop a specific action plan to seek removal of the impediments.

E. Develop consolidated implementation plans for the source and transshipment countries.

This is the same issue we have been looking at vis-a-vis the Source Country. Having integrated plans for source and transshipment countries/areas, and for "dismantling" cartels is a good idea and the plans should be done.

Alternative methods for developing source and transshipment country plans are being considered by ONDCP.

F. Develop a plan and mount a concerted effort to engage bilateral or multilateral counterdrug agreements with Western Hemisphere nations, particularly Cuba and Haiti.

This is clearly a good idea and should be implemented.

G. Remove the self-imposed "stand-off ranges" from the Colombian coast and territories.

Also a good idea and is now being worked on in the TIC.

H. Empower agencies to release intelligence to JIATFS and allies.

This whole area is being looked at as part of the "Interdiction Intelligence Support Plan" process that we (ONDCP) currently oversee. There may be some follow on issues related to agreements with foreign governments that would have to be worked through the IWG.

At this time, the USIC need not take action on this.

I. Validate all-source radar requirements.

There have been several reviews of radar requirements, and capabilities, over the past few years (Sensor mix study in 1992/93, the DoD Bottom Up Review, etc). Based of the level of effort required to meet the thresholds established in the work done to address Item B above, a specific assessment (or revalidation) of radar needs should be completed.

Jose
fye

Military's anti-drug effort \$3-billion flop, report says

By FRANK A. AUKOFER
Journal Washington bureau

Washington, D.C. — The military surveillance program aimed at cutting the flow of illegal drugs into the United States is a \$3.5 billion failure, according to a government report obtained by The Milwaukee Journal.

The draft report, based on findings by investigators for the General Accounting Office, says the highly touted program of using military planes and ships to head off drug smugglers has done virtually nothing to reduce the flow of cocaine into the United States. The GAO is the investigative arm of Congress.

The investigators' findings, which have not yet been made public, come at a time when the Clinton administration is conducting a policy review of the nation's drug control efforts, formally called the National Drug Control Strategy.

In addition, at a time when Defense Secretary Les Aspin and the military services are under orders to downsize and save money, the draft report flatly concludes that reducing drug surveillance flying hours and ship steaming days would "produce real savings for the federal government without seriously impairing either military readiness or the war on

drugs."

EFFORT ALMOST 4 YEARS OLD

The Defense Department's involvement in the national war on illegal drugs dates back to September 1989. Last year, the Pentagon earmarked \$1.2 billion for all of its anti-drug activities, and it estimates similar spending in 1993 and 1994. Besides the use of aircraft and ships, the Pentagon provides other equipment and services to law enforcement agencies.

However, the GAO investigators, at request of the House Government Operations Committee, focused specifically on the use of military planes and ships to help stop the flow of South American cocaine into the U.S., which the National Drug Control Strategy had identified as the top threat.

That aspect of the Pentagon's activities, GAO investigators said, has cost about \$2 billion so far.

Despite that, the draft report said, "cocaine production is rising, interdiction is failing and high-purity cocaine remains affordable and plentiful on American streets."

Although Pentagon officials have presented upbeat reports to Congress about the military efforts against illegal drugs, a congressional armed services investigator, not connected with the GAO, told The Journal that the

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report simply validated a common opinion among insiders that the military efforts neither stopped nor significantly retarded the flow of drugs into the U.S.

DRUG LORDS FIND NEW WAYS

"It's essentially an expensive political statement that we're not going to stand by and allow the flow of drugs to go unimpeded," the investigator said.

"But all we're essentially doing is forcing the drug lords to find and organize new methods for getting drugs into the country — and with our porous borders there are always new methods."

Rep. Charles Schumer (D-N.Y.), who has been one of the leading critics in Congress of big spending on international drug interdiction, said he had not seen the draft report but agreed with the conclusions reported by The Journal.

"We're spending \$1.5 billion a year for Defense Department and Coast Guard interdiction," he said. "and we get almost nothing back for it."

Schumer, who is chairman of the crime and criminal justice subcommittee of the House Judiciary Committee, said he would hold hearings in late June on the nation's anti-drug efforts. He said he favored shifting resources from interdiction to domestic enforcement and mandatory treatment programs in prisons.

said that the Defense Department had ordered excessive flying hours and steaming days to carry out its drug surveillance mission.

Despite Pentagon arguments to the contrary, the GAO investigators said the anti-drug operations provided little training for the Pentagon's primary mission of national defense.

"The costs of excessive counter-drug flying hours and steaming days are real costs to the federal government," the report said. "not costs that would have to be incurred in any event to sustain military readiness."

Among other things, the draft report says that some of the ships and planes used for drug interdiction had no other use "and have been retained solely for counter-drug use."

TRAINING BENEFITS ARE LIMITED

Where the equipment can be used for both military and anti-drug missions, it sometimes provides little military training for crews, the report says. For example, it says that five weapons systems directors who are part of a normal crew on an AWACS radar surveillance plane "receive so little comparable training that they do not even go along on drug-surveillance flights."

Moreover, the report says the radar systems, which are the workhorse of the military surveillance efforts, cannot provide detailed in-

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