

# ASSESSING U.S. DRUG POLICY IN THE AMERICAS

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

OCTOBER 15, 2009

**Serial No. 111-46**

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/>

U.S. GOVERNMENT PRINTING OFFICE

52-855PDF

WASHINGTON : 2009

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## ASSESSING U.S. DRUG POLICY IN THE AMERICAS

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THURSDAY, OCTOBER 15, 2009

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:26 p.m., in room 2172, Rayburn House Office Building, Hon. Eliot L. Engel (chairman of the subcommittee) presiding.

Mr. ENGEL. I am pleased to welcome everyone here to our hearing now, the hearing part of U.S. Drug Policy in the Americas.

Before I present my opening statement and offer members on the subcommittee the opportunity to do the same, I would like to call on our first witness, my good friend, Congresswoman Mary Bono Mack.

Congresswoman Bono Mack is one of Congress' foremost leaders on U.S. drug policy, tirelessly advocating for greater spending on domestic drug prevention and treatment programs. She is also a colleague of mine on my other committee, the Energy and Commerce Committee, and of course also has a special relationship with this subcommittee as the wife of Ranking Member Mack.

I recently, several months ago, had the pleasure of traveling with both Congressman Mack and Congresswoman Bono Mack, and we had a very frank discussion about drugs. And Congresswoman Bono Mack said that if we ever had a hearing, she would be delighted to try to speak. And so all these months I have been eagerly anticipating it, because we know that your testimony is going to be special. So I thank you very much for agreeing to testify. And I look forward to hearing your testimony. And the floor is now yours. Welcome to the subcommittee.

Mrs. BONO MACK. Thank you, Mr. Chairman.

The ranking member has no opening statement?

Mr. MACK. Mr. Chairman, would you yield so I could make an opening statement?

Mr. ENGEL. I certainly would yield.

Mr. MACK. Quickly, because we are running out of time. But I wanted to thank the chairman for the hearing, and also for asking Congresswoman Mack to be part of the hearing today. She is very passionate about this issue. And I think we all can learn from her experience in life and her passion on this issue. And so it is an honor for me to be the ranking member on this committee and have the opportunity for my wife to speak to the committee about drugs and the impact they have and the need of this Congress, this

committee, and this Congress to address these issues. I am very proud of her.

And with that, Mr. Chairman, I yield back. Thank you.

Mr. ENGEL. Thank you.

Congresswoman, I am glad you set the record straight over here.

**STATEMENT OF THE HONORABLE MARY BONO MACK, UNITED STATES HOUSE OF REPRESENTATIVES**

Mrs. BONO MACK. Thank you, Mr. Chairman. I was just actually kidding at the time.

But anyway, Chairman Engel, Ranking Member Mack, members of the subcommittee, I thank you very much for the opportunity to testify today on our Government's approach to reducing the supply of and demand for drugs in the Western Hemisphere. The challenge is one that not only affects so many families across our country, but also everything from our law enforcement efforts to scientific research and diplomatic priorities. The need to act on all fronts, prevention, treatment, research, and law enforcement, is crucial. There is no silver bullet.

In particular, I have serious concerns with the trends we are seeing among our youth toward prescription drug abuse. Drugs like OxyContin are being abused across our country, with 2,500 kids a day using a prescription drug to get high for the very first time. Just because it is sitting in the medicine cabinet does not mean it is safe. And these drugs are often used as a gateway to street drugs. When an addict goes after their next high, they really lose sight of the risks involved. And getting access to cheaper street drugs like heroin and cocaine from foreign countries becomes all too common. That is exactly why the hearing today is so important. We have got to increase efforts to stifle demand, while keeping the pressure on drug supply lines, both domestically and internationally.

Our U.S. drug policy is one that is intricately woven into many branches of government. It really is one that I would argue can and indeed must be tackled at a community level. I have personally experienced the effects of drug addiction in my own family, much like I am sure others in this room have. Our efforts in Congress need an aggressive set of goals and, in some cases, an approach that needs to be refreshed. That is why it was encouraging to see the subcommittee moments ago pass H.R. 2134.

I look forward to helping the chairman and the ranking member in pushing this legislation forward to the full House as soon as possible. The commission created in the legislation is needed, as the fight is ongoing. And it will allow us to better find the solutions to reducing the numbers of those using these dangerous substances which are staggering within our own borders. According to the National Survey on Drug Use and Health, in 2008, over 20 million Americans age 12 or older were current illicit drug users. That is 8 percent of that group of citizens.

Though the trends related to abuse of some drugs are stabilizing, we are still seeing the shift to new drugs, like the prescription drug abuse epidemic affecting rural and urban America, across all economic Groups. We have seen in the media the violence in Mexico spreading across the border, and drug operations moving onto U.S.

Federal lands, which are only a few examples of why the work of the commission is critically important to focusing our fight against this menace.

My family, our family, has been affected by addiction to prescription drugs, and it is a battle we will continue to fight together. But only with the right tools can parents and communities lessen the impacts to those they love.

I seek to work with this committee, Mr. Chairman, along with your other committee, my committee, the House Energy and Commerce Committee, to create a foundation for domestic and international drug policy that balances maintaining our vital law enforcement efforts with an augmented demand-side effort toward reducing substance abuse and addiction. There are a few specific programs we can take a closer look at. And I am hopeful the commission created in H.R. 2134 does this as well.

In particular, we should focus on the work undertaken by the State Department's Bureau of International Narcotics and Law Enforcement Affairs. They are at the tip of the spear for tracking and assisting with the foreign criminal justice systems on the law enforcement side of the equation, while also seeking to address demand-side problems that continue to increase in both source and transit countries. It is my firm belief that their demand-side program is critical to showing our commitment to helping other nations impacted by the scourge of drugs and building a shared sense of mission and solid international alliance to confront this threat. After all, we can't ignore the fact that as current trafficking routes mature, the addiction can easily shift from making money to the drugs themselves, which can contribute to dragging down local populations.

The State Department's INL bureau actively works to leverage taxpayer dollars so that we can work collaboratively with community groups, local schools, and faith-based organizations. That is key, because it is really where we can start to see the important changes within families once a region has been stabilized.

At some point, families living everywhere, from Medellin, Colombia, to cities in the United States, should have a strong democratic foundation for communities that rely on each other to actively fight drug trafficking. Only with this level of engagement can we begin to have real lasting effects on the other impacts narcotraffickers have on our societies, such as transnational crime, money laundering, and paramilitary aggression, and undemocratic governments who chose to fund these criminals.

With that, Chairman Engel and Ranking Member Mack, I am hopeful that we are starting down the path of renewed focus on our approach to international drug policy in the Western Hemisphere. And this issue should entail a bipartisan approach.

I thank you very much for the opportunity to testify. And again, I look forward to supporting H.R. 2134 as it moves forward. It shows me and the rest of Congress your sincere commitment to these issues and should prove a strong step in the right direction for the Americas.

Thank you very much.

[The prepared statement of Mrs. Bono Mack follows:]

Statement for the Record by Congresswoman Mary Bono Mack

House Committee on Foreign Affairs,  
Subcommittee on the Western Hemisphere

Hearing on “Assessing US Drug Policy in the Americas”  
October, 15, 2009

Chairman Engel, Ranking Member Mack and Members of the Subcommittee, I thank you for the opportunity to testify today on our government’s approach to reducing the supply of and demand for drugs in the Western Hemisphere. The challenge is one that encompasses so many parts of our lives, from our law enforcement efforts, scientific research, to diplomatic priorities and also to so many families across our country.

Our US drug policy is one that is intricately woven into many branches of government, but really is one that I would argue can and indeed must be tackled at the community level. I have personally experienced the effects of someone struggling with drug addiction in my own family, much like I’m sure others in this room have. Our efforts in Congress need an aggressive set of goals, and in some cases, an approach that needs to be refreshed.

That’s why it was encouraging to see the Subcommittee pass H.R. 2134 just a few minutes ago. I look forward to helping the Chairman and Ranking Member in pushing this legislation forward to the full House as soon as possible.

This Commission is needed, as the fight is ongoing, and with this legislation we can gather the necessary information to begin shoving back against the numbers of those using these dangerous substances, which are staggering within our own borders. According to the National Survey on Drug Use and Health, in 2008, over 20 million Americans aged 12 or older were current illicit drug users—that’s 8 percent of that group of citizens. Though the numbers relative to some drugs are stabilizing, we are still seeing the shift to new drugs, like the prescription drug abuse epidemic affecting rural and urban America, across all economic groups.

We’ve seen in the media the violence in Mexico spread across the border, and drug operations moving onto U.S. federal lands, which are only a few examples of why the work of the Commission is critically important to focusing our fight against this menace.

My son became addicted to prescription drugs, and it is a battle that we will continue to fight as a family. But only with the right tools can parents and communities lessen the impacts to those they love.

I seek to work with this Committee, Mr. Chairman, along with the House Energy and Commerce Committee, on which I serve, to strive to create a foundation for a domestic and international drug policy that balances maintaining our vital law enforcement efforts with an augmented demand-side effort toward reducing substance abuse and addiction.

There are a few specific programs we can take a closer look at, and I'm hopeful the Commission created in H.R. 2134 does as well. In particular, we should recognize the work undertaken by the Bureau of International Narcotics and Law Enforcement Affairs. They are at the tip of the spear for tracking and assisting with the foreign criminal justice systems on the law enforcement side of this equation, while also seeking to address demand-side problems that continue to increase in both source and transit countries.

It's my firm belief that their demand-side program is critical to showing our commitment to helping other nations impacted by the scourge of drugs and building a shared sense of mission and solid international alliance to confront this threat.

After all, we can't ignore the fact that as current trafficking routes mature, the addiction can easily move to the money made from moving a product to the drugs themselves, which can contribute to dragging down local populations. The Department's INL Bureau actively works to leverage taxpayer dollars so that we're working collaboratively with community groups, local schools, and faith-based organizations. That's key because it's really where we can start to see the important changes within families once a region has been stabilized.

At some point families living everywhere from Medellin, Colombia to cities in the United States should have the strong democratic foundation for communities that rely on each other to actively fight drug trafficking. Only with this level of engagement can we begin to have real, lasting effects on the other impacts narco-traffickers have on our societies, from trans-national crime, money laundering, paramilitary aggression, and undemocratic governments that would choose to fund these criminals.

With that, Chairman Engel and Ranking Member Mack, I am hopeful that we are starting down the path of a renewed focus on our approach to international drug policy in the Western Hemisphere, as this issue should never take on a partisan tone. I thank you again for the opportunity to testify and again, look forward to supporting H.R. 2134 as it moves forward.

Mr. ENGEL. Well, thank you very much, Congresswoman.

And I certainly think your highlighting prescription drug abuse is very important. It tends to get lost in the shuffle, and it shouldn't, because it is a problem of epidemic proportion.

And I am also glad that you stressed bipartisanship, because the only way we are going to tackle the problems with drugs in America or in the Western Hemisphere is by working in a bipartisan manner. The scourge of drug addiction doesn't stop at a Democratic house or Republican house. It goes to all houses, all American houses in both North and South America. So I thank you for highlighting that.

I don't know if the ranking member would like to make a comment, but somehow I think he better.

Mr. MACK. Thank you, Mr. Chairman.

There was a threat of the couch earlier.

Mr. Chairman and Congresswoman Mack, I want to thank you for your testimony here, because I think it gives people an opportunity to hear from others that are policymakers, but also have been affected personally. And it is not easy and it is not every day that people are willing to put themselves out as you have. And I commend you for that.

And I am very proud of you. Thank you.

Mr. ENGEL. I think we will let that be the last word.

Needless to say, we are all proud of you. And sometimes it is not very easy to talk publicly about private things that go on in a family, and it takes a great deal of courage. So thank you for your courage. I thank you for your expertise and look forward to continuing to work with you on this very difficult—these difficult problems. And I know you have a lot to offer. So I thank you.

And as people can hear, we have about 5 minutes left for a vote. So we are going to go and take a series of votes, come right back after the votes, and then we will listen to our next panel. So we will recess temporarily until about 5 minutes after the votes.

[Recess.]

Mr. ENGEL. The subcommittee will come to order. We will begin. I will let anyone who would like an opening statement to do so, and I will make mine first.

Let me first say that assessing U.S. drug policy in the Americas is certainly something that is very, very important. And it is something that is long overdue.

Report after report over the past year has come to the same conclusion, that U.S. counternarcotics efforts are not giving us the results we want to see. Whether it is the Brookings Institution, the International Crisis Group, or the Latin American Commission on Drugs and Democracy, chaired by three former Latin American Presidents, the conclusion is the same: It is time to reassess our counternarcotics efforts and to construct a new strategy.

Even Secretary of State Hillary Rodham Clinton said in March that "clearly, what we have been doing has not worked."

While billions of U.S. taxpayer dollars have been spent over the years to fight the drug war in Latin America and the Caribbean, the positive results are, unfortunately, few and far between.

For too long our country has been overly focused on the supply side of the drug trade, while paying far too little attention to what

happens here at home. I am shocked that while the United States accounts for approximately 5 percent of world population, in 2007, an estimated 17 percent of the world's users of illegal drugs were from the United States.

I am pleased that President Obama and Secretary Clinton have quickly taken leadership in asserting that the U.S. must do more to reduce our demand for illegal drugs. On her first visit to Mexico as Secretary of State, Hillary Clinton said, "our insatiable demand for illegal drugs fuels the drug trade."

Similarly, when Seattle Police Chief Gil Kerlikowske accepted President Obama's nomination to be our drug czar, he noted that the success of our efforts to reduce the flow of drugs is largely dependent on our ability to reduce demand for them.

These statements are a breath of fresh air as far as I am concerned. I look forward to working with the Obama administration to build a more balanced strategy that increases our investment in domestic prevention and treatment programs as well.

But let me be clear, a reassessment of U.S. drug policy certainly should not mean a rejection of our existing programs which seek to curtail the supply of illicit narcotics. On the contrary, we must continue to support our friends in the Americas as they combat drug cartels in their own countries. And of course, Mexico and Colombia come to mind. But we must do so with clearer goals in mind, and in a more holistic and better coordinated manner.

As we all know, there are several pieces to the U.S. counternarcotics strategy in the region. The Andean Counternarcotics Initiative, mostly focused on Colombia, but also Peru, Bolivia, and Ecuador; the Merida Initiative, with its main focus in Mexico but also Central America, as we had discussed at a private meeting that we had before the hearing; and the recently proposed Caribbean Basin Security Initiative, CBSI.

There are many excellent components to each of these programs, and I have been a strong supporter of these efforts. But for far, far too long we have overly focused our counternarcotics efforts on one specific country or subregion, only to see the drug trade quickly move to the next place in the hemisphere.

For example, as President Calderon bravely combats drug traffickers in Mexico, and I am a big supporter of what President Calderon is doing, the drug trade has slammed Guatemala, a country with weaker institutions than its neighbor to the north and a lower capacity to combat violent drug cartels.

If we want to see real results on the counternarcotics front and greater security here in our own neighborhood, we must move away from the current piecemeal approach to counternarcotics and embrace a more holistic strategy. I urge the Obama administration to work with our partners in the hemisphere to develop a counternarcotics strategy that can withstand the so-called balloon effect that results from pressure in one region causing the drug trade to move to another region. That can only be done through a better coordinated, more holistic counternarcotics strategy.

To this day, I cannot figure out who at the State Department is overseeing our counternarcotics efforts in the Western Hemisphere. Different people seem to be running the Andean programs and the Merida Initiative. And I have no idea how the Caribbean Basin Se-

curity Initiative will fit into those operations or who will manage its integration into existing efforts.

I, therefore, call for an executive branch coordinator at the State Department to oversee and manage our counternarcotics programs in the Americas. Forty years ago, in July 1969, President Richard Nixon identified drug abuse as “a serious national threat.” Two years after that, President Nixon declared a war on drugs, identifying drug abuse as, “public enemy number one.”

Unfortunately, four decades later, rather than being able to recount our successes, we find ourselves asking what went wrong. We cannot hesitate in reassessing U.S. drug supply and demand policies so that our children are not having this same discussion 40 years from now.

I thank everyone for listening.

I am now pleased to call on my good friend, Ranking Member Mack for his opening statement.

[The prepared statement of Mr. Engel follows:]

**Opening Statement  
Chairman Eliot L. Engel**

House Foreign Affairs Subcommittee on the Western Hemisphere

**Assessing U.S. Drug Policy in the Americas**

*Thursday, October 15, 2009*

Report after report over the past year has come to the same conclusion: U.S. counternarcotics efforts are not giving us the results we want to see. Whether it be the Brookings Institution, the International Crisis Group or the Latin American Commission on Drugs and Democracy chaired by three former Latin American presidents, the general conclusion is the same: it is time to reassess our counternarcotics efforts and construct a new strategy. Even Secretary of State Hillary Rodham Clinton said in March that, “Clearly, what we’ve been doing has not worked.”

While billions of U.S. taxpayer dollars have been spent over the years to fight the drug war in Latin America and the Caribbean, the positive results are unfortunately few and far between.

For far too long, our country has been overly focused on the supply side of the drug trade, while paying far too little attention to what happens here at home. I am shocked that while the United States accounts for approximately 5 percent of world population, in 2007, an estimated 17 percent of the world’s users of illegal drugs were from the United States.

I am pleased that President Obama and Secretary Clinton have quickly taken leadership in asserting that the United States must do more to reduce our demand for illegal drugs. On her first visit to Mexico as Secretary of State, Hillary Clinton said that “our insatiable demand for illegal drugs fuels the drug trade.” Similarly, when Seattle Police Chief Gil Kerlikowske accepted President Obama’s nomination to be our drug czar, he noted that the “success of our efforts to reduce the flow of drugs is largely dependent on our ability to reduce demand for them.” These statements are a breath of fresh air. I look forward to working with the Obama Administration to build a more balanced strategy that increases our investment in domestic prevention and treatment programs.

But, let me be clear: a reassessment of U.S. drug policy certainly should not mean a rejection of our existing programs which seek to curtail the supply of illicit narcotics. On the contrary, we must continue to support our friends in the Americas as they combat drug cartels in their own countries. **But**, we must do so with clearer goals in mind and in a more holistic and better coordinated manner.

As you all know, there are several pieces to the U.S. counternarcotics strategy in the region: the Andean Counternarcotics Initiative (mostly focused on Colombia, but also in Peru, Bolivia and Ecuador); the Merida Initiative (with its main focus in Mexico, but also in Central America); and the recently proposed Caribbean Basin Security Initiative (CBSI).

There are many excellent components to each of these programs, and I have been a strong supporter of these efforts. **But**, for far too long, we have overly focused our counternarcotics efforts on one specific country or subregion only to see the drug trade quickly move to the next place in the hemisphere. For example, as President Calderón bravely combats drug traffickers in Mexico, the drug trade has slammed Guatemala – a country with weaker institutions than its neighbor to the north and a lower capacity to combat violent drug cartels.

If we want to see real results on the counternarcotics front and greater security here in our own neighborhood, we must move away from the current piecemeal approach to counternarcotics and embrace a more holistic strategy. I urge the Obama Administration to work with our partners in the hemisphere to develop a counternarcotics strategy that can withstand the so-called “balloon effect” that results from pressure in one region causing the drug trade to move to another region. This can only be done through a better coordinated, more holistic counternarcotics strategy.

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40 years ago, in July 1969, President Richard Nixon identified drug abuse as a “serious national threat.” Two years after that, President Nixon declared a “war on drugs,” identifying drug abuse as “public enemy number one.” Unfortunately, four decades later, rather than being able to recount our successes, we find ourselves asking what went wrong. We cannot hesitate in reassessing US drug supply and demand policies, so that our children are not having this same discussion 40 years from now.

Thank you. I am now pleased to call on Ranking Member Mack for his opening statement.

Mr. MACK. Thank you, Chairman Engel, for holding this hearing today.

And I also want to say congratulations for passing your bill earlier today—I guess our bill. I appreciate you working across the aisle with us.

Mr. ENGEL. Our bill is correct. Thank you for working with me on the bill, and I also thank the lady we just had testify working with us as well. Thank you.

Mr. MACK. Thank you. The problem of illicit drugs affects individuals from all cultures and all walks of life. When we evaluate U.S. drug policy in the Americas, we must take an all-encompassing approach to the problem, which we have talked about here today.

The debate on supply and demand must be looked at from a different paradigm. Some will focus on the treatment or better education. Others will focus on supply and the law enforcement aspect of the problem. We must attack the problem from all angles and all perspectives.

Mr. Chairman, our policy must be effective, but more importantly, it must be objective. First, we must have reliable partners who are serious about curbing drugs, partners such as Peru and Colombia. The ONDCP has said that Colombia went from an almost failed state to a strong democratic nation with an improving economy and reduced levels of violence. It also said that Peru's President Garcia has clearly demonstrated his commitment to counternarcotics cooperation.

These are not my words, Mr. Chairman, but the assessment of the ONDCP. In order to have a comprehensive and sensible approach to the drug problem facing the hemisphere, we must have leaders who actually care about curbing both the demand and the supply of narcotics.

Take Bolivia as an example. According to our very own Office of National Drug Control Policy, Bolivia's leader, Evo Morales, continues to pursue drug policies that would not only violate current Bolivian law, but would also violate the 1998 U.N. Drug Convention.

And then there is Venezuela, Mr. Chairman.

If there is one thing President Bush and President Obama agree on well, this is Venezuela, specifically Chavez's choices when it comes to counternarcotics efforts. According to President Obama, Venezuela has failed during the past year when it comes to counternarcotics efforts. The administration continues that Venezuela has refused to cooperate on almost all counternarcotics issues.

Chavez's refusal to act responsibly not only hurts Americans, but now Venezuela has the second highest murder rate in the world. The Venezuelan Government's alignment with drug lords is so pervasive that ministers of the Chavez government are now categorized as tier-two kingpins.

Frankly, Mr. Chairman, in our role as members of the Western Hemisphere Subcommittee, we must conclude that leaders of the hemisphere who act irresponsibly, and even in a holistic fashion, that their actions end up killing Americans. We must conclude that regardless of supply or demand, eradication or treatment programs

for heavy users, that there must be responsible leadership from the top.

As we hear from our witnesses today, I look forward to a healthy debate where we can address both the supply problems, but also the demand problems. We must look at reducing program duplication and foster interagency collaboration.

Mr. Chairman, it is important, as I have said when I first started, that our analysis be objective. The supply of drugs has become a much more complex matter than drugs coming from Latin America into the United States.

Presently, according to the 2009 State Department Report on Narcotics Strategy, the U.S. has become the top producer of two out of the four most threatening drugs.

Mr. Chairman, I look forward to hearing the testimony today from our witnesses, and I yield back.

[The prepared statement of Mr. Mack follows:]

**Ranking Member Connie Mack (R-FL)**  
**Western Hemisphere Subcommittee**  
**Assessing U.S. Drug Policy in the Americas**

Thank you Chairman Engel for holding this hearing today.

The problem of illicit drugs affects individuals from all cultures and socio-economic status. When we evaluate U.S. drug policy in the Americas we must take an all encompassing approach to the problem.

The debate on supply and demand must be looked at from a different paradigm. Some will focus on treatment or better education. Others will focus on supply and the law enforcement aspect of the problem.

We must attack the problem from all angles and all perspectives.

Mr. Chairman, our policy must be effective, but more importantly, it must be objective.

First, we must have reliable partners who are serious about curbing drugs.

Partners such as Peru and Colombia.

The ONDCP has said that Colombia went from an almost failed state to a strong democratic nation with an improving economy and reduced levels of violence. It has also said that Peru's President Garcia has clearly demonstrated his commitment to counternarcotics cooperation.

These are not my words Mr. Chairman, but the assessment of the ONDCP.

In order to have a comprehensive and sensible approach to the drug problem facing the Hemisphere, we must first have leaders who actually care about curbing both the demand and supply of narcotics.

Take Bolivia, as an example.

According to our very own Office of National Drug Control Policy, Bolivian leader Evo Morales continues to pursue drug policies that would not only violate current Bolivian law, but would also violate the 1998 UN Drug Convention.

And then there is Venezuela Mr. Chairman.

If there is one thing President Bush and President Obama agree on, well... that is Venezuela; specifically, Chavez's choices when it comes to counter-narcotics efforts.

According to President Obama, Venezuela has failed demonstrably during the past year when it comes to counternarcotics efforts – the Administration continues that Venezuela has refused to cooperate on almost all counternarcotics issues.

Chavez's refusal to act responsibly not only hurts Americans, but now Venezuela has the second highest murder rate in the world.

The Venezuelan government's alignment with drug lords is so pervasive that Ministers of the Chavez government are now categorized as "Tier II Kingpins."

Frankly Mr. Chairman, in our role as members of the Western Hemisphere Subcommittee, we must conclude that leaders of the Hemisphere who act irresponsibly and even in a hostile fashion -- that their actions end up killing Americans.

We must conclude that regardless of supply or demand, eradication or treatment programs for heavy users, that there must be responsible leadership from the top.

As we hear from our witnesses today, I look forward to a healthy debate where we can address both the supply problem, but also the demand problem.

We must look at reducing program duplication and foster interagency collaboration.

Most importantly Mr. Chairman, and as I said when we first started, is that our analysis must be objective.

The supply of drugs has become a much more complex matter than drugs coming from Latin America and into the United States.

Presently, and according to the 2009 State Department report on Narcotics Strategy, the U.S. has become the top producer of two out of the four most threatening drugs.

At the same time, if we were looking at a map of the world, we would see that the transit routes for drugs starts off around Venezuela and Colombia, connect in the Caribbean, and catapult into North Africa and Europe.

Finally Mr. Chairman, I would like to make one last point.

And that is counter-narcotics cooperation with Honduras.

Mr. Chairman, the Obama Administration's decision to cut all forms of counter-narcotics assistance to Honduras has led to clear consequences.

Reports have shown that drug trafficking has increased through Honduras -- due chiefly to President Obama's decision to not cooperate or work with the Hondurans.

Regardless of your opinion on Honduras, the real and objective facts are that this decision has allowed more drugs into U.S. soil and into U.S. homes. I urge President Obama to reconsider his decision.

Thank you Mr. Chairman and I look forward to hearing from our witnesses today.

Mr. ENGEL. Thank you very much, Mr. Mack.

I appreciate the comments. In my estimation, they are very well said. Thank you.

Would anyone else like to—Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman, for holding today's hearing.

When we talk about drug trafficking, we are not just talking about the production and transportation of illegal drugs. Unfortunately, the production and transportation of illegal drugs is just part of the violent, immoral, and corrupt criminal network that challenges our laws, our safety, and our future.

Despite many years and several billion dollars spent, drug trafficking continues to be an overarching obstacle impeding security and development in the Western Hemisphere. I am pleased that the subcommittee has approved Chairman Engel's legislation to create a commission to review and evaluate our counternarcotics policies in the Western Hemisphere. The commission is charged with identifying options that can improve our current policies.

The Obama administration has shown interest in increasing prevention efforts by targeting youth through social programs, improving treatment options, and enhancing the rule of law in partner countries. These are noble objectives, and it is my hope that we see a strong focus on these areas when the administration announces its drug control strategy in the coming years.

Thank you, Mr. Chairman. I look forward to hearing from today's witnesses.

Mr. ENGEL. Thank you, Mr. Sires.

Ms. Giffords?

Ms. GIFFORDS. Thank you, Mr. Chairman, Ranking Member Mack, for holding this very important hearing today.

The Justice Department considers Mexican drug trafficking organizations the greatest organized threats to the United States, and estimates that the combination between Mexican and Colombian trafficking to generate, to launder, to remove drugs is between \$18 billion and \$39 billion a year. As we know, this is completely unacceptable.

I have 1 of 10 United States-Mexico border districts. I have the Eighth Congressional District of Arizona. And we are so heavily impacted disproportionately because of the sheer traffic that moves through southern Arizona. When I speak with my local law enforcement agents, and they are working overtime they are not properly reimbursed for, a lot of costs that are incurred; they brought to my attention this new trend of smuggling drug money in and out of the United States in the form of stored value cards.

Specifically, I am talking about these cards that can be used like debit cards or credit cards that may be used to receive cash from ATMs. Remarkably, they have gone largely unregulated by the United States Department of Treasury. And as a result, the stored-value cards are not included in cash transaction reports, reports of international transportation of currency, monetary instruments, suspicious activity reports. These are all areas that I would like to, after the panelists have a chance to testify, to really hear how we can work with Treasury and also the House Financial Services Committee to improve the situation.

We all know that these drug traffickers are incredibly smart. But if we can possibly manage to get a step ahead of them to be able to minimize the impacts they have in this multi-billion dollar industry. And Mr. Chairman, I yield back. Thank you.

Mr. ENGEL. Thank you, Ms. Giffords.

Ms. Lee.

Ms. LEE. Thank you, Mr. Chairman.

Thank you and Ranking Member Mack, again, for convening this very important hearing, also to create—the legislation at least to create the Western Hemisphere Drug Policy Commission, which does represent the sort of forward thinking that is necessary to addressing this vicious spread of illicit drug use and narcotrafficking which continues, and increasingly so, unfortunately, to devastate families and communities both at home and abroad.

I would also just like to welcome our witnesses this afternoon and thank them for your valuable testimonies.

By any honest assessment, U.S. drug policy over the past 30 years has failed. Although we have spent trillions upon trillions of dollars on counternarcotics efforts in Latin America and in the Caribbean, the use of illicit drugs, from cocaine to heroin, has steadily risen. And of course drug-related violence has spiraled out of control.

To top off this failure, United States drug policy has instigated vast collateral damage, from human rights violations to social and political upheaval. The intentionality of this damage is really irrelevant. We know very well that the human costs of current policy, what they are at least, and we know that they are unacceptable.

The underlying assumption of our efforts to counter the spread of narcotics is that the illicit drug use is harmful both to person and to society. Therefore, if our policies are not only failing to rein in drug use but are themselves causing unacceptable harm to vulnerable individuals and communities, clearly it is time for this change.

So I welcome the establishment of this commission to assess current drug policy and to offer a more effective way forward. I hope that it will not only examine the efficacy of our current policy but also the underlying premises on which this policy is based.

Also I am especially pleased that the bill voted out today includes as the commission's duties an assessment of U.S. drug prevention and treatment programs and recommendations of policies aimed at both supply and demand for illicit drugs. Given the vastly disproportionate focus that U.S. drug policy has given to supply-side programs, I am glad that both the subcommittee and the Obama administration as well intends to take an honest look at demand reduction programs, which are crucial to improving policy effectiveness. I am also pleased that the commission's duties include an assessment of the most effective experiences in the United States and throughout the world in treating drug addicts and in reducing the damage caused by drug addiction to individuals and to society.

Also, as I said earlier, the commission in carrying out its duties must investigate comprehensively the best practices around the world that target specifically and directly the societal devastation caused by illicit drug markets and drug use, from the spread of in-

fectious diseases, like HIV and AIDS, to the surge of crime and violence.

So thank you, again, Mr. Chairman.

I want to thank our ranking member, because I think this is a major step in the right direction. All of our communities know and feel the impact of drug use, drug addiction, and the narco trade. So this is again a very important bill. Thank you.

Mr. ENGEL. Thank you very much, Ms. Lee. Thank you for those words. I agree with everything that was said by all of our colleagues. Obviously, this is something that is very, very important. I am now very pleased to introduce our distinguished private witnesses.

First Mark Schneider is senior vice president and special adviser on Latin America at the International Crisis Group. He previously served as Director of the Peace Corps and as Assistant Administrator for Latin America and the Caribbean at the U.S. Agency for International Development, USAID. And Mr. Schneider has been before this committee I believe on two previous occasions as well. And we always value his testimony and his expertise.

So I thank you.

John Walsh is a senior associate for Andes and Drug Policy at the Washington Office on Latin America, WOLA. So Mr. Walsh, I look very forward to what you have to say.

And last but certainly not least, Ray Walser is a senior policy analyst for Latin America at the Heritage Foundation. He also has appeared before this committee. And we welcome his excellent testimony. So thank you three gentlemen for coming.

And we will start with you, Mr. Schneider.

Let me remind everyone that if you want to put your testimony into the record, I will do that, and you can summarize your remarks within 5 minutes. And I ask you to please keep them within the 5-minute limit. Thank you.

Mr. Schneider.

**STATEMENT OF THE HONORABLE MARK SCHNEIDER, SENIOR VICE PRESIDENT, SPECIAL ADVISER ON LATIN AMERICA, INTERNATIONAL CRISIS GROUP (FORMER DIRECTOR OF THE PEACE CORPS)**

Mr. SCHNEIDER. Thank you very much, Mr. Chairman, members of the committee, for the invitation to appear before you today on Assessing U.S. Drug Policy in the Americas, and also for your statements recognizing the nature of this problem, the nature of the threat that it poses to the United States and to the countries of the hemisphere. And I also want to congratulate you on the approval of the legislation establishing the Western Hemisphere Drug Policy Commission Act. It seems to me that this is the kind of measure which does provide for a bipartisan and hopefully very broad reexamination of the issues facing this country with respect to counternarcotics policy.

I appear before you on behalf of the International Crisis Group, and I would appreciate my testimony in full being incorporated into the record.

Mr. ENGEL. Without objection.

Mr. SCHNEIDER. In the Americas, Crisis Group has been particularly engaged in the Andean countries and Haiti, and seeking to basically prevent conflict and to bring conflicts, where they exist, to an end. In both of those areas, as well as the Central American transit countries, violence, corruption and instability result from coca cultivation, cocaine production and trafficking, and thus pose significant threats to democratic institutions. As has been mentioned, over the past 7 years we spent some \$6.8 billion on Plan Colombia alone. This year alone in the United States we will spend something like \$30 billion on domestic incarceration, law enforcement, and a very small portion on treatment. It is clear that there are fundamental changes required in U.S. strategy.

The Crisis Group has called for that kind of independent review.

And as you have noted, Mr. Chairman, the Latin American Commission on Drugs and Democracy focused on the same history, costs, and results of the war on drugs strategy and suggested that a radical revision was needed. I think it is important, these leaders are concerned about the violence in their own countries that drug trafficking poses. They are concerned about rising illegal consumption within their countries. And particularly I say in the Southern Cone countries, this is something that is growing in Chile, Argentina, and Brazil. And of, course in Colombia the links to illegal armed groups that accompany drug trafficking. And as you have noted, Mr. Chairman, this is an issue that is a regional issue, and it requires a regional solution. And hopefully this commission will be a mechanism for doing so.

And I also want to emphasize the importance of the commission's finding that there is a need in looking at the problem of addiction and looking at it through a public health focus rather than solely a criminal prosecution lens. And that demand reduction position also is echoed by the new director of the White House National Drug Policy Council, Gil Kerlikowske.

He also said that one-fifth of all of the cocaine users in the United States account for two-thirds of U.S. total cocaine consumption. And less than 10 percent of all diagnosed cases of addiction are treated. And about half of the 9 million people behind bars in this country have serious addiction problems. Of the 700,000 that are released each year, about half of them still have addiction problems and have not had treatment in prison.

The Andean countries, as some of the charts that I have put into the testimony, and I just call your attention to one shown on page 4, that indicates that over the course of the last 21 years, from 1988 until 2008, you have essentially had the same level of coca cultivation in the Andes, approximately 200,000 hectares under cultivation throughout that period. Differs between countries and time, but basically about the same level, despite everything that has been done. So, clearly, there is a need to revise that policy.

And the other point that I would raise, there is one other chart in there that shows, it is from the Joint Task Force—Interagency Task Force South, JTIAF-South in Key West, which found that last year over 1,000 metric tons came through Central America and Mexico to the United States. And of that, for the first time, 65 percent stopped first in Central America rather than Mexico.

And as you have noted, those countries have far less capability to meet both the weapons and the corruption that the drug traffickers possess.

And clearly, as you know yourself, Mr. Chairman, in the Caribbean, President Preval views drug trafficking as a major threat to the political transition in Haiti and to the political reforms in that country.

And finally, since I see the clock ticking down, let me just emphasize that there are three issues that we consider to be crucial. One is placing far more priority on public health perspectives and demand reduction, bringing to national scale the good pilot programs that exist, drug courts, et cetera. Second, in the supply countries of the Andes, concentrate more on rural poverty reduction as well as increasing the capability of law enforcement institutions.

And finally, in the supply countries and the transit countries, there is a need to support strengthening law enforcement, and also for focusing on the issue of what to do about the youth who are most vulnerable to trafficking. These are youth who, unfortunately, have not had a lot of education, don't have a lot of job opportunities. A strategy must be developed to deal with that problem.

And Mr. Chairman, let me just finally say here at home we have a responsibility to halt the arms flow south, just as we are asking the countries in the region to do a better job on halting the drug flow north. Thank you.

[The prepared statement of Mr. Schneider follows:]



Testimony of **Mark L. Schneider**, Senior Vice President, *International Crisis Group* to the House Committee on Foreign Affairs' Subcommittee on the Western Hemisphere

**"Assessing U.S. Drug Policy in the Americas"**

15 October 2009  
2172 Rayburn House Office Building

I want to thank the Chairman of the Foreign Affairs Committee, Rep. Howard L. Berman, Chairman of the Subcommittee on the Western Hemisphere, Rep. Eliot L. Engel, and the ranking members Rep. Ileana Ros-Lehtinen and Rep. Connie Mack for the invitation to offer testimony this afternoon on "Assessing U.S. Drug Policy in the Americas".

I appear before you today on behalf of International Crisis Group, the leading independent, non-partisan NGO providing a unique combination of field-based analysis, strategic policy prescriptions and high-level advocacy on the prevention and resolution of deadly conflict. In the Americas, Crisis Group has been particularly engaged in the Andean countries and Haiti, seeking to identify the drivers of conflict, analyze their origins, and offer policy recommendations to resolve them through political and diplomatic, rather than violent means. In both areas, as well as the Central American transit areas, violence, corruption and instability result from coca cultivation, cocaine production and trafficking and thus pose significant threats to democratic institutions.

Mr. Chairman, I applaud the Committee's efforts in attempting to open up a full dialogue on US drug policy effectiveness in the Americas. We have seen history repeat itself time and time again – from Plan Colombia to the Andean Counterdrug Initiative to the Merida Initiative. The Congress, we think wisely, has mandated moving away from the heavy concentration on military equipment and concentrating more on strengthening law enforcement institutions, human rights and alternative development. However, after \$6.8 billion on these supply side efforts and perhaps \$30 billion this year on domestic incarceration, law enforcement and treatment, it is clear that there are fundamental changes required in US strategy or the elements of that strategy. I think there is a recognition that some program elements need to shift. For instance, the Colombian government itself has chosen to move away from aerial eradication and instead, towards manual eradication, USAID has shifted its programming as well to focus on more sustainable alternative economic options for poor rural farmers. The legislation that you have introduced, H.R. 2134, Western Hemisphere Drug Policy Commission Act of 2009, offers that opportunity for a bi-partisan examination of these issues.

The International Crisis Group called for the independent review of counter-narcotics policy that you are proposing in our March 2008 reports: Latin American Drugs I: Losing the Fight and Latin American Drugs II: Improving Policy and Reducing Harm. Earlier this year, leaders in the Latin American Commission on Drugs and Democracy focused on the same history, costs and results of the "war on

drugs” strategy and suggested that the strategy needed radical revision. As you know Mr. Chairman, these leaders are seriously concerned about the situation of organized crime, violence that accompanies the drug trafficking industry and damage to their societies.

I would also note that one of their key points was the need for a public health focus rather than a criminal prosecution focus on cocaine addicts in their countries, a demand reduction position that recently was echoed by the new director of National Drug Control Policy R. Gil Kerlikowske, who stated “It’s time to recognize drug abuse and addiction for what it is – not just a law enforcement and criminal issue, but also a very complex and dynamic public health concern....” Essentially, along with the Latin American Commission, he argued for law enforcement concentration on drug traffickers and a greater public health and treatment response to addicts. He also cited new data that one-fifth of all the cocaine users in the U.S. account for about two-thirds of U.S. total cocaine consumption---and that less than 10 percent of all diagnosed cases of addiction are treated.

The Latin American Commission report, our own reports and your bill also appropriately urge a new review on the impact of the current counternarcotics supply side policies in the hemisphere.

The Andean countries produce 100 percent of the cocaine in the world and Colombia remains the major producer. There too, while major steps forward have occurred on security and strengthening of the state, the cocaine industry remains a significant funding source for the FARC, the primary motive for some paramilitary refusing to demobilize, and a continuing generator of new criminal groups and violent combat over drug corridors, including those into Venezuela and to the Pacific coast ports of export toward the U.S. In countries like Guatemala, criminal traffickers control municipalities and local authorities, simultaneously penetrating upper echelons of law enforcement and compromising both the legitimacy and sovereignty of the state. In Haiti, President Preval has called drug trafficking the major threat to political transition, to police and judicial reform, and to clean political campaigns. Venezuela is increasingly used as a point of transit for Colombian cocaine. Bolivia and Peru are reported to have increasing levels of coca cultivation and cocaine production, although both also have reported substantial levels of drug seizures. In almost every country where a link of the trafficking chain exists, the illicit drug trade undermines democratic institutions, weakens local governance structures, and corrodes respect for the rule of law.

The GAO almost exactly one year ago noted the following with respect to Plan Colombia:

“In October, 1999, the Colombian government announced a 6-year strategy, known as Plan Colombia, to (1) reduce the cultivation, processing, and distribution of illicit narcotics in Colombia by 50 percent over a 6-year period and (2) improve the security climate in Colombia by reclaiming control of areas held by a number of illegal armed groups, which in the last decade had financed their activities largely through drug trade profits.”

“Plan Colombia’s goal of reducing the cultivation, processing, and distribution of illegal narcotics by 50 percent in 6 years (through 2006) was not fully achieved, however, major security advances have been made.”

“Estimated coca cultivation was about 15 percent greater in 2006 than in 2000 as coca farmers took countermeasures such as moving to more remote portions of Colombia to avoid U.S. and Colombian eradication efforts. Estimated cocaine production was about 4 percent greater in 2006 than in 2000.”

In its latest report, the White House Office of National Drug Control Policy (ONDCP) has reported a record 20-year high of coca leaf production in the Andean Ridge (as a composite of Colombia, Peru and Bolivia), raising the estimated total of regional coca cultivation land to over 230,000 hectares. Its source was the Crime and Narcotics Center (CNC) at the CIA:

**Estimated Andean Region Coca Cultivation and Potential Pure Cocaine Production, 2001-2007**

|                            | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|
| Net Cultivation (hectares) | 221,800 | 200,750 | 166,300 | 166,200 | 204,500 | 225,000 | 232,500 |
| Bolivia                    | 19,900  | 21,600  | 23,200  | 24,600  | 26,500  | 25,800  | 29,500  |
| Colombia                   | 169,800 | 144,450 | 113,850 | 114,100 | 144,000 | 157,200 | 167,000 |
| Peru                       | 32,100  | 34,700  | 29,250  | 27,500  | 34,000  | 42,000  | 36,000  |

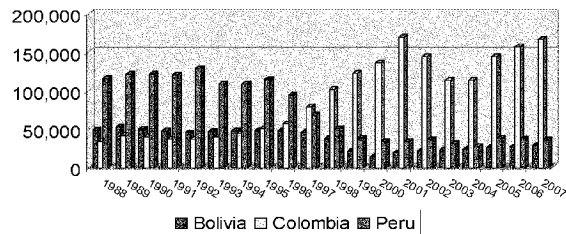
|                                                 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------------------------------------|------|------|------|------|------|------|------|
| Potential Pure Cocaine Production (metric tons) | 920  | 820  | 790  | 760  | 890  | 930  | 865  |
| Bolivia                                         | 60   | 60   | 100  | 115  | 115  | 115  | 120  |
| Colombia                                        | 700  | 585  | 445  | 415  | 525  | 550  | 535  |
| Peru                                            | 160  | 175  | 245  | 230  | 250  | 265  | 210  |

Source: Crime and Narcotics Center.

In 2008, the equivalent numbers from the CNC are not yet available for cultivation or cocaine production—perhaps the longest delay in the reporting of that data in recent memory. What is clear is that over time, there have been relatively minor changes in the cumulative levels of cultivation and cocaine production in the Andes. In fact, if one looks over the course of a longer time frame, going back to the 1980's for the Andean ridge as a whole, the average number of hectares has been very, very steady---just over 200,000 hectares although production shifted away from Peru and Bolivia in the early 1990s to Colombia.

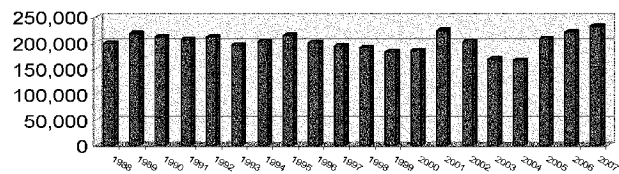
### Andean Coca Cultivation in Hectares

Source: State Department International Narcotics Control Strategy Reports, 1988-2005  
Source: White House Office of National Drug Policy, 2008



### Andean Coca Cultivation in Hectares: Combined Total

Source: State Department International Narcotics Control Strategy Reports, 1988-2005  
Source: White House Office of National Drug Policy, 2008

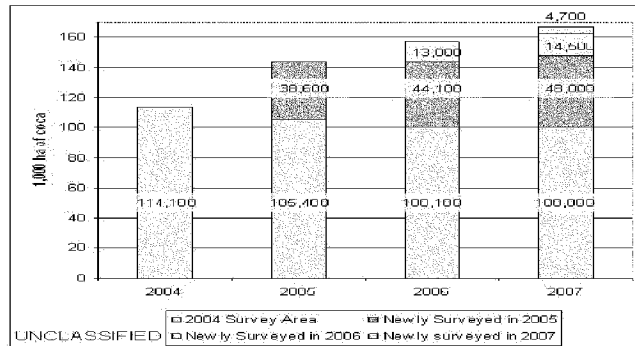


While Colombian production in particular saw a marginal decline in hectares cultivated in 2008 according to the UNODC's 2009 World Drug Report it really just returned to the same levels reported by UNODC in 2004 and 2006. Meanwhile UNODC found increases for the third consecutive year in both Peruvian and Bolivian potential pure cocaine production. The differences between the U.S. and UNODC calculation of annual cultivation and production are substantial. Each uses a slightly different balance between satellite, other intelligence and ground observation surveys. While each prefers its own methodology, they both also acknowledge that these are estimates and therefore subject to uncertainty. That uncertainty is even clearer when one turns to differing estimates of the cocaine that can be produced from those cultivated hectares.

**Production Shifts.** Specifically on the production side, coca cultivation in the Andean region has shifted to more remote areas, causing deforestation as farmers push farther into the forest to escape the watchful eye of aerial surveillance. Furthermore, cultivation is more spatially dispersed, causing production to spread more widely in smaller plots dotted along the country-side. For example, in 1999, coca was grown in 12 departments in Colombia, whereas in 2008, after the hugely expanded eradication

efforts, coca was cultivated in 25 of 34 departments. The 2009 World Drug Report finds that in 2008, most of Colombian coca cultivation reduction occurred in the regions of Meta-Guaviare and Putumayo-Caqueta; however, significant new increases were found to sprout up in the Pacific region as well as in some smaller cultivation regions.

**Year-to-Year Cultivation Comparison** (Source: *International Narcotics Control Strategy Report 2009*)



(2007 coca cultivation estimate: 167,000 ha\*, a 6% increase over 2006; Reconstitution and new planting in existing survey areas; 4,700 ha (3%) in newly surveyed areas; Survey Areas increased 6% over 2006;\*90% confidence interval: 156,000-178,000 ha; Numbers do not appear to add due to rounding.)

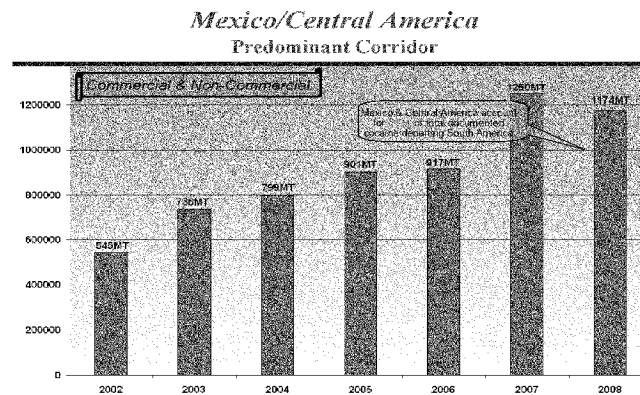
Another process of determining the amount of cocaine aimed at the U.S. market is produced by the Interagency Assessment of Cocaine Movement (IACM) which estimated that on the whole, between 545 to 707 MT of cocaine departed South America toward the US in 2007, a slight increase over 2006 estimates of 509 to 709 MT. The IACM is coordinated by the Defense Intelligence Agency and brings together all information in the U.S. government on this subject. As of 2008, the IACM remains the only source of U.S. estimates of the amount of cocaine coming out of South America toward the U.S..

Their estimate for 2008 was a whopping 1174 metric tons of cocaine coming from South America and transiting Central America and Mexico. These numbers come in part from intelligence, in part from other U.S. agencies estimates of cultivation and production and in part from extrapolating data from actual seizures and known disruptions. These include incidents in which planes are forced down or ships are sunk or scuttled, halting a substantial amount of cocaine before it reaches the Mexican border with the U.S. According to the Joint Interagency Task Force South, (JTIAF-S) which manages all of those interdiction activities, the IACM figure represents the best transit estimate currently available.

**Trafficking Shifts.** Apart from supply-side production shifts in Andean coca cultivation, US drug policy has also caused significant shifts in drug trafficking that have counter-intuitively pushed the drug trade to countries previously unassociated with high levels of drug transit. In the 1990s, the successful disruption of Colombian cartels in South America did not minimize the flow of cocaine to the US; instead, it strengthened Mexican trafficking organizations to the point where today, Mexican cartels control almost 90% of cocaine trafficking into the United States.

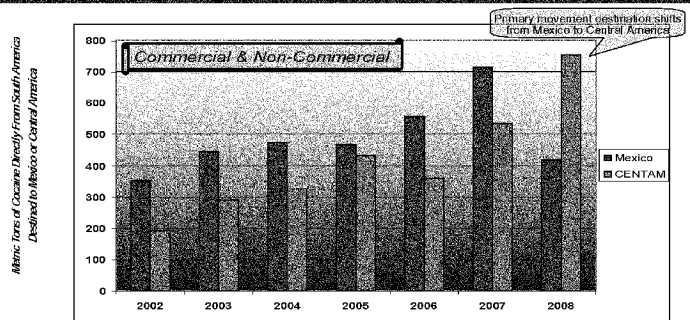
However, recent pressure on Mexico through the Mérida Initiative and in support of President Calderon's policy of combating the cartels have caused drug traffickers to shift their transit patterns.

Rather than lowering cocaine availability in North America, the heavy focus on interdiction and intense pressure in Mexico has forced traffickers to seek alternate routes – this time through Central America and the Caribbean. Last year, approximately 65% of cocaine shipments from the Andean region went first to Central America. Guatemala is the preferred stop and it saw a 47% hike in cocaine trafficking between 2006 and 2008. It also saw homicides, mostly linked to drugs, reaching 6200, equal to the number of killings in Mexico in 2008.

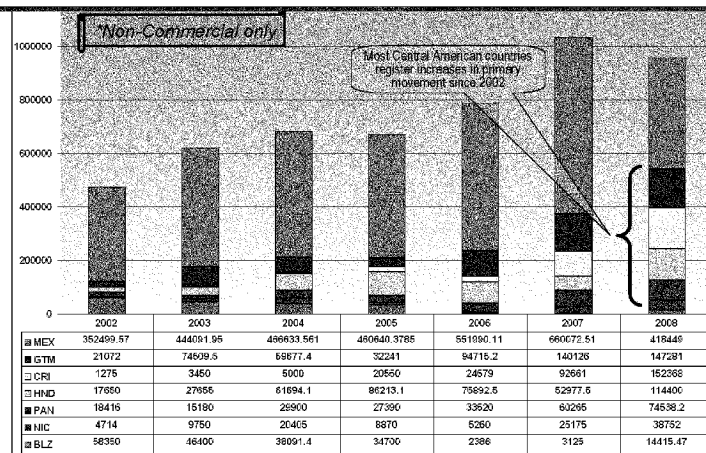


Experts have likened US drug policy in the Americas to the “mercury effect”, mimicking the way one ball of liquid mercury splits into lots of tiny balls when pressure is applied. Direct pressure on Colombia and Mexico have spatially disbursed cultivation and trafficking patterns in the Americas, creating new trends in the ways in which coca is produced, the countries enlisted in its transit, and the emerging markets to which it is directed. Outside this region, we know that the markets in Europe have turned West Africa, a region already politically unstable and largely economically impoverished, into a dangerous intersection for cocaine and organized crime. Here in the Americas, the transit shift to Central America, rather than Mexico, as the “first stop” for Andean drugs poses dangerous consequences for stability in a region barely a decade away from civil conflict.

*Cocaine to Mexico/Central America  
From South America*



*Primary Flow into MXCA by Country  
2002 - 2008*



Apart from the extension of drug transit south from Mexico into Central America, illicit drug flows are also shifting eastward toward the Caribbean, as drug smuggling flights from Venezuela to Haiti and the Dominican Republic (presumably destined for the US) increased 167% in 2006 and 38% in 2007. The

proposed new security regimes, the Caribbean Basin Security Initiative and the Central America Regional Security Initiative are attempting to address these challenges. Still, recognition of these shifts needs to be thought of as only a partial response to the issue. The primary focus needs to be on institution-building with a greater emphasis on strengthening the rule of law and on offering young people---inevitably the target market--- many more options for job opportunity.

**For all of these reasons, Mr. Chairman, now is the right time to establish an independent commission to examine not only where we are on counter drug policy from a supply side perspective, but also from a demand reduction focus. Ultimately, if we are able to significantly reduce the market for cocaine in the U.S., we will remove a significant threat to the rule of law in Latin America and the Caribbean and therefore a significant threat to stability and democracy as well.**

Mr. ENGEL. Thank you very much, Mr. Schneider.  
Mr. Walsh.

**STATEMENT OF MR. JOHN WALSH, SENIOR ASSOCIATE, ANDES  
AND DRUG POLICY, WASHINGTON OFFICE ON LATIN AMERICA**

Mr. WALSH. Chairman Engel, Ranking Member Mack, and members of the subcommittee, it is an honor to be here today to testify, especially in light of the advance of the bill to create a Western Hemisphere Drug Policy Commission, which could be a very important moment in reframing the debate on such an important issue.

In concert with this debate, as you have all remarked, within Latin America itself, there is growing debate and growing unease about the direction of drug control policy, including leadership of respected former Presidents of major countries such as Mexico, Brazil, and Colombia, calling for a rectification of 30 years of drug control policy. So this is clearly an opportune moment for such a debate.

I ask that my statement be entered in full in the record, and I will just summarize points briefly here.

Mr. ENGEL. Certainly. Without objection, so moved.

Mr. WALSH. Thank you.

Since the first point of this hearing is about assessment, I will focus on the major point, which is that our current and now long-standing policies have very evidently failed to achieve their most fundamental objectives.

As Mr. Schneider mentioned in terms of coca cultivation, it has remained remarkably stable at around 200,000 hectares for these past 20 years, despite our best efforts. With regard to the price and purity of drugs like cocaine in our country—which has been the chief objective of our enforcement-led strategies to drive up those prices—over the last 20 years, the prices have dropped significantly, and are now at or near their all time lows. Significantly, the street price of cocaine is now more than 20 percent lower than it was before the outset of Plan Colombia. This is not happy news, but I think if we are to assess the policies we have to acknowledge.

We can debate what to do now, but we have to see that our basic policies have failed to meet their fundamental objectives. I would add that it is not merely that these policies have been ineffective. They have caused an enormous amount of collateral damage, whether intentional or not. Part of that is directly because of the policies and their implementation. We can look at fumigation and its impact on farmers whose livelihoods are lost. Part of it is indirect because of what we have called the balloon effect, the spread of trafficking and the drug trade to new areas under the pressure of enforcement. These aspects need to be considered by the commission.

A second point, interagency coordination, which we have all talked about, I think is obviously crucial.

But it is important, I think even more so, to focus on getting the goals and the strategies right. And I would say the commission, again, presents the opportunity to revisit those fundamental goals and see if we can be more nuanced, more clear, and set out goals and set priorities that are worthwhile and achievable. That has not been the case to date.

I think another huge benefit of the commission approach is that it addresses supply and demand at the same time, as several people have remarked. I think this is true. But I think that is not enough in and of itself. And I would propose that a good way to move forward is to frame the drug policy priority questions as, how can we reduce the harms associated with drugs and drug markets, but also minimize the damage and harms associated with drug control policies? And I think we can have a better shot at setting the proper priorities and strategies that way.

Related to the point of goals and goal setting is that performance measurement matters tremendously. The indicators that we choose to evaluate our policies are not an academic point. They are going to shape our policy. For instance, with regard to crop control, if our main indicator is the number of hectares eradicated, agencies are going to focus on that, whether it bears direct relationship to our fundamental goals of reducing availability or not. We might focus instead on measures of the welfare and well-being of the families who are actually farming crops like coca, on the theory that as their well-being improves, they are able to ease off their reliance on illicit crops like coca.

And finally, and I think this is a crucial point, drug policy has no easy answers. It is more a series of bad options and choosing the least bad. That said, we can do this. And I think that is the motivation behind the commission itself.

There has been a lot of enthusiasm for supply-side solutions over the years I think that stem in part from, it is easy to blame other folks for our problems, but also from a sense of, boy, there is not much we can do about these problems. And I think that is not true. I think there are a lot of examples going on in the United States and across the region that give hope that we can actually accomplish what we want with smarter demand and supply policies, and through policies and frameworks that reduce the harm associated with drug markets and drug control policies.

So I thank you very much for your attention, and I look forward to your questions.

[The prepared statement of Mr. Walsh follows:]

**ASSESSING U.S. DRUG POLICY IN THE AMERICAS**  
**Time to Revisit Goals and Strategies**

Statement of

John M. Walsh  
Senior Associate for the Andes and Drug Policy  
Washington Office on Latin America

October 15, 2009

**House Committee on Foreign Affairs**  
**Subcommittee on the Western Hemisphere**  
Room 2172, Rayburn House Office Building

Chairman Engel and Members of the Subcommittee, I am honored to testify before you today about U.S. drug policy in the Americas. My organization, the Washington Office on Latin America (WOLA), has for many years conducted research and advocacy in support of more humane and effective drug control policies. WOLA is a founding member of the International Drug Policy Consortium (IDPC), a global network of NGOs that promotes open, objective debate on drug policy and supports evidence-based approaches that respect human rights and reduce drug-related harm. Early next year, the Obama administration will be presenting its national drug control strategy and budget. Both chambers of Congress are now considering legislation that would establish high-level commissions regarding U.S. drug control and criminal justice policies. Meanwhile, civil society and many governments in the Americas are contemplating their own drug policy reforms. Notably, earlier this year, three respected former presidents from Brazil, Colombia and Mexico issued a call to “rectify the ‘war on drugs’ strategy pursued in the region over the past 30 years.” This is therefore an opportune moment to promote a serious debate about the direction of U.S. drug policy in the Americas, and I appreciate your initiative in doing just that.

### **Toward a More Constructive Drug Policy Framework**

En route to Mexico in March, Secretary of State Hillary Clinton was candid about her views on U.S. drug policy. “Clearly,” Secretary Clinton said, “what we’ve been doing has not worked,” adding that the United States’ own “insatiable demand for illegal drugs fuels the drug trade.” By now, criticisms of U.S. drug policy are not likely to come as a surprise to most Americans – an October 2008 Zogby/Inter-American Dialogue national survey found that 76 percent of likely voters considered the so-called “war on drugs” to be “failing.” But Clinton’s forthright acknowledgements – both that the United States bears a large share of responsibility for the illicit drug trade, and that our policies have failed to meet the challenge – marks a welcome shift in the debate.

Under successive administrations, Republican and Democratic alike, the national drug control strategy and the federal drug control budget have emphasized law enforcement efforts to curtail illicit drug supplies and restrict availability. New ONDCP Director Gil Kerlikowske has signaled that the national strategy now being drafted will place greater emphasis on efforts to reduce domestic demand for drugs – including evidence-based prevention and treatment – and will be “rigorously assessed and adapted to changing circumstances.” Given the dismal results of the supply-control efforts that have dominated U.S. strategy to date, placing increased priority on demand reduction and subjecting *all* aspects of the strategy to rigorous assessment – including its enforcement components – would represent a real change.

As this Committee’s bill to create a “Western Hemisphere Drug Policy Commission” underscores, any assessment of U.S. drug control policy in the Americas must consider both supply and demand dimensions. But the traditional supply-control and demand-reduction categories are inadequate for understanding the challenges and opportunities for modern drug control policy. A more useful approach begins with the recognition that a smarter combination of demand and supply strategies can hopefully contain and perhaps even reduce the size of illicit drug markets, but will not eliminate them. The challenge, then, is to minimize the damage caused by drug production, distribution, and use – but also to minimize the damage caused by our drug control policies.

The “harm reduction” approach originated as a public health innovation focused on reducing harms to drug users, and has met with considerable success (for example, needle-exchange programs have been shown to slow the spread of HIV/AIDS, without increasing drug use). But as a framework for devising and evaluating drug policy, harm-reduction’s great potential is just beginning to be realized. Given the centrality of law enforcement to U.S. drug control strategies in the Americas – and given the discouraging record of these efforts in restricting drug supplies and shrinking drug markets – a harm reduction approach to drug enforcement is especially relevant.

After surveying the evidence regarding the results of the major elements of U.S. drug policy in the Americas – crop control and interdiction – I will return to the theme of reducing harms. I will argue that the results of our policies to date warrant profound reappraisal of our goals and strategies, and that harm reduction would be an especially helpful framework to guide such a reappraisal, particularly regarding the aims of drug law enforcement. Over the past three decades, our aggressive expansion of drug enforcement to reduce supply has

come at great cost but achieved very little. Enforcement strategies that focus on reducing the worst harms of illicit drug markets could deliver enormous public health and public safety benefits, even if the overall scale of the drug markets is unaffected.

### Considering the Evidence

The crucial first step to improving upon our current set of policies is to realize – and to acknowledge – that they haven’t succeeded. For several decades, the defining theme of U.S. drug policy has been the suppression of drug supplies through aggressive enforcement-led operations, including crop eradication and drug interdiction (and at home, through the arrest and incarceration of drug dealers). None of these efforts have achieved the hoped for results. As measured by the number of hectares of land under coca cultivation in the major Andean producer countries, and as measured by the prices and purity levels of cocaine and heroin in the United States, the fundamental goals of U.S. policy have not been met. Indeed, despite the intensification of our efforts in recent years, we appear farther than ever from achieving those goals: coca cultivation is apparently at an all-time high, while U.S. cocaine and heroin prices are at or near their all-time lows.

Defenders of the status quo policies argue that without such efforts the targeted drugs would be even more readily available, at even lower prices, than they are today. But this argument fails to consider the opportunity costs of sticking to current policies to the exclusion of options that might achieve at least as much, and without generating the enormous collateral damage that current policies do. Indeed, the numbers detailed below (whether stable coca cultivation, or falling cocaine prices) indicate the resilience of the drug markets in the face of our aggressive enforcement efforts, but the numbers alone do not convey the extent of the damage done along the way.

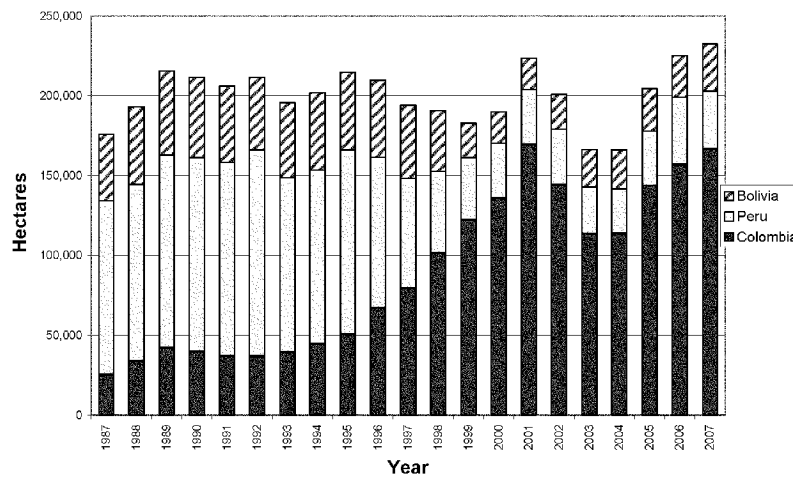
Some of the damage is caused directly by implementation of policy, as when a farmer’s key cash crop is destroyed with nothing to take its place. Other damage occurs as a consequence of policy “success,” as when crop eradication pushes growers to new zones, or when interdiction compels traffickers to forge new routes. Such displacement of drug production and trafficking – known as the “balloon effect” – tends to spread the damage associated with drug production and trafficking (environmental destruction, corruption, violence), without any appreciable impact on the overall market. The eradication of crops upon which farmers and their families depend pushes people deeper into poverty, and thereby reinforces their reliance on illicit crops. Decades of forced eradication efforts in Latin America have left a trail of social conflict, political unrest, violence and human rights violations. These negative consequences of our enforcement-led strategies may be unintended, but they can no longer be considered unpredictable.

The balloon effect can also be thought of in policy terms, where apparent success in one supply-control realm can increase the odds against success in another. For example, crop eradication and drug interdiction are typically presented as complementary approaches, but which may work at cross-purposes in practice. But success in interdiction (and traffickers’ expectation that some significant fraction of the drugs they are smuggling will not make it to their intended market) also increases traffickers’ incentives to promote more cultivation, to make up for the anticipated losses.

### Coca Cultivation and Cocaine Production

Andean coca and cocaine production has evidently remained fairly stable at high levels. The two sets of official crop estimates, one generated by the U.S. agencies, the other by the United Nations Office on Drugs and Crime, have differed dramatically from each other over time. Neither set of numbers is solid enough to attach great importance to the changes from one year to the next. But the estimates can be useful for considering trends over longer stretches of time, and both sets of estimates describe a situation remarkable more for its stability than for its fluctuations. (For many reasons, the crop cultivation and drug production figures should be considered rough approximations. Given the considerable measurement uncertainties involved, these figures ought to be presented as ranges rather than as simple point estimates, a format that conveys an unwarranted sense of precision.)

FIGURE 1: Andean Coca Cultivation Estimates, 1987-2007



Sources: State Department and ONDCP

The U.S. estimates of the land area under coca cultivation each year in the Andean region have hovered near 200,000 hectares for nearly two decades. From 1987-2007, the average annual estimate was about 200,400 hectares, ranging from a low of 166,200 hectares (in 2004) to a high of 232,500 hectares (in 2007, the most recent year for which U.S. estimates are available). The 2007 figure was about 15 percent higher than both the 21-year average and the average for the most recent 5-year period (2003-2007).

Another way to consider the coca cultivation estimates is to compare the estimates averaged over 5-year increments. The 5-year averages have been quite stable for two decades: from 1988-1992, the annual average was about 208,000 hectares; from 1993-1997, 203,000 hectares; and in 1998-2002 and 2003-2007, about 198,000 hectares. Such comparisons help to focus attention on the broader trend of stable cultivation rather than on year-to-year

swings. The 5-year period with the highest annual average (1988-1992) was only 5 percent higher than the 5-year period with the lowest average (1998-2002).

From 2000-2007, U.S. estimates of potential cocaine production ranged from a low of 760 metric tons (in 2004) to a high of 975 metric tons (in 2002), with the 2007 figure of 865 metric tons slightly lower than the 8-year average. The UN cocaine production estimates from 2003-2008 have ranged from a low of 845 metric tons (2008) to a high of 1,008 metric tons (2004), with the 2008 figure about 11 percent lower than the 6-year average. Taking the mid-point of the U.S. and UN estimates for the five years (2003-2007) for which both sets of estimates are available yields an annual average of about 900 metric tons of potential cocaine production (Annual U.S. cocaine consumption is estimated at about 250-300 metric tons.)

The evidence suggests that forced eradication as a strategy to reduce illicit crop cultivation is not merely ineffective, but actually counter-productive, basically because of the negative impacts on the welfare of the farmers themselves. Eradication that is immediately successful in reducing crops tends to create incentives in precisely the wrong direction, with the temporary production decline driving up farm-gate prices, thereby encouraging replanting and expansion of cultivation. Eradication's own immediately successful implementation therefore helps create conditions that eventually blunt or reverse the reductions achieved. A related perverse effect of eradication is its tendency to contribute to the dispersion of crops to new, more remote areas. In 1999, the United Nations detected coca growing in 12 of Colombia's 34 departments; in 2008, coca cultivation was evident in 24 departments.

The reason why forced eradication prompts replanting and crop dispersion is hardly a mystery: the vast majority of coca and opium poppy growers are impoverished, small-scale farmers. Coca crops supplement subsistence-level farming; often the income from such crops provides the family with its only source of cash income. Coca does not make these farmers rich; it allows them to survive. If their key cash crop is destroyed without other viable alternatives already in place, they will more often than not resume coca growing.

Beyond exacerbating their already precarious economic conditions, forced eradication imperils targeted growers and their communities in other ways as well. Abuses and human rights violations often occur during eradication operations. In Colombia, both fumigation and manual forced eradication have also fed the growing ranks of Colombia's internally displaced persons. The non-governmental Consultancy on Human Rights and Displacement (CODHES) estimates that in the department of Guaviare, where more than 24,000 hectares were fumigated during 2007 and 2008, "60 to 70 percent of total displacement ... is linked to the economic crises that fumigations wreak upon farming families."

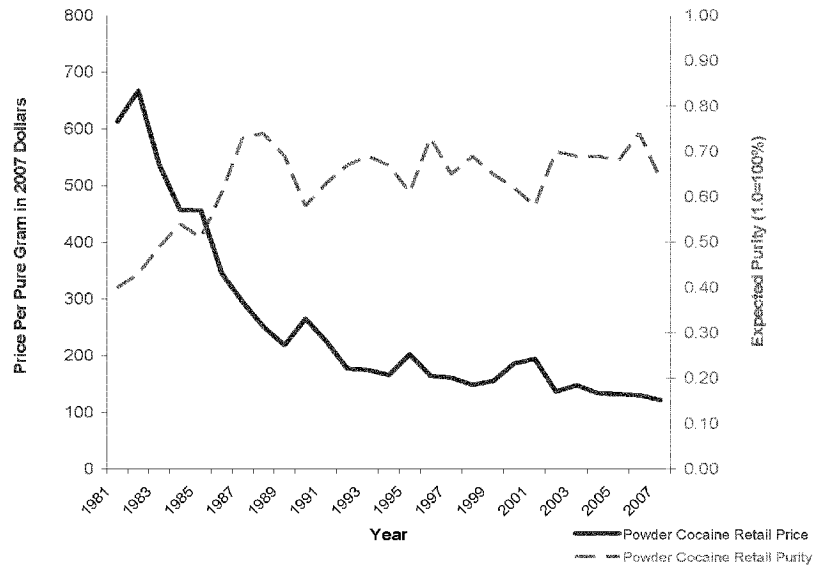
Rather than continue to focus on destroying crops that are sooner or later replaced, a "development-first" approach would emphasize improving the economic options available to coca and poppy farmers, permitting gains in their welfare that can eventually translate into reduced reliance on crops for illicit markets. Such an approach recognizes that the crops themselves make a poor target for policy, because they are so readily replaced and because the crops account for such a tiny fraction of the eventual street price of cocaine and heroin. Even the most ambitious eradication campaigns do not have much long-term impact on drug availability and price. A development-first approach also recognizes that as long as the tens of thousands of poor farmers who bear the brunt of forced eradication have so few

survival options, they will continue to resort to growing coca. Durable success in reducing such crops will depend on real improvements in the prospects of these farming families.

#### Cocaine and Heroin Prices

The goal of U.S. policy has been to drive up the street price of drugs by attacking production, but the latest reliable estimates show that U.S. retail prices of heroin and cocaine have fallen sharply since the mid-1980s. Released by the White House in early 2009, the most recent comprehensive analysis concludes that cocaine's U.S. retail price per pure gram in 2007 was the lowest figure on record – nearly 22 percent lower than in 1999, the year before Plan Colombia was launched. By 2007, heroin prices had also fallen to historic lows.

FIGURE 2: Annual average estimates of retail cocaine price and purity, 1981-2007



| Year | Price | Year | Price | Year | Price |
|------|-------|------|-------|------|-------|
| 1981 | \$613 | 1990 | \$265 | 1999 | \$155 |
| 1982 | \$667 | 1991 | \$226 | 2000 | \$186 |
| 1983 | \$537 | 1992 | \$178 | 2001 | \$194 |
| 1984 | \$457 | 1993 | \$175 | 2002 | \$137 |
| 1985 | \$456 | 1994 | \$166 | 2003 | \$148 |
| 1986 | \$345 | 1995 | \$202 | 2004 | \$134 |
| 1987 | \$294 | 1996 | \$165 | 2005 | \$132 |
| 1988 | \$251 | 1997 | \$161 | 2006 | \$131 |
| 1989 | \$218 | 1998 | \$149 | 2007 | \$122 |

Source: ONDCP

Price trends are of course a function of both supply and demand. While robust supply is evidently a large part of the equation, it may be that cocaine's historically low U.S. retail prices are also due to slackening demand. Indeed, total U.S. cocaine consumption appears to have peaked in the late 1980s, declined modestly through the 1990s, and then plateaued. But there is no indication that consumption has been declining in recent years. Household and school-based surveys, for example, show that the percentage of Americans who use cocaine has remained basically stable since 2000.

Cocaine and heroin prices have fallen even as the United States has escalated its central enforcement-led strategies to attack supply and restrict availability. The figures below illustrate the large and growing gap between our tremendous efforts to curtail drug supplies and the stubborn reality that drugs such as cocaine and heroin remain readily available, at lower prices than ever. Figure 3 contrasts the falling prices of cocaine and heroin with the increased U.S. spending on interdiction and international drug control, which are largely law enforcement (and military) expenditures.

FIGURE 3: U.S. Spending on International Drug Control Rising, Street Prices of Cocaine and Heroin Falling

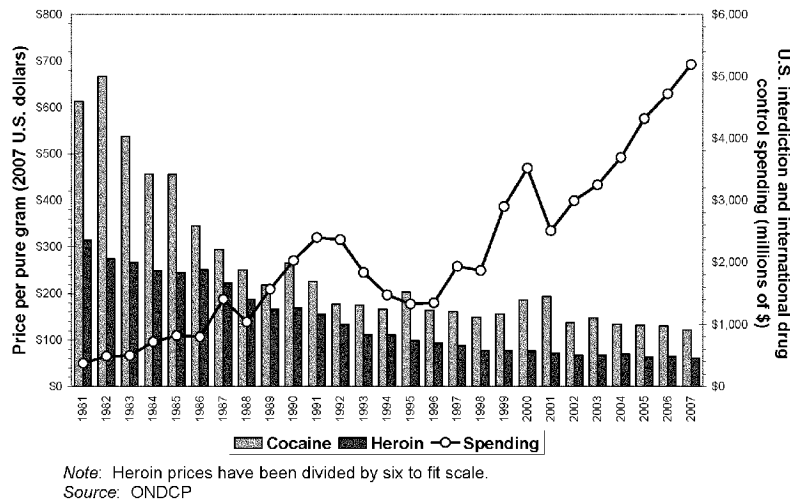


Figure 4 (next page) contrasts the falling prices of cocaine and heroin with the remarkable rise in the number of drug offenders behind bars, which has climbed from barely 50,000 in the early 1980s to about 500,000 today.

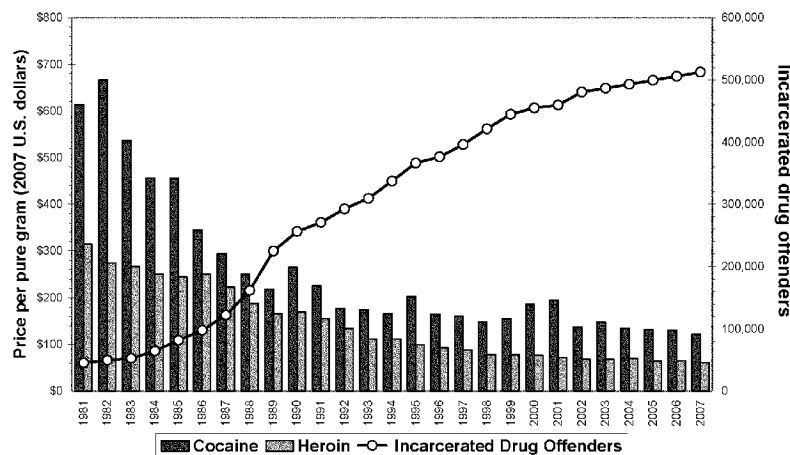
#### Adjusting Expectations: The Limits of Supply-Control

What to make of the evidence of the nearly relentless fall in cocaine prices? On the bright side, less expensive cocaine does not appear to have stimulated a significant increase in the

prevalence of U.S. cocaine use or even an increase in total cocaine consumption. But this apparent stability in the U.S. cocaine market comes *despite the fact that cocaine has become more affordable*, not because it has become more expensive; in 2007, retail cocaine cost less than half what it cost in 1988. Whatever factors have accounted for the decline and eventual stabilization of the prevalence of cocaine use in the United States, scarce supplies and rising prices are not among them.

This does not mean that episodes of market disruption will not recur; on the contrary, the price and purity time-series shows that fluctuations are quite common. It would be surprising if the current confluence of events – stepped-up enforcement and interdiction by Mexican authorities, disputes within and between Mexican drug trafficking organizations, increased shipment of cocaine to European markets, and increased cocaine distribution within transit countries – did *not* lead to disruptions and measurable price spikes in the U.S. market. The historical record strongly suggests, however, that such disruptions will prove temporary. Expectations for what can be accomplished through supply-side drug control strategies should be brought into line with this sobering reality.

FIGURE 4: Incarceration of Drug Offenders Rising,  
Street Prices of Cocaine and Heroin Falling



Notes: Heroin prices have been divided by six to fit scale.  
Number of incarcerated drug offenders for 2003-2007 extrapolated based on 1/2 of the annual average growth rate for 1998-2002.

Sources: Prices – ONDCP; Incarcerated drug offenders – J. Caulkins & S. Chandler, Carnegie Mellon University

This lesson is especially crucial in light of the situation in Mexico today. Mexico is struggling to contain severe drug-related violence, and the United States – whose money and weapons stoke the power of Mexican criminal organizations – is undoubtedly obligated to help Mexico stem the horrific violence. For Mexico, the key challenge – enormously difficult in its own right – is to reduce the threats to public safety and to democratic institutions posed

by criminal organizations. But it is important to realize that success in reducing the violence tormenting Mexico will not necessarily entail a sustained reduction in the flow of illicit drugs into the United States.

The vast scale of the U.S.-Mexican commercial relationship presents drug traffickers with nearly boundless opportunities to move their product into the United States, where cocaine has long since become a market commodity, with prices that are high compared to legal drugs like alcohol and tobacco, but low enough to retain a lucrative mass market. Moreover, to the extent that Mexico may succeed in making itself a less hospitable place for illicit drug trafficking, operations can shift elsewhere. The rise of Mexican cocaine trafficking was itself a consequence of the successful U.S. interdiction focus in the Caribbean in the late 1980s and early 1990s, which led Colombian trafficking groups to seek access to the U.S. market through Mexico. Mexico's location and close ties to the United States provide clear advantages for smugglers, but the successful disruption of trafficking operations within Mexico would have the predictable consequence of shifting activities to other areas within Mexico and to other countries in Central America and the Caribbean.

### **Getting Real: Reducing Harms**

Essentially, we have tasked law enforcement (and increasingly and explicitly, the military) with curtailing established, lucrative markets. But the markets have endured, with the targeted drugs as available as ever. Rather than continue to define law enforcement's drug control role as one of attacking supply, it would make sense to focus where enforcement can (and should) make a positive difference – by addressing the real devastation associated with illicit drug markets, especially violence. Such a shift in approach is already underway, notably in the United Kingdom and Australia, but also in communities in the United States. To oversimplify, the key insight of this approach is that drug enforcement can push or mold the market into less damaging practices, even if overall availability is unaffected.

Such innovations are not simply the realm of theory – they are real. The impressive work of David Kennedy and colleagues at the National Network for Safe Communities (such as in High Point, North Carolina) demonstrates that targeted, coordinated enforcement can help communities shut down overt street drug markets – and considerably curtail the associated crime and violence – with minimal arrests and prosecutions. The promising results of Hawaii's HOPE probation show that drug abuse, crime, and incarceration can all be reduced through effective community supervision built on swift and certain, but mild, sanctions. Soon to be published evidence from HIOPE indicates that the program reduces positive drug tests by three-quarters and new arrests by half among probationers.

These innovations now underway in the United States are directly relevant to the discussion over the way forward for U.S. drug policy in the Americas. This is because U.S. enthusiasm for trying to suppress drug supplies overseas stems in part from the allure of blaming others for our own problems, and in part from the sense that our own problems are too daunting, too intractable, to do much about. But the examples of High Point and HOPE, among others, refute such thinking, and suggest that we can significantly improve our efforts to reduce drug abuse and crime, without the heavy reliance on arrests and incarceration that have defined our drug policy and swelled our prisons for the past three decades.

### **Performance Measurement Matters**

Adopting a harm reduction approach to drug control – generally and regarding law enforcement in particular – would entail not only refocusing our goals and strategies, but also reconsidering how we measure performance, so that our chosen indicators are directly connected to the outcomes we seek – such as reduced crime, or reduced spread of HIV/AIDS – rather than being simply descriptions of our activities (e.g., hectares of crops eradicated; tons of drug seized; number of dealers imprisoned).

Selecting the proper performance measures is not merely an academic point, but goes to the heart of the challenge of shifting towards successful policies, because indicators structure the incentives for the agencies that implement policy. If the number of hectares of crops eradicated is taken to be a key indicator of policy success – and, by implication, of agency budget growth and career advancement – then people working in those agencies will understandably focus on eradicating as much coca as possible, as fast as possible. This is the story of the past two decades of U.S.-backed coca eradication efforts in the Andes, and cultivation levels are apparently now as high as ever. On the other hand, if indicators of improved well-being of farming families and communities were to be considered key measures of progress – the goal being to establish viable economic options that would eventually permit reduced reliance on illicit crops – then the emphasis would be on development first, not crop destruction.

Many of the activity-based indicators that have come to define how we think and talk about drug control policy – crops eradicated, drugs seized, arrests made, convictions won, etc. – structure the incentives of implementing agencies in ways that perpetuate strategies that are not only ineffective, but contribute greatly to the suffering caused by drug control (e.g., fumigation of illicit crops, massive arrests and incarceration). It is noteworthy, therefore, that the bill being considered by the Committee today would explicitly charge the envisioned commission with assessing “whether the proper indicators of success are being used” in U.S. drug policy. The short answer is “no,” but the question itself raises another question: Are the goals and strategies that have come to define U.S. drug policy in the Americas essentially correct, or should they also be reassessed? In light of the evidence about what our current policies have achieved, and given the important drug policy innovations taking place today – especially the conceptual enlargement of the harm-reduction approach – this is precisely the time to revisit and to modernize our drug control goals and strategies.

### **Making Progress, Not Excuses**

The U.S. drug policy debate has long been paralyzed by a discourse that highlights two extremes – no-holds-barred “drug war” and nothing-less-than “legalization” – as if they were the only options. As a consequence, U.S. drug policy has largely been on auto-pilot for nearly three decades, without ever revisiting the basic assumptions behind our goals and strategies. Beyond waging a “war on drugs” by trying to suppress production in Latin America, the United States has also promoted aggressive drug enforcement and incarceration as the model for the region. But even as incarceration rates have climbed – up 40 percent on average in Mexico and South America over the last decade – illicit drug markets have not only persisted, they have thrived, and the havoc they wreak has been spreading, in the Americas as much as anywhere.

The growing realization that we and our neighbors in the Americas are not well-served by the status quo U.S. policies presents the opportunity to re-examine old premises and modernize our goals and strategies, so that our aims are at once worthwhile and achievable. In the past, the evident failures of our traditional drug control strategies prompted the escalation of essentially the same approaches. Set against the evidence, our goals have increasingly come to resemble wishful thinking, not serious policymaking. We cannot afford to repeat the same mistakes now.

Fortunately, the drug policy debate itself is becoming more open and more interesting, with promising approaches like harm reduction helping to frame our drug policy choices. Similar debates are also developing in other countries across the Americas, where drug trafficking and the “war on drugs” are both exacting an enormous toll in human suffering and weakening of democratic institutions.

This is not to say there will be easy answers, much less perfect solutions; drug policy is generally a matter of choosing the least bad options, and trade-offs abound. But better to make real progress in reducing drug-related harms than to persist with policies that have failed to meet their own basic goals even as they have generated immense collateral damage.

Mr. ENGEL. Thank you very much, Mr. Walsh.

Dr. Walser.

Mr. WALSER. Thank you very much.

Mr. ENGEL. Why don't you turn on your mike.

**STATEMENT OF RAY WALSER, PH.D., SENIOR POLICY ANALYST  
FOR LATIN AMERICA, DOUGLAS AND SARAH ALLISON CEN-  
TER FOR FOREIGN POLICY STUDIES, THE HERITAGE FOUN-  
DATION**

Mr. WALSER. Although my voice often carries without the aid of a mike.

But thank you very much for this opportunity, Chairman Engel.

Thank you very much, Ranking Member Mack and the other members of the subcommittee.

I, too, am very heartened to hear news of H.R. 2134 passing today. In fact, I wrote a backgrounder saying, what are some of the things that the Obama administration could do when it comes into office? I did this back in February. And I actually recommended the creation of such a commission. I had experience back in the 1980s with the creation of one. You can debate its outcome and results, but the National Bipartisan Commission on Central America took this sort of approach to a contentious issue, and I think it laid a very fundamental framework for bipartisan strategies.

I would like, sir, to introduce also my testimony, which I have left with you, into the record.

Mr. ENGEL. Without objection, so ordered.

Mr. WALSER. Very good. I think that I would just add a couple of observations of things that you are going to have to deal with in the future.

First of all is I think we have to continue to look very closely at the successes of Colombia. I think that Colombia is the pivotal country. Clearly, given the production of cocaine there, we have stressed some of its failures, but there are many successes that have occurred. The reductions in violence, the reductions in terrorism, control of national territory. It is the building of strong states in Latin America that is one of the fundamental objectives of a comprehensive counterdrug strategy. And I think that the United States has gone with considerable efforts, and certainly with your support and others, to build a much stronger Colombian state than we had 10 years ago.

I also echo the importance of supporting President Calderon and his fight against the drug cartels in Mexico. It would be good if we could see a turning point, but it is still going to be a very difficult challenge ahead.

I would like to introduce one caveat. I think that in the drug trade, we deal a lot with the political context—clearly, the political context in the United States—but I think we have to also look that there is in the Western Hemisphere a growing body that really seems to be sort of pulling against us. And I believe that the United States should be deeply concerned about the connections that have developed between the drug trade and the Bolivarian revolution, widely proclaimed by Venezuela's Hugo Chavez and members of the Bolivarian Alternative for the Americas.

The Bolivarian movement blends a toxic mix of resurgent nationalism, populist authoritarianism, and anti-Americanism. And while ALBA purports to seek the integration of people's regimes for the promotion of social justice and the benefit of the poor and marginalized, it cloaks a consistent strategy of noncooperation aimed at reducing U.S. access and influence in the regions. Booting the Drug Enforcement Agency out of Bolivia, or Venezuela, closing the forward-operating base at Manta, Ecuador, and expelling U.S. Ambassadors on flimsy pretexts are all signs of a consistent effort to undercut past joint progress on the drug front. The Bolivarian leaders see their strength waxing whenever U.S. influence wanes.

I introduce in my testimony a number of recommendations largely coinciding with those which you have recommended, a consolidation of undertakings. Yes, why should we have a Plan Colombia, a Merida Initiative, a Caribbean security undertaking? I think we need certainly more interagency cooperation. Command and control in the drug fight requires a robust whole of government approach and constant interagency coordination. The democratic states of the Americas must continue to approach organized drug criminal organizations with the same determination and application of resources they employ to prevent international terrorism.

I certainly think we should continue to strengthen our ties with Colombia. And clearly, one of those things that we can do to boost legal trade is to pass the free trade agreement with Colombia.

Clearly, I think it is time to begin the planning stages. If I remember, the Merida Initiative will largely run out this year in terms of funding. It is time to look at Merida II or some more comprehensive undertaking such as you have suggested.

Finally, I, too, agree that there are vulnerable countries in Central America, Guatemala being one, the islands in the Caribbean, that need special attention and need to be on sort of an urgent watch list by the U.S. Department of State and the like.

Finally, I would make one observation on the demand side. I think that in the person of the 44th President of the United States, we have a powerful authority whose charismatic voice needs to be heard in targeted messages regarding the danger of drugs. The time appears right for the President to employ his formidable powers of persuasion to convince younger Americans that change and hope in their lives begins drug-free.

Thank you very much.

[The prepared statement of Mr. Walser follows:]



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*CONGRESSIONAL TESTIMONY*

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## **U.S. Drug Policy in Latin America**

**Testimony before  
Subcommittee on the Western Hemisphere,  
Committee on Foreign Affairs,  
United States House of Representatives**

**October 15, 2009**

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My name is Ray Walser. I am a Senior Policy Analyst at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

It is a great honor to be invited to testify before the Subcommittee of the Western Hemisphere and its most distinguished members.

The probing questions in your letter of instruction call for massive investigation and research and for a level of expertise far greater than mine. The challenges faced in drafting a practical, results-oriented policies in a resource-constrained environment are critical to the health of our nation and the region. Furthermore, it is important to avoid the temptation to tilt at windmills whether we call them the “War on Drugs” or “Strategies of Liberalization and Harm Reduction.”

**Drugs: An Enduring Threat**

The production, processing, trafficking and consumption of illicit drugs, in my opinion, constitute the gravest threat to overall human security in the Americas. The bulk of the drug trade is conducted by ruthless and powerful criminal organizations that possess the capacity to corrupt and destroy entire nations. The drug trade and drug wars since the 1970s have produced unimagined violence and fatalities that rival the internal conflicts in Central America during the Cold War.

A decade ago, experts agonized over the possibility that Colombia hovered on the verge of becoming a failed narco-state. Ten years later, Colombia, with the determined efforts of the Colombian people and the active assistance of the U.S., has staged a significant comeback and has successfully reduced homicides, kidnappings, and acts of terrorism, containing the threat posed by insurgent groups like the Revolutionary Armed

Forces of Colombia (FARC) and by the rightist paramilitaries of the United Self-Defense Forces of Colombia (AUC). Both of these groups engaged actively in the drug trade. The vast majority of Colombia's paramilitaries have been demobilized and the FARC has suffered serious reverses. Heartening news indicates that coca production has finally begun to decline in Colombia, realizing one of the most significant long-term benchmarks for success in Plan Colombia. These are not the signs of a failed war on drugs, but indicators that a capable Colombia is increasingly able to meet the internal challenges posed by the drug trade.

The Obama Administration has demonstrated its confidence in Colombia and the government of President Alvaro Uribe by moving forward to deepen its strategic ties under a new Defense Cooperation Agreement that will utilize facilities in Colombia in order to monitor trafficking over land and at sea and gather valuable intelligence needed to advance the fight against traffickers. Colombia and the U.S. are pressing forward with this agreement despite the distorted misrepresentations and threats issued against Colombia by Venezuela's Hugo Chávez and his allies. Likewise another indication of strong cooperation was the August 2009 renewal of the Air Bridge Denial

On the other hand, the picture elsewhere is not as rosy. Coca production appears to be on the rise in Bolivia and Peru.

Earlier this year, Washington was deluged with anxious expressions of concern regarding the threat Mexico drug cartels poised to the stability of our closest neighbor. The names of dreaded and emboldened drugs organizations – the Gulf and Sinaloa Cartels, La Familia Michoacana, as the lethal drug soldiers Los Zetas have become far

too familiar too the public in the U.S. Ciudad Juarez, across from El Paso, has become the epicenter for Mexico's narco-carnage.

Again, the Obama Administration, like the Bush Administration before it, recognizes the gravity of the situation and is continuing to deliver promised assistance under the Merida Initiative. It has regularly expressed its readiness to back Mexico's President Calderón in the drug fight. Professionals throughout the U.S. government recognize the urgency of their mission in cooperating with Mexico and the importance of delivering swift and targeted help. Congress can also help by streamlining the dispersal of assistance, cutting down on red tape, and by following through with the provision of the \$450 million requested in the FY2010 State Department in order to demonstrate sustained legislative support for this critical program.

Likewise the new Administration with the Departments of Homeland Security and Justice in lead has added additional teeth and stronger missions through the updating of its National Southwest Border Counternarcotics Strategy and with the assignment of additional law enforcement personnel to the border. It is moving ahead to block the southward movements of arms and bulk cash into Mexico, using the ample authority already granted by existing gun legislation. Vigilance and security on the U.S.-Mexican border along with active cooperation with Mexico's law enforcement are the watchwords for success in defeating Mexico's dangerous cartels.

#### **Drugs, Democracy, and Political Agendas**

The powers of criminal networks are deeply rooted in the Andes and impact deeply the corridors of illicit commerce that run directly into the U.S. market. Today, however, the drug routes diverge running with alarming persistence toward new,

developing consumer markets in South America and Europe via West Africa. Brazil has become the world's second largest cocaine consumer after the U.S. Argentina faces a mounting drug consumption problem.

The enrichment drugs provide for criminal organizations is enormous. Given the availability of vast quantities of cash, organizations possess the capacity to finance corruption, illicit activities, and hire killers ready to commit the unspeakable. Crime and terror, of the ordinary criminal type and of the international variety, go hand-in-hand. Terrorist organizations claiming political agendas likewise see ample opportunities to exploit the lucrative drug trade for their benefit. The narcoterrorists of the FARC have become the classic standard of a militarized, political force that has discovered new life by becoming an active participant in the cocaine business serving as gatekeepers, enforcers, and agents in the cultivation, processing and transshipment of Colombian cocaine. Coupled with extortion and kidnapping, the FARC furthers the climate of lawlessness and fear in which the drug trade flourishes.

Evidence has emerged that Islamist extremists groups such as Hezbollah are also setting up shop and see the Western Hemisphere's drug trade as a profitable means of support. We must remain vigilant regarding the connections especially at a time when non-Hemispheric players are seeking wider roles, stronger ties, and greater political and economic leverage in the Americas.

#### **Drugs and the Bolivarian Revolution**

I believe the U.S. should also be deeply concerned about the connections that have developed between the drug trade and the "Bolivarian Revolution" widely proclaimed by Venezuela's Hugo Chávez and members of the Bolivarian Alternative for

the Americas [ALBA]. The Bolivarian movement blends a toxic mix of resurgent nationalism, populist authoritarianism, and anti-Americanism. While ALBA purports to seek the integration of people's regimes for the promotion of social justice and the benefit of the poor and marginalized, it also cloaks a consistent strategy of non-cooperation aimed at reducing U.S. access and influence in region. Booting the Drug Enforcement Agency out of Bolivia or Venezuela, closing the forward operating base at Manta in Ecuador, and expelling U.S. ambassadors on flimsy pretexts are all signs of a consistent effort to undercut past joint progress on the drug front. The Bolivarian leaders see their strength waxing whenever U.S. influence wanes.

Many argue that Bolivarian revolutionaries have when granted control over the mechanisms of the state have engaged in systematic institutional corruption and have converted professional militaries and police into political cadres. The loss of scrutiny of government performance by the press, legislatures, and independent civil society bodies opens the door for corrupt officials to develop clandestine networks with criminals and terrorists with increasing impunity.

I cite for example prominent individuals in the inner circles of Hugo Chávez's government such as his former director of Military Intelligence, Brigadier General Hugo Armando Carvajal Barrios, whose links with the FARC produced last year's Treasury sanctions. One takes away the impression that military adventurers like Carvajal are sadly representative of the secretive, unaccountable labyrinth of anti-drug policy and distorted decision-making that currently prevails in Chávez's Venezuela. Similar the rapid rise of cocaine transshipments transiting Venezuela and signaled in a recent GAO report are further cause for alarm for what is occurring in Venezuela.

In short, the politics of anti-Americanism trump cooperation in what should be a common fight against a shared international foe.

I fear that future Latin American drug policy will remain clouded by these ongoing disputes that are essentially political. While others at this table will argue for a closer ties with Bolivia, and even Venezuela, I remain skeptical about the chances of restoring active cooperation. Developing a diplomatic and counter-narcotics strategy which factors into account the non-cooperation by “Bolivarian” states constitutes one of the toughest policy challenges ahead for the Obama Administration and Congress. Future legislation must take a hard look at definitions of cooperation and at the consequences for non-cooperation. And we should make it a rule not to punish our friends while trying to reward those who actively oppose us.

#### **Furthering Latin American Ownership of International Drug Problems**

A recent study conducted by a distinguished panel of former leaders, “Drugs and Democracy: Toward a Paradigm Shift” urged a new pragmatism and flexibility in dealing with drug issues. The views expressed by Latin American presidents were linked with modest liberal reforms regarding drug possession in Mexico and in Argentina. They have encouraged the perception that there are easier, soft-side approaches to dealing with the hard realities of aggressive drug cartels, violent vendors, and vulnerable publics. The thoughtful study has opened new avenues of reflection and should foster further debate.

One should also take note of the regional efforts to develop South American defense and security cooperation with Brazilian leadership within the context of the establishment of the Union of South American Nations (UNASUR) and the proposal to create a UNASUR drug council. The challenge for this body will be to conduct

coordinated and effective actions against drug trafficking and usage rather than become smokescreens for inaction.

Our diplomats should continue to press our southern neighbors to take their counter-drug responsibilities seriously and reunite to defeat dangerous foes whose capacity to threaten their democracies is far more sinister and troubling than the events we have witnessed for example in Honduras since June 28.

We should encourage them to develop common strategies for reducing demand and devoting additional resources to treatment and rehabilitation. We should encourage them to make drug awareness part of their programs for poverty alleviation such as the conditional cash transfers that have been established in Brazil and Mexico.

**Building a Drug-Resistant America:**

Here at home we need to do far more to dampen our consumption of illicit drugs. The consumption of cocaine, marijuana, heroin, methamphetamines harms the nation and tears at the fabric of our well-being. Our society's liberal experimentation with and abuse of various drugs creates the problems abroad described above. Drug-related crimes, addictions, and wasted lives are among the most preventable burdens upon our health system, our justice system, and our penal system. I agree that we share a deep co-responsibility with our Hemispheric neighbors to address the hydra of harm that is U.S. drug consumption.

There is a continued need for a strong, multi-dimensional strategy that effectively mixes traditional measures of law enforcement with new measures such as expanded drug courts and enhanced treatment and rehabilitation options.

The Congress and the Executive must also redouble their efforts to educate the young about the dangers of drug consumption and build greater resistance against the hedonistic and unacceptable temptations of those who advocate the easy panacea of drug legalization in its myriad forms.

In the person of the 44<sup>th</sup> president of the United States, we have a powerful authority whose charismatic voice needs to be heard in targeted messages regarding the dangers of drugs. The time appears ripe for the President to employ his formidable powers of persuasion to convince younger Americans that change and hope in their lives begin drug free.

**The Way Forward:**

- **Develop a comprehensive long-term counter-narcotics strategy for the Americas:** There is a pressing need for a master strategy that incorporates and adequately funds Andean Counterdrug Initiative, the Merida Initiative, and the Caribbean Basin Security Initiative. It should be closely linked with domestic enforcement and anti-drug efforts such as the National Southwest Border Counternarcotics Strategy. The U.S. needs to continue treating the Americas as a seamless, geopolitical entity
- **Enhance inter-agency cooperation:** Command and control in the drug fight requires robust “whole of government” approaches and constant inter-agency coordination. It requires linking foreign and domestic counter-drug operations, intelligence-collection and sharing with careful strategic planning to go after high value targets. The chief objective of strategy should be the atomization and isolation of the most dangerous criminal organizations involved in the drug trade

and the raising of the costs of engaging in the drug business. The democratic states of the America must continue to approach organized drug criminal organizations with the same determination and application of resources they employ to prevent international terrorism.

- **Strengthen our long-term relationship with Colombia.** Colombia remains the critical pivot in the ongoing battle to reduce flows of cocaine into the U.S. Plan Colombia has greatly extended the government's competence, confidence, and control over its national territory. The investment has been remarkable and has permitted substantial progress against the enemies of the state. To further cement the partnership with congressional approval of the pending Free Trade Agreement with Colombia. Stronger legal trade between Colombia – a nation of immense resources and a resourceful, entrepreneurial-minded population of 40 million – might well be the single most important answer to encouraging genuine alternative development..
- **Beginning Planning for Merida Initiative II** - Plan Merida II should build on the foundations of partnership developed since Merida Initiative I was conceptualized and developed in 2007. The U.S. offers many of the skill sets needed by the Mexican authorities in their fight against the drug cartels, including intelligence capabilities, institution-building skills, human rights training, etc. that are important for a long-term foundation of reform and capacity building in Mexico. Long-term efforts should focus on sustainable institutional reform and on human resource development as Mexico seeks to overhaul its police and judicial systems and withstand the threat of the drug cartels.

- **Respond to Vulnerabilities in Central America and the Caribbean.** The Administration and Congress should establish an early-warning process and become more proactive in dealing with nations like Guatemala which have emerged as vulnerable to the penetration of powerful drug trafficking groups from Mexico.

### **Conclusion**

Congressional leadership, the Obama Administration, and the American people need a strategy that is comprehensive, integrated, and long-range. Debates about the failed war on drugs will likely lead us nowhere as will any significant legislative attempts to open the door to drug legalization.

We need a strategy that fights the supply-side by working with partners and endangered friends like Mexico and Colombia whose very democratic governability and internal security can be placed at risk by the violence, corruption, and insecurity caused by drug cartels, narcoterrorists, and external enemies.

The U.S. must stand ready to help the smaller countries in the region that lack effective forces and resources or run the risk of seeing them overwhelmed by powerful criminal organizations.

Finally, it must find new ways to hold accountable and pressure for cooperation those leaders and nations which see non-cooperation with the U.S. on drug issues as another tool for curtailing and weakening U.S. influence in the region.

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Mr. ENGEL. Thank you, Dr. Walser.

Thank you, all three of you, for very excellent testimony.

Let me start with a couple of questions. I mentioned before the so-called balloon effect, which results from when we put pressure on one country or region, causing the drug trade to move to another area. That has always been a problem. With Merida, we put some money in it for Central America because of that. For years, whenever the drug trade has been attacked in one place in the hemisphere, it quickly pops up in another.

So what can be done to counter that balloon effect? How can we create a more, as I call it, holistic counternarcotics strategy in the Western Hemisphere? And is there a way to more effectively weave together our counternarcotics efforts in the Andes, Mexico, Central America, and the Caribbean?

And I also am throwing in with that, do our counternarcotics programs need greater flexibility to deal with emerging problems, such as the influx of drug cartels in Guatemala? I mentioned that before. We have held a hearing in this subcommittee on Guatemala. You know, the problem with the Mexican border with the United States; that is a problem. But when we push, they just go south of the border, and Guatemala is the most vulnerable country that doesn't have the institutions that Mexico has and the ability to cope with it. Do we need to have more flexibility in our counternarcotics programs to deal with these types of problems?

Mr. SCHNEIDER. If I could start, Mr. Chairman, I think that you accurately stated what we found over the course of the past number of years with respect to the balloon effect, both in terms of cultivation and in terms of trafficking.

So with respect to cultivation, in the 1990s when we were putting a lot of pressure on Bolivia and Peru, we saw the shift to Colombia. And in fact, now we are seeing some increase in cultivation in both Peru and in Bolivia as a result of the pressure in Colombia. Although Colombia remains by far, by far, the largest producer of coca and cocaine with respect to the flow to the United States.

I just should add that I just received yesterday—it is not in the testimony, but I will send it—charts from JTIAF-South that include the interagency assessment of cocaine movement for the first 6 months of 2009. And again, they show nearly 534 metric tons coming north, the bulk of those from Colombia.

However, the same kind of balloon effects works on the transit side. So when we put pressure in Mexico, clearly the result is the drug traffickers, as that chart shows, they go to Guatemala, and they also go to Panama and to Costa Rica and now in the last couple of months to Honduras.

So it seems to me that what we need to think about is a regional effort, I would urge you, thinking about how the new Western Hemisphere Drug Policy Commission can incorporate in some way the work that that Latin American Commission has already done and how there might be some parallel, if not advisory, group to your commission from the Latin American countries, particularly Mexico, Central America, and the Andes and the Caribbean, in order to try and develop some regional actions.

And I would emphasize there particularly two aspects: Law enforcement and strengthening their institutions of civilian police and prosecutors and judiciary, and the other a regional look at what we can do with the youth problem in those countries.

Mr. ENGEL. Thank you.

Yes, Mr. Walsh?

Mr. WALSH. Thank you.

I would add, with regard to the balloon effect, two important points, the most important being that I don't think there is a counter to the balloon effect but better coping with the balloon effect, insofar as demand persists at very high levels. In other words, as long as there is a very large, lucrative market, then the supplies can be shifted by enforcement but not dramatically curtailed. And that is what the balloon effect is; it is a shifting of the production and trafficking to other places.

So how to cope with that the paramount answer is: Do better in reducing demand and shrinking the market, here especially, because it is the world's largest. But the second part, coping, goes to what Mark said: Strengthening those institutions that have to deal with the impacts, whether it is in Colombia or Central America or Mexico. And I think that is a key aspect. It is not about what you do immediately. It is how you strengthen the institutions to cope with the impacts in terms of increased crime, armed actors, in all of those places.

So I think those are the two big ones. But to understand that it is a coping strategy; so long as there is a massive demand, enforcement can shift the trafficking without eliminating it.

Mr. ENGEL. Thank you.

Did you want to, Dr. Walser—you don't have to.

Mr. WALSER. I was just going to make one additional comment, which is, particularly in the vulnerable states of Central America, you do have an undergoing Central American integration process that has been sort of hit or miss for the last 20-plus years, but it does involve interactions between defense and police officials.

And I think that looking at ways to, perhaps, develop a more cooperative Central American drug police might be a potential vehicle for trying to counteract these individual vulnerabilities. I mean, it is a long shot, but, again, it may be worth a try.

Mr. ENGEL. Thank you.

Let me ask one more question. I am going to try to condense it. I mentioned before the perplexing thing about who is dealing with what over at the State Department. It is unclear who is overseeing our counternarcotics efforts in the Western Hemisphere. Perhaps if we let the confirmation process continue and we had an Under Secretary for Latin American and Western Hemispheric Affairs, we would perhaps clear that a little bit. But, unfortunately, the person being nominated is being held up by Senator DeMint in an unrelated squabble. The person who was designated as the Assistant Secretary for Western Hemisphere, his confirmation has been held up.

But in the interim, you know, different people in State Department seem to be running the Andean program and the Merida Initiative, not the same people. And I still don't know how the Caribbean Basin Security Initiative will be combined into these operations or who will oversee in the entire strategy.

Now, our full committee, the Foreign Affairs Committee, has already passed legislation calling for a coordinator at the State Department for the Merida Initiative. And this hearing opens the question of how best to manage our Western Hemisphere counternarcotics effort at State and throughout the Federal Government.

So let me ask each of you, do you think we need one coordinator to integrate and oversee all the counternarcotics efforts in the Americas, to manage the likely balloon effect and prevent duplication and conflicting programs? I think that is pretty much a loaded question, but I would like for the record to have all of you comment on it.

Mr. SCHNEIDER. If I could—and I am not sidestepping, but I think there is a need for an interagency coordinator. You have the White House, but, in a sense, that is looking both at demand and supply. And it seems to me that that is a very important role that you don't want to diminish.

Now, at the same time, you make the good point that there needs to be greater coordination within the Western Hemisphere programs, both in terms of reducing supply—and I would argue here that includes alternative development in the various countries, and it also includes dealing with the problems of interdiction and law enforcement.

I should add that the OMB does something which evaluates performance, and they came up with the same concerns that you did. They basically say that there is very little coordination among the various agencies. And they, in fact, have urged that there be some kind of coordination mechanism. And yours seem to me to be a very useful idea, but I would put it in a way so that these directly

linked to the White House coordinator so that there is a clear coordination at the interagency level as well.

Mr. ENGEL. Thank you.

Mr. Walsh?

Mr. WALSH. Yeah, I agree that the interagency coordination aspect is key. And, in fact, ONDCP's role statutorily is to define a strategy and to undertake that interagency coordination.

It also seems that, given the scope of the challenge in the Western Hemisphere, it is not just one or two people who need to have more responsibility. There would need to be a team that is prepared to think creatively about these new indicators of success and really do the coordination. Because it is one thing to put it on paper, and it is another thing to carry it out.

Mr. ENGEL. Thank you.

Dr. Walser?

Mr. WALSER. We still have supposedly vacant the promised special envoy for the Americas. Perhaps the special envoy position in the White House could be created primarily to deal with the drug issue.

But, again, I also agree that there has to be some sort of streamlining, a central coordinator who will referee between Western Hemisphere affairs, INL, you have to draw in USAID, plus all the other agencies outside, would be useful at the Department of State.

Mr. ENGEL. Thank you.

I now call on Mr. Mack.

Mr. MACK. Thank you, Mr. Chairman.

And thank all of you for your testimony today.

Two questions, really. On the demand side, we have talked a lot about the demand here in the U.S. and I would like to ask each one of you if you have a proposal, an idea that is rooted in research that is objective, that we can use to really—and I am asking a question that I think I know some of the answers to, but I think it is important that, when we talk about the demand on the demand side, it is easy to say “the demand side,” but you really have to find a way to get at reducing the urge for people to use drugs. Or those that have, how can you help them work through their addiction?

And so, the question is, what kind of proven methods, techniques are you familiar with and that you think ought to be moved forward?

And then the other side—I mean, it is no secret, my position when it comes to Venezuela's Hugo Chavez. But, Mr. Chairman, as I sit through all of our hearings and our conversations, you know, for me, the anchor, if you will, for evil in Latin America is Hugo Chavez. Whether it is the destruction of freedom, destabilizing governments, anti-Semitism, terrorism, and drug trafficking—I mean, these are all things that are anchored in the Western Hemisphere by Hugo Chavez.

And so, the other part of the question is, when we talk about narcotrafficking, how are we going to be able to convince Hugo Chavez to stop drugs from moving through his borders when, in fact, in my opinion, he is looking to destabilize? This is a tool that I believe he is using.

So I will leave those two questions out to all three of you.

Mr. SCHNEIDER. If I could start, Mr. Chairman, with respect to the first question, on demand reduction, I think, for example, the drug courts, which have the ability to order treatment for users who are brought before them, constitute a very successful mechanism for dealing with the problem, much more than simply putting somebody in jail for 6 months, 2 years, 5 years. And right now there are only 2,000 of them nationally. There are 1.6 million drug-related arrests each year. So we are talking about an infinitesimal, small number of courts relative to demand. That is one thing.

And the second goes, if you will permit me, to your wife's testimony. What we have failed to do is we have failed to make this a priority, reduction of the use of illicit drugs, particularly cocaine, a priority in this country. And here is my second proposal, is that I would hope that the commission would come up with a parallel effort to that of reducing smoking and drunk driving with respect to stopping the use of cocaine.

While, as you recall, I said that the bulk, two-thirds of the cocaine used are from addicts who require a public health response, that means that the other third are recreational users. And what we need to do is to essentially make that unacceptable because of what it does to our society and what it does to the societies in Latin America.

So those would be my two proposals.

With respect to Venezuela, I would say that no other country in the hemisphere agrees with any country allowing drugs to flow through freely. And so I would urge that we would look—and here it goes back to the regional aspect. I would urge our diplomats and the State Department to talk with President Lula, with President Bachelet, and to bring to them the details of what we see, in terms of the flow of drugs recently through Venezuela to Hispaniola to the United States or from Venezuela to the European market through West Africa. Because they also are facing the problem of drug trafficking and drug consumption in their countries. And I think we would have allies in dealing with that problem with him.

Mr. WALSH. As to the demand-reduction question, which I think should be central to what the commission considers, I have two basic points and one to extend what Mark said.

First, where someone who is a problematic user is ready for treatment, treatment needs to be there for him or her. So I would say, in thinking about bringing our treatment system up to speed, treatment on demand needs to be the goal. That is going to mean different things in different communities, but it shouldn't require being arrested to have access to treatment.

So, treatment on demand. And I think we have good people in place to think this through, at ONDCP as well, real experts in the field, that improves the quality of the treatment but also access to it. Those are critical issues.

The second point is, as valuable, I think, as drug courts have been, I think for reasons Mark said, they fall very short in terms of their scope, considering the dimensions of the problem.

And, in particular, if a lot of the drug use, including drug use among people who are involved in other crimes, is actually concentrated among a population that is under criminal justice supervision, there are policy innovations like Hawaii Opportunity Proba-

tion with Enforcement, known as HOPE, that has shown really great success in reducing drug use, drug-related crime, and incarceration among probationers through a series of frequent drug tests—frequent but random drug tests, followed by mild sanctions. You are not back in prison for 2 years if you miss a drug test, but it is mild sanctions. It has been dramatically effective in cutting back drug use, also new arrests and new crimes.

So I think there are innovations, not just in people's minds but already on the ground in this country, that can help reduce demand much more than we have appreciated so far.

I think on the question of Venezuela and more generally, I think, on the question of a country or a region that could prove to be a weak link to a strategy, we need to think about strategy in a way that removes or minimizes the possibility that, whatever weak link it might be—people will see it differently—it could scuttle the strategy.

And that, again, points to the fact that we need to take better care to address our problems here at home, rather than have to depend upon 34 other countries and their whims to do it for us.

With regard to Venezuela, however, I think that the question of drug trafficking and crime is a huge problem for the Venezuelan Government and the Venezuelan people. And I suggest that it is much more a matter of capacity, weak capabilities, a very porous border with Colombia, which remains the mega-producer of cocaine, than it is of political will. And I second the idea that we should look to engage, and not to demonize, for cooperation on that issue.

Mr. WALSER. I think I did offer one demand-reduction recommendation, which is engaging President Obama, himself, directly in a demand-reduction campaign. I think his story, his impact would be substantial and should be employed.

As for Mr. Chavez, persuasion, public diplomacy may be very difficult. There are a couple of measures clearly available to the U.S. Government. One is to place Mr. Chavez on the list of state sponsors of terrorism. He would join the company of Cuba, Iran, Sudan, and—I am trying to think of the fourth one; all of a sudden, I am drawing a blank here—but, clearly, nations with which he has cultivated very close and increasingly intimate ties.

The second one, clearly, is to reduce our dependency upon Venezuelan oil before he finds the alternate markets that he is busily searching for and wants to cut us off from his supply of oil.

So pressure, probably hardball politics seem to be in order with Mr. Chavez, but it remains to be seen if we can move in that direction.

Mr. ENGEL. Thank you very much.

Mr. Sires?

Mr. SIRES. Thank you, Mr. Chairman.

You know, it is really disturbing to me that—first of all, thank you for being here—how you speak about the lack of interagency coordination. You would think this country would learn after 9/11 that we need to have more coordination, especially with something as important as drugs that is coming into this country and destroying our country. And it is disturbing to me to hear that.

But with all the increased violence in Mexico and the emergence of the Merida Initiative, it seems like Colombia has taken the back-

drop. Where are we with Colombia today? And why is it that, after all these efforts and all the success that I think we have had in Colombia, they are still the largest coca producer? Can somebody just—

Mr. SCHNEIDER. I mean, I think, Congressman, that it goes back to the underlying problem of, given the attractiveness of the demand in the United States for cocaine, that it is very, very difficult to close out the capacity of drug traffickers to find places to cultivate coca, despite the efforts to strengthen Colombian institutions.

Here, there is—we talk about the balloon effect. There is also what is called the mercury effect. And that is when you, with a hammer, you hit mercury, it shatters. And what occurred in the last several years in going after the large coca plantations that the drug traffickers were using in Colombia, it shattered. And they moved into much smaller plots, much more isolated, if you will, and continued to produce coca.

Now, there have been ups and downs. The U.N. says they are this; the United States has lately said that the coca cultivation has gone up. And that is what happened, is that that mercury shattered; drug traffickers moved their cultivation into different areas.

And the other is that there still has yet to be in Colombia a far-reaching rural poverty-reduction strategy that challenges the drug traffickers. The drug traffickers offer credit. They offer to pick up the product at the farm gate after it is harvested. And that is not offered to those who are doing legitimate farming. We need to match them, and we haven't done that.

And, finally, I would say that, while Colombian law enforcement institutions have become stronger, there is still a problem with respect to corruption that you have seen discussed recently.

Mr. ENGEL. I am going to let Mr. Walsh and Dr. Walser finish, but I am going to try to speed it up. As you can hear, we have votes, and I would like to finish before the votes. And Ms. Lee, I know, has questions. And Ms. Jackson Lee is here, and we welcome her. I think she is a valued member of the full committee, and she often comes to our subcommittee. We welcome her.

So if I could just ask you to try to speak a little faster, so we can get this all in before we have to leave for votes.

Mr. WALSH. Okay. Very quickly then, I agree with everything that Mark just said by way of explanation of Colombia.

I think we suffered the illusion that fumigation was going to solve the coca problem in Colombia. And it was just that: It was an illusion. Because the underlying conditions, market demand, vast rural poverty, the lucrateness of the business, means that the basic underlining conditions haven't changed.

The growing has shifted to more remote areas, and the violence that accompanies the growing on these border zones has been displaced there. So it is a very traumatic situation in the rural areas of Colombia already and, with the overlay of coca production, even worse.

So I think that is where Colombia is.

Mr. SCHNEIDER. Just one thing, Mr. Chairman. Also, you have the FARC paramilitary and others who are using coca as their source of income.

Mr. ENGEL. Okay. Thank you.

Mr. SIRES. I have visited Colombia the last 5 years, and I have seen a marked difference in that country. I was just curious why it is still the largest producer. It is a big difference than it was 5 years ago.

Thank you, Mr. Chairman.

Mr. ENGEL. Okay. That was a rhetorical question?

Mr. SIRES. No, that was just a statement.

Mr. ENGEL. Oh, a statement. Okay.

Ms. Lee?

Ms. LEE. Thank you, Mr. Chairman.

For those who drink liquor, please excuse this question. But why isn't alcohol—I know it is not an illicit drug, but when I look at and think about this commission—Dr. Walser, you have in your testimony, “Drug-related crimes, addictions, and wasted lives are among the most preventable burdens upon our health system, our justice system, and our penal system.” That is as it relates to illicit drugs.

Alcohol does the same thing. And so I am interested in your thinking, all of your thinking, on why we don't look at alcohol, because the impact is exactly the same.

Secondly, prescription drug use. And let me just give you one example. And I hope the commission looks at this. Thank goodness Congresswoman Mack brought this up.

Why don't we look at, and should we look at, physicians' prescriptions for pain reduction and why a drug such as OxyContin is allowed to be prescribed first, a narcotic first before all other forms of painkillers could be introduced? Why do physicians oftentimes—and I know this for a fact—go to the most serious narcotic that could be the basis for an addiction, long term?

Mr. WALSER. Since you mentioned my testimony, I agree, alcohol—the harm done by alcohol, the harm done by drugs, the harm done by tobacco. Sadly, human nature in this country and around the world seems to enjoy those pleasures which are harmful to us. And it is part of the human psychology. That is why going after drug trafficking is so difficult. I mean, the addiction connections, the physical response. Clearly, I am not a physician, but they are of a similar nature in philosophical order.

Secondly, in regard to your second question, I am afraid I claim no competence in the area of domestic abuse of domestic drugs.

Mr. WALSH. I will also have to acknowledge my lack of expertise on the question of how to best regulate pharmaceuticals and, in particular, pain killers, given their liability for abuse.

And on the question of alcohol, in terms of the harms that it causes, I would just note that, in that it is a legal substance, it may cause more harm than some of the currently illicit substances. Part of that is the scale of use because it is legal, far more widely used than a drug like cocaine. Part of the question I think the commission is grappling with is, because alcohol is legal, by and large it is not smuggled across borders and the object of huge, multinational, organized criminal enterprises at this stage. And that is another key aspect of the commission's work that I think is relevant.

I think the issue of alcohol does raise important questions about the range of options for us to manage and cope with the harms caused by illicit drug abuse, because we control alcohol, regulate it, although it is legal. So when you think about how we try to control alcohol, how we try to control tobacco, nicotine, it opens up the way of thinking about how to best regulate supply and demand for substances that cause harm, are potentially addictive and toxic.

Mr. ENGEL. Let me call on—if that is all right, Representative Sheila Jackson Lee of Texas.

Ms. JACKSON LEE. Mr. Chairman, thank you for your courtesies. And I realize that we are rushing to the floor. So let me just have two questions, one to support the commission that is being set up. I think that it is time to shed light.

I come from Texas, and right now we are dealing with an enormous gun battle and drug wars on the border between Mexico and the United States. But Houston has been called the gun-running capital, where there is enormous access to guns.

How does the flow of guns into South and Central America impact on the—and I know we are speaking about drug use—but impact on the overall criminal elements of this? And how do we look to those issues, the utilization of guns, as we look relevantly to the question of consumption and the question of, of course, sales? How is the gun aspect engaged in all of this?

Mr. SCHNEIDER. Let me start, Mr. Chairman.

Congresswoman, I think that what we have seen is that the flow of guns south strengthens the drug traffickers and the cartels and essentially makes them a more potent threat to law enforcement. And, in fact, there has been now a substantial amount of tracing of weapons that have been used in homicides in Central America, in Guatemala particularly, and in Mexico. And it is clear that they come from the U.S. and that there is a great need to put greater controls on that flow.

I should just add that recently—there is a binational panel of former officials from both Mexico and the United States, and they strongly came out for regulating assault rifles and assault weapons, because they have shown up in Mexico, and, obviously, they have been used to cause an enormous amount of damage and loss of life.

Mr. WALSH. I would only add that, in acknowledging the United States' own responsibilities for the violence, in particular in Mexico, it is not only the market for drugs. In other words, we are sending our dollars south to enrich criminal organizations. But, as Mark points out, we are also sending our guns south. And, in a business that puts a premium on violence, obviously that is a terrible combination.

And I think it is also our responsibility not just to do better to address demand in shrinking our own drug market, but to do better, to be more responsible about our own laws with regard to easy access in trafficking of weapons.

Mr. WALSER. Just two comments. Using the figure of 90 percent of the guns recovered in Mexico are traced back to the United States, that figure doesn't oftentimes stand up to full scrutiny because many of the guns—those are the guns that the Mexicans recover and then request the tracing of, not taking into account those

that are recovered and requests are not made. So the number is smaller, but it is still significant. There is no doubt that significant numbers of guns, especially high-caliber and assault weapons and so, make it across the border and are purchased.

We do have a fairly strong body of laws that says most all of this is illegal. We need tougher enforcement of that. And to move to the next stage, such as Congressman Engel and others have put forth, is a tough legislative battle, I think, on both sides.

Ms. JACKSON LEE. Mr. Chairman, thank you for allowing me. And I hope that my questioning on the guns issue allows us to partnership on—almost like mixing oil, water, and fire. I think we will not cease the violence and then to be able to focus on the problem of drugs without this whole enormous problem of guns coming from the United States into that region.

Mr. ENGEL. You know, Ms. Jackson Lee, before you leave and before we adjourn, it is interesting that, in traveling to Mexico and Jamaica with the subcommittee on the same trip, the President of Mexico, Mr. Calderon, and the Prime Minister of Jamaica, Mr. Golding, both said the exact same thing to me: That between 92 and 95 percent of all the guns that they find committing crimes, including drug crimes, are coming from the United States.

So this is a definite problem that has to be addressed. And I believe you were part of a letter that I had sent to the President of the United States urging him to implement laws that are already on the books, that don't need legislation to have a law that is already there. It was implemented by the first President Bush, by President Clinton. It was not implemented by George W. Bush. And now we are just asking the President to go back and do what the first Bush and the Clinton administrations were doing. And it is simple, and to me it is a no-brainer.

So I thank you for raising that issue.

Ms. JACKSON LEE. I thank you for your leadership. And we know that that is separated from the second amendment that people want to use all the time.

Thank you.

Mr. ENGEL. Definitely. Thank you.

And thank you, gentlemen, for excellent testimony. I really appreciate it. Take care.

And the hearing is now adjourned.

[Whereupon, at 4:18 p.m., the subcommittee was adjourned.]



## A P P E N D I X

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MATERIAL SUBMITTED FOR THE HEARING RECORD

**SUBCOMMITTEE HEARING NOTICE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
*U.S. HOUSE OF REPRESENTATIVES*  
*WASHINGTON, D.C. 20515*

**SUBCOMMITTEE ON THE WESTERN HEMISPHERE**  
**Eliot L. Engel (D-NY), Chairman**

October 13, 2009

**TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS**

You are respectfully requested to attend an OPEN hearing of the Subcommittee on the Western Hemisphere, to be held in Room 2172 of the Rayburn House Office Building:

**DATE:** Thursday, October 15, 2009  
**TIME:** 2:00 p.m.  
**SUBJECT:** Assessing U.S. Drug Policy in the Americas  
**WITNESSES:** **Panel I**  
The Honorable Mary Bono Mack  
United States House of Representatives

**Panel II**  
The Honorable Mark Schneider  
Senior Vice President  
Special Adviser on Latin America  
International Crisis Group  
(Former Director of the Peace Corps)

Mr. John Walsh  
Senior Associate, Andes and Drug Policy  
Washington Office on Latin America

Ray Walser, Ph.D.  
Senior Policy Analyst for Latin America  
Douglas and Sarah Allison Center for Foreign Policy Studies  
The Heritage Foundation

**By Direction of the Chairman**

*The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee as noted above.*

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## COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON The Western Hemisphere MEETING

Day Thursday Date 10/15/09 Room 2172 RHOB

Starting Time 2:26 pm Ending Time 4:18 p.m.

Recesses 1 ( 2:36 to 3:06 )

Presiding Member(s) Eliot L. Engel

CHECK ALL OF THE FOLLOWING THAT APPLY:

Open Session ☒

Electronically Recorded (taped) ☒

Executive (closed) Session ☐

Stenographic Record ☒

Televised ☐

**TITLE OF HEARING or BILLS FOR MARKUP:** (Include bill number(s) and title(s) of legislation.)  
"Assessing U.S. Drug Policy in the Americas"

**SUBCOMMITTEE MEMBERS PRESENT:**

Eliot L. Engel, Connie Mack, Albio Sires, Gabrielle Giffords, Barbara Lee

**NON-SUBCOMMITTEE MEMBERS PRESENT:** (Mark with an \* if they are not Members of IHRC.)

Shiela Jackson-Lee

**HEARING WITNESSES:** Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

**STATEMENTS FOR THE RECORD:** (List any statements submitted for the record.)

Mack  
Engel- Extraneous (NASADAD letter)

**ACTIONS TAKEN DURING THE MARKUP:** (Attach copies of legislation and amendments.)

**RECORDED VOTES TAKEN (FOR MARKUP):** (Attach final vote tally sheet listing each member.)

| Subject | Yeas | Nays | Present | Not Voting |
|---------|------|------|---------|------------|
|         |      |      |         |            |

TIME SCHEDULED TO RECONVENE \_\_\_\_\_

or

TIME ADJOURNED 4:18 pm

  
 Subcommittee Staff Director

MATERIAL SUBMITTED FOR THE RECORD BY THE HONORABLE ELIOT L. ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE



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*Region X*

*Interim Executive Director*  
Robert L. J. Morrison

October 13, 2009

The Honorable Eliot Engel, Chair  
Subcommittee on the Western Hemisphere  
House Foreign Affairs Committee  
Washington, DC 20010

Dear Chairman Engel:

On behalf of the National Association of State Alcohol and Drug Abuse Directors (NASADAD), and our component groups the National Prevention Network (NPN), and the National Treatment Network (NTN), thank you for calling attention to the problems associated with the Southwest border and illegal drugs. We appreciate the work of the Congress on this important issue.

NASADAD certainly understands and supports the Committee's attention to supply side issues. We are writing today, however, to partner with you to help improve our nation's response to the demand side of the addiction problem. In particular, we are writing to seek your assistance in helping to secure adequate federal resources into addiction prevention, treatment and recovery services.

**Scope of the Problem**

The Substance Abuse and Mental Health Services Administration's (SAMHSA) National Survey on Drug Use and Health (NSDUH) found that 23.2 million Americans aged 12 or older needed treatment for an alcohol or illicit drug problem in 2007. During the same year, 2.4 million received treatment for a problem related to the use of alcohol or illicit drugs at a specialty facility. As a result, 20.8 million people needed but did not receive services in 2007 in a specialty facility.

Data from States along the U.S. - Mexico border illustrate tremendous unmet need for services. Some examples are listed below based on the NSDUH's 2004-2005 State estimates data:

- *California:* Approximately 850,000 people needed but did not receive treatment services for illicit drug use and another 2.2 million Californians needed but did not receive services for alcohol problems.
- *Texas:* Approximately 460,000 people needed but did not receive treatment for illicit drug use and another 1.3 million Texans needed but did not receive treatment for alcohol problems.
- *Arizona:* Approximately 126,000 people needed but did not receive treatment for illicit drug use and another 404,000 needed but did not receive treatment for alcohol problems.
- *New Mexico:* Approximately 45,000 people needed but did not receive treatment for illicit drug use and another 124,000 New Mexicans needed but did not receive treatment for alcohol problems.

**Addiction Prevention and Treatment Services Achieve Results:** Although the unmet need is great, and the federal investments have remained stagnant, federal programs supporting prevention, treatment and recovery services achieve results. For example, SAMHSA has noted that individuals receiving services from Substance Abuse Prevention and Treatment (SAPT) Block Grant-funded programs demonstrated high abstinence rates at discharge from both illegal drug (68.3 percent) and alcohol (73.7 percent) use. In addition, State substance abuse directors report that SAPT Block Grant-funded services help people obtain or regain employment; stay out of the criminal justice system; find stable housing; and enter into recovery.

The prevention set-aside has also helped produce demonstrable results. The Monitoring the Future (MTF) Survey found a 25 percent decline in any illicit drug use in the past month by 8<sup>th</sup>, 10<sup>th</sup> and 12<sup>th</sup> graders combined between 2001 and 2008. As a result, there were 840,000 fewer teens using drugs in 2008 compared to 2001. A strong commitment to the SAPT Block Grant will ensure a strong commitment to much needed prevention services for our youth.

**Federal Investments Needed:** Despite the devastating reach of substance use disorders, recent federal investments in prevention, treatment and recovery services have not reached adequate levels. The SAPT Block Grant, a program within SAMHSA, was cut by over \$20 million from FY 2004 to FY 2008. In fact, it is estimated that the FY 2010 SAPT Block Grant appropriation would have to be increased by approximately \$403.7 million above the 2009 appropriation to maintain services at 2004 purchasing levels [Data courtesy of the New York State Office of Alcoholism and Substance Abuse Services (OASAS) using CPI-U as the proxy]. The good news is that the Senate Appropriations Committee recommended an increase of \$40 million compared to the Administration's request and the FY 2009 level. NASADAD strongly supports this recommendation and is hopeful Congress will move to adopt the Senate's recommendation. NASADAD also supports the House-passed proposal to fund SAMHSA's Center for Substance Abuse Treatment (CSAT) at \$461.5 million – representing an increase of \$47.2 million compared to FY 2009 and an increase of \$0.3 million compared to the President's request.

We also remain concerned with inadequate federal investments in prevention. The Administration proposed a cut of \$2.7 million for SAMHSA's Center for Substance Abuse Prevention (CSAP). The proposed freeze in SAPT Block Grant funding is also noteworthy given the fact twenty percent of this program is directed to much needed substance abuse prevention programming. Specifically, SAPT Block Grant funding represents 64 percent of State substance abuse agency prevention funding across the country. In 21 States, the set-aside represents 75 percent or more of the agency's prevention budget. As a result, in addition to the FY 2010 recommendations for the SAPT Block Grant mentioned above, we recommend \$200.5 million for CSAP – representing an increase of \$0.5 million compared to FY 2009 and an increase of \$2.2 million compared to the Administration's request.

It is also important to note that State substance abuse agencies rely on the Department of Education's (Dept. of Ed) Safe and Drug Free Schools and Communities – State Grants program to support prevention programming in their State. This program is in jeopardy: the Administration's proposed FY 2010 budget seeks to eliminate the program. The full House supported this cut and the Senate Appropriations Committee supported this cut. We hope Congress will take action to reverse this proposal and, at minimum, provide \$294.7 million or level funding for this important program in FY 2010.

In addition, programs within the Department of Justice (DOJ) are very important to State substance abuse agencies. DOJ's Bureau of Justice Assistance (BJA) includes important programs authorized by the Second Chance Act such as the State and Local Reentry Demonstration Projects. Other NASADAD priorities within DOJ include the Drug Courts program, Enforcing Underage Drinking Laws (EUDL) program, Residential Substance Abuse Treatment (RSAT) program, Mentally Ill Offender Treatment Crime Reduction Act (MIOTCRA) and the Byrne/JAG program.

As you consider Committee action to help reduce the supply of illegal drugs in the United States, please also consider taking steps to bolster our federal commitment to prevention, treatment and recovery services. These steps include strong support for SAMHSA, DOJ programming, and Office of National Drug Control Policy (ONDCP).

For your convenience, we have attached a two page fact sheet regarding the SAPT Block Grant. Please visit <http://www.nasadad.org> and access the Public Policy section for additional fact sheets on CSAT, CSAP and DOJ.

Thank you very much for your consideration. Should you have any questions, or require additional information, please do not hesitate to contact me or have your staff contact me or Barbara Durkin, Senior Policy Analyst, at (202) 293-0090 x 111.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Morrison". The signature is fluid and cursive, with the first name "Robert" being more prominent.

Robert L. L. Morrison  
Interim Executive Director

Cc: Flo Stein (N.C.), President