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WESTERN HEMISPHERE DRUG INTERDICTION EFFORTS

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HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

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U.S. House of Representatives
Washington, DC 20515

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June 12, 2015

SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Coast Guard and Maritime Transportation
FROM:	Staff, Subcommittee on Coast Guard and Maritime Transportation
RE:	Hearing on "Western Hemisphere Drug Interdiction Efforts"

PURPOSE

The Subcommittee on Coast Guard and Maritime Transportation will meet on Tuesday, June 16, 2015, at 2:00 p.m. in 2253 Rayburn House Office Building to examine the federal government's efforts to confront transnational drug smuggling and stem the flow of illegal drugs to the United States. The Subcommittee will hear from the United States Coast Guard and the United States Southern Command (SOUTHCOM).

BACKGROUND

Illegal drug trafficking continues to threaten the safety, security, and public health of U.S. society. Illegal drugs also place significant strain on our Nation's health care and criminal justice systems, costing U.S. taxpayers hundreds of billions of dollars annually.

In an effort to combat the adverse impacts of drugs and coordinate the federal government's drug control activities, Congress established the Office of National Drug Control Policy (ONDCP) as part of the Anti-Drug Abuse Act of 1988 (P.L. 100-690). Section 1705 of title 21, United States Code, requires the ONDCP to submit to Congress a National Drug Control Strategy (NDCS) on an annual basis. The latest NDCS, released in July 2014, focuses on reducing the use, manufacturing, and trafficking of illegal drugs, as well as lessening drug-related crime, violence, and health consequences.

Interdiction Activities

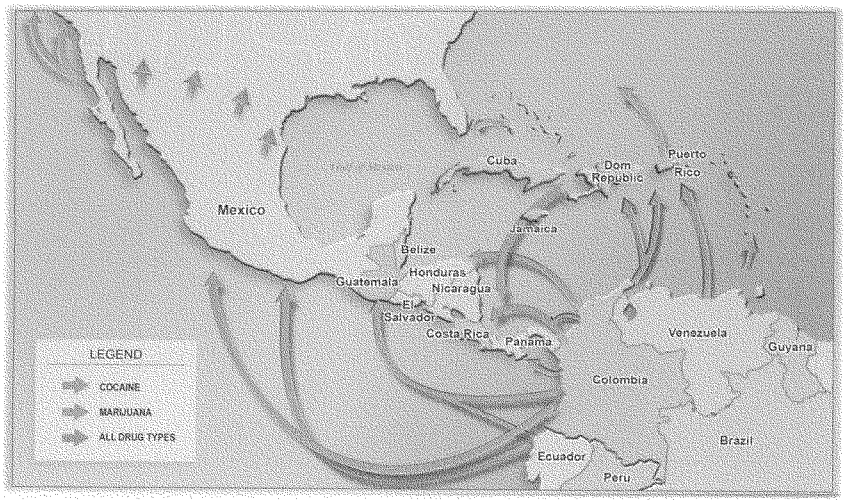
The majority of illegal drugs entering the United States come from South America. According to the Drug Enforcement Administration, Colombia is the source of 90 percent of the cocaine in the United States. The drugs pass through a seven million square-mile area called the

Transit Zone. Roughly twice the size of the continental United States, the Transit Zone includes the Caribbean Sea, the Gulf of Mexico, and the Eastern Pacific Ocean.

Typically, in the Eastern Pacific Ocean, fishing vessels carrying multi-ton loads of cocaine depart Colombian and Ecuadorian ports for delivery points along the Central American or Mexican coasts. In the Caribbean, high-speed "go-fast" vessels haul as much as two metric tons of cocaine at a time. These vessels generally leave Colombia's north coast for points along the Central American and Mexican coastlines, or leave Venezuela's north coast to island nations such as the Dominican Republic, Haiti, Jamaica, and the Lesser Antilles. Smugglers have also turned to semi- and fully-submersible vessels to move large shipments of cocaine from South America to distribution points in Central America. These vessels are effective tools to move large quantities of illegal drugs and other illicit goods because their low profile makes them difficult to detect.

Once the drugs land in Central American nations, they are broken down into multiple smaller packages for transshipment to the United States. Although Mexican drug cartels have recently been using panga boats (small, open-air, outboard-powered fishing boats) to move drugs into the United States, the vast majority of the drugs enter through the United States-Mexico land border. Interdicting these smaller packages at the Mexican border is extremely difficult. Consequently, the NDCS focuses on interdicting bulk shipments of drugs in the Transit Zone.

Figure 1. Fiscal Year 2014 Western Hemisphere Drug Smuggling Vectors



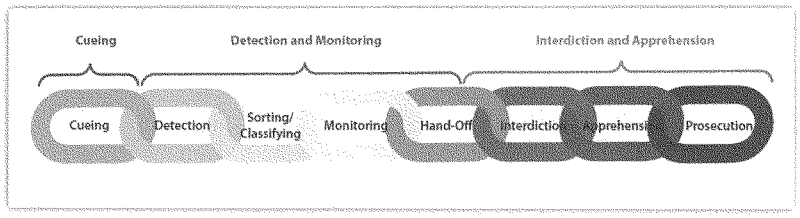
Agency Roles and Responsibilities

The National Defense Authorization Act for fiscal years 1990 and 1991 (P.L. 101-189) designated the Department of Defense (DoD) as the lead agency for the detection and monitoring of aerial and maritime trafficking of illegal drugs into the United States. The U.S. Coast Guard is designated as the lead agency for the interdiction and apprehension of illegal drug traffickers on the high seas.

Interdiction activities in the Transit Zone are coordinated by the Joint Inter-Agency Task Force South (JIATF-South). A subordinate of SOUTHCOM, JIATF-South is led by a Coast Guard Rear Admiral (currently RADM Christopher J. Tomney) and composed of representatives from the DoD and other departments of the federal government, including the Departments of Homeland Security (DHS), Justice, and State. Canada, Great Britain, France, the Netherlands, and Spain provide ships, aircraft, and liaison officers to JIATF-South. A number of Central and South American countries have also assigned liaison officers to JIATF-South. To provide JIATF-South with the ability to effectively conduct its mission, the State Department has negotiated maritime counterdrug bilateral agreements or operational procedures with 43 foreign nations to coordinate detection, monitoring, interdiction, and apprehension activities.

The interdiction continuum (Figure 2) depicts how joint interdiction operations have been used to reduce the supply of cocaine to the United States. A typical JIATF-South interdiction operation begins with the collection of actionable intelligence on drug trafficking activities. This is used to help *cue* or tip the operational unit to narrow its patrol area and decrease response time. Next, Customs and Border Patrol (CBP), Coast Guard, DoD, or allied nation Maritime Patrol Aircraft (MPA) are launched to *detect* drug smuggling activities, *sort* through potential targets, and *monitor* the suspect vessel(s). The MPA will then contact a nearby Coast Guard, Navy, or allied nation's surface asset (e.g., a cutter, frigate, etc.) and *hand-off* the vessel. The surface asset will launch a small boat or an armed Coast Guard helicopter manned with Coast Guard Law Enforcement Detachment (LEDET) personnel to disable the vessel. The vessel is then *interdicted*, the drugs are seized, and the crew is *apprehended*. Final disposition of the vessel, drugs, and crew is coordinated between the U.S. State and Justice Departments and the flag state of the vessel who handles the *prosecution*.

Figure 2. The Interdiction Continuum



(National Drug Control Strategy 2014)

From October 2014 to April 2015, Allied and Partner Nations contributed in 64 percent of all JIATF-South seizures and disruptions – 41 percent of which were termed "critical," meaning an interdiction would not have been successful without Partner Nation assistance. Operation Martillo (Hammer) is the name of the current JIATF-South interdiction operation which brings together 14 countries to disrupt drug smuggling in the Transit Zone. As of March 2015, Operation Martillo has been credited with disrupting more than 400 metric tons of cocaine over the last four years. This equates to a loss of roughly $8 billion in potential revenue for illegal drug traffickers.

Goals and Performance

The national interdiction goal, as set forth by the NDCS, establishes an overall removal rate of 40 percent of the documented flow of cocaine destined for the United States by fiscal year (FY) 2015. The historic average removal rate prior to FY 2010 was 25 percent. In FY 2012, the removal rate dropped to 23.8 percent, well below the national goal of 34 percent for that year. In FY 2013, the cocaine removal rate increased to 28.5 percent, but still failed to reach the national goal of 36 percent for FY 2013.

Since FY 2009, the Coast Guard has set its own internal annual performance target for cocaine removal from noncommercial vessels in the Transit Zone. The annual target varies from year to year based on the Coast Guard's own review of intelligence, logistics, policy, capability, emerging trends, and past performance. The Service has achieved its performance target only once since FY 2009. For FY 2015, the Coast Guard has set its annual performance target for cocaine removal at 13.8 percent. This is the lowest the Coast Guard has set its performance target since FY 2010. The lowered target is partially a result of the forecasted reduction in the level of ship and aircraft support provided to JIATF-South by the U.S. Navy as its frigates are decommissioned and the new Littoral Combat Ships are in demand in competing global engagements. Of the 1,426 maritime drug movements documented in FY 2014, JIATF-South was able to only target 383 movements (or 27 percent) due to the number of available ship and air assets.

Table 1. Coast Guard Performance Target and Results for Cocaine Removal

Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	18.5%	15.5%	16.5%	14.1%	13.9%	13.8%
Actual	13.5%	11.6%	13.4%	15.3%	9.3%	N/A

Factors Impacting Performance

Several factors impact the ability of JIATF-South to meet drug interdiction performance targets, including continuously changing modes, tactics, and routes by drug smugglers; the inability of allied nations to consistently commit assets; and the availability, quality, and timeliness of actionable intelligence. However, according to the leaders of the Coast Guard and SOUTHCOM, the largest factor in the recent decline and ongoing inability to meet drug interdiction performance targets has been the decreased inventory of ships and aircraft available to support operations, as well as an insufficient inventory of vessels.

1. Funding - The FY 2013 budget sequester had a significant impact on the ability of SOUTHCOM and the Coast Guard to meet drug interdiction performance targets. Sequestration cut approximately $200 million from the Coast Guard's training, operating, and maintenance accounts which limited the availability of Coast Guard assets. The Coast Guard also reduced its commitment of forces to JIATF-South. Specifically, planned ship deployments fell by more than 30 percent, from an original FY 2013 target of 1,460 major cutter days to 986. The Coast Guard also reduced planned MPA support to JIATF-South to 3,207 hours, from a FY 2013 target of 4,700 hours. In FY 2014, a year without sequester, the Coast Guard again was unable to meet its commitment of forces to JIATF-South.

   The Coast Guard has committed to increasing the number of MPA hours and cutters equipped with helicopters by 50 percent. In SOUTHCOM Commander General John Kelly's testimony before the Senate Armed Services Committee on March 12, 2015, he stated that it takes 16 flight-deck equipped ships to meet the mission needs in the Transit Zone. The Coast Guard's commitment of 50 percent more cutters equipped with helicopters will add two to three additional vessels, still short of the 16 vessels needed.

2. Decreased Asset Availability - The age of Coast Guard vessels and aircraft, coupled with an increased tempo of operations in recent years, have led to increased rates of equipment failure among the assets' major systems. These factors, in turn, reduced available resource hours which negatively impacted operational readiness and mission performance. In its August 2012 report entitled "Legacy Vessels' Declining Conditions Reinforce Need for More Realistic Operational Targets" (GAO-12-741), the Government Accountability Office (GAO) found that the Service's legacy fleet of vessels was not able to achieve operational targets for either percent time free of casualty or underway hours.

   In September 2013, the DHS Inspector General (IG) reported that the primary cause of the failure of the Service to meet its FY 2012 drug interdiction performance target was due to decreased asset availability from aging and deteriorating assets (OIG 13-122). The DHS IG again reported that the Coast Guard failed to meet its drug removal rate in FY 2014 (OIG 15-27).

   In a June 2014 report to Congress entitled "Coast Guard: Resources Provided for Drug Interdiction Operations in the Transit Zone, Puerto Rico, and the U.S. Virgin Islands" (GAO 14-527), GAO reiterated the Coast Guard's challenge in maintaining and operating legacy cutters and cited concerns in the timely replacement of these vessels. In his testimony before the Subcommittee on Coast Guard and Maritime Transportation in February 2015, the Commandant of the Coast Guard, Admiral Paul Zukunft, stated that the Service is only able to disrupt 20 percent of the illegal drugs flowing through the Transit Zone despite actionable intelligence on 90 percent of the drugs in this area. Admiral Zukunft attributed this low percentage to a limited availability of Coast Guard ships and aircraft. General Kelly also testified to the need to replace decades old Coast Guard cutters and gave his support for recapitalizing the Coast Guard cutter fleet in his testimony before the Senate Armed Services Committee on March 12, 2015.

WITNESS LIST

Vice Admiral Charles D. Michel
Deputy Commandant for Operations
United States Coast Guard

Rear Admiral Karl L. Schultz
Director of Operations
United States Southern Command

WESTERN HEMISPHERE DRUG INTERDICTION EFFORTS

TUESDAY, JUNE 16, 2015

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 2:15 p.m., in room 2253, Rayburn House Office Building, Hon. Duncan Hunter (Chairman of the subcommittee) presiding.

Mr. HUNTER. This subcommittee will come to order. Welcome everybody. The subcommittee is meeting today to review the Federal Government's efforts to confront transnational drug smuggling and stem the flow of illegal drugs to the United States.

Let me start by saying I had a great trip down in Florida with you, Admiral Schultz, great, great time with JIATF [Joint Interagency Task Force] and General Kelly, and I got to see firsthand the problems that our Nation faces in stemming the flow of illegal drugs to our shores.

My visit to the Coast Guard units as well as JIATF South was insightful. I was able to witness the impact limited resources and deteriorating assets is having on the Coast Guard's ability to effectively carry out its drug interdiction mission.

The flow of illegal drugs to the United States continues to be a problem. Illegal drugs placed a strain on our Nation's healthcare and criminal justice systems. Their smuggling routes and methods are easily translated into transport routes for other illicit goods that pose significant safety and security concerns to U.S. citizens.

Some of the most notorious and violent criminals, cartels, and narcoterrorists are directly responsible for drug violence, crime, and corruption that are destabilizing foreign nations and endangering the lives of American citizens here and abroad. Representing southern California, I am very aware of the harm violent drug traffickers inflict on our communities.

In recent years, violence stemming from the drug trade has spilled over the Mexican border and has led to the kidnappings and murders of American citizens and U.S. law enforcement officers. It was only a few years ago that a Coast Guard servicemember lost his life during counterdrug operations near Santa Cruz Island, California.

Coast Guard Senior Chief Petty Officer Terrell Horne was leading a boarding team when he was critically injured interdicting and apprehending illegal drug smugglers. The Coast Guard recently an-

nounced it will honor Senior Chief Horne's sacrifice by naming a Fast Response Cutter after him.

The Coast Guard, U.S. Navy, and allied partner nations continue their efforts to stop boat drug shipments at sea. Interdicting shipments of drugs at sea before they are broken down into smaller packages is the most effective and efficient way to stop the flow of illegal drugs across our borders.

The Coast Guard is the lead agency in maritime interdiction because it has unique military and law enforcement authorities which enable it to seamlessly disable a drug smuggling vessel, seize the drugs, and arrest the crew. But that only works when the Coast Guard, SOUTHCOM [U.S. Southern Command], and partner agencies and nations have the resources and assets to act on intelligence targets.

Unfortunately, however, cuts to the military's budget, sequestration, and aging and rapidly failing Coast Guard assets are undermining mission success. In recent years, SOUTHCOM and the Coast Guard were only able to interdict slightly more than 20 percent of the cocaine bound for the United States. That is roughly half the national target for 2015.

In addition, the Coast Guard has been consistently unable meet its internal performance goal for drug removal in the transit zone. In fact, since 2009, the Coast Guard has only achieved its cocaine interdiction target once. I hope today's hearing will help clarify the direction we need to take in the future to ensure our men and women in uniform have the resources and assets that they need to carry out this and other critical missions.

With that, I yield to Ranking Member Garamendi.

Mr. GARAMENDI. I thank you very much, Mr. Chairman, and thank you for holding the hearing and for the witnesses. It is good to see you once again and look forward to your testimony.

This hearing is very, very important. We need to understand our efforts and the effort of our international partners to interdict the flow of illegal drugs into the United States from points all across the Western Hemisphere.

At the hearing convened last April, I stressed that the current age of budgetary austerity, it remains essential for Congress to scrutinize every drug interdiction program to ensure that the various Federal agencies involved are best coordinating and utilizing their resources to the greatest effect in the transit zone. That sentiment is just as valid today as we take up this matter again.

Additionally, I also voice concern about the imminent operational gap that the Coast Guard will have to contend with its aging legacy fleet of High and Medium Endurance Cutters as they are decommissioned or laid up more frequently for emergency repairs and maintenance.

If anything, the recent hearing last month on the Coast Guard acquisition activities further corroborate my belief that the Coast Guard is going to be extremely hard pressed to maintain its existing capabilities, much less increase the tempo of their operations, and as you suggest, Mr. Chairman, make their bogey, that is, to get the number of drugs that they intend to.

This raises the fundamental question, if the Coast Guard operational readiness and capability is likely to be degraded, at least

until we begin to see the delivery of the new Offshore Patrol Cutters, where can we turn now to find the assets and resources necessary to plug the hole? Unfortunately, it would appear that the Navy is not where we will go. They are scaling back the number of frigates and other assets it deploys through SOUTHCOM to support the JIATF operations.

Moreover, despite the fact that the transit zone across the Western Hemisphere is roughly twice the size of the continental mass of the United States, other bureaus within the Department of Homeland Security continue to disproportionately allocate resources to reinforce the southern border, notwithstanding the data demonstrating that the maritime routes are becoming the preferred option for international criminal syndicates, and if supplemental resources are not going to be forthcoming soon, this leads us back to another fundamental question.

How can we reasonably expect the Coast Guard and other Federal agencies, for that matter, to accomplish their vital missions? As I stated at the last hearing: If we want to succeed in our efforts to prevent illegal drugs from entering our country, we can no longer ignore the fact that inadequate Coast Guard budgets have left the Service out on the precipice, and until we have resolved the issue of this reality in full, we are far more likely to see more illicit drugs, more illegal migrants and other harmful contraband crossing our shores.

Mr. Chairman, I yield back.

Mr. HUNTER. OK. I thank the gentleman.

And before we introduce our witnesses today, I would like to introduce some gentlemen that just came in, World War II merchant mariner veterans. I just want to say thanks for being here, gentlemen. Appreciate it.

In fact, we are trying to get ahold of Ms. Janice Hahn, who has been carrying your legislation, our legislation now for quite awhile, and I just want to let you know that we are working on it, so thanks for being here. Appreciate it.

Our first witness today is Vice Admiral Charles D. Michel, the Coast Guard's Deputy Commandant for Operations. Vice Admiral, you are now recognized.

TESTIMONY OF VICE ADMIRAL CHARLES D. MICHEL, DEPUTY COMMANDANT FOR OPERATIONS, U.S. COAST GUARD; AND REAR ADMIRAL KARL L. SCHULTZ, DIRECTOR OF OPERATIONS, U.S. SOUTHERN COMMAND

Admiral MICHEL. Sir, before I start my statement, with the committee's permission, if I could just take a couple of minutes to talk about a breaking news item.

Mr. HUNTER. Absolutely.

Admiral MICHEL. Sir, this is a picture of a semisubmersible that the U.S. Coast Guard interdicted this morning in the eastern Pacific. It was interdicted at first light by one of our Coast Guard units, and our Coast Guard units are on board. They have control of the vessel. They also have four detainees on board, and it is estimated 3,000 kilos of cocaine, or 3 metric tons of cocaine are on board this vessel.

We will have to pull it off to actually count it, but that is what the initial estimates are. As you can see—and I will pass around the picture of this vessel. This is a classic semisubmersible. It is about 50 feet in length. You can see the water-cooled exhaust that they put in place here to keep heat sensor detection down. You can see that it is painted to match the color of the ocean. It is almost undetectable. I will pass this around.

I can't answer any specific details in the open forum here, but after the hearing, I am happy to talk to you about the details of this interdiction, but this is what we are facing today, sir, and this was taken down this morning.

Mr. HUNTER. Way to go.

Mr. GARAMENDI. Congratulations.

Admiral MICHEL. Well, sir, congratulations to the Nation, and this is really a whole of Government team, including JIATF South that was engaged in this. It was the Coast Guard that took it down, but there is a lot more going on there than just the Coast Guard.

So with your permission, I would begin my statement.

Mr. HUNTER. Please.

Admiral MICHEL. Chairman Hunter, Ranking Member Garamendi, members of the subcommittee, thank you for the opportunity to testify today on Coast Guard drug interdiction operations. My complete statement has been provided to the subcommittee, and I ask that it be entered into the record and that I be allowed to summarize my remarks.

Mr. Chairman, we continue to face a significant threat from transnational criminal organizations in the Western Hemisphere that use drug transit routes to the southern approaches of the United States. These illicit networks are advancing their deadly trades with coercion, intimidation, violence, and near impunity in our closest neighbors and in our border regions. Transnational criminal networks destabilize our neighbors, exploit our citizens, endanger public health, and threaten regional stability, and national security.

Last summer's influx of over 50,000 unaccompanied children was a tragic symptom of the region's instability and violence. Parents by the tens of thousands decided that it was better to turn their children over to human traffickers, who we call coyotes, for a chance of life in the United States rather than to live in countries wracked by some of the world's highest homicide rates resulting from transnational organized crime.

In September of 2014, Admiral Zukunft signed the Coast Guard's Western Hemisphere strategy that calls out three strategic priorities: combatting networks, securing borders, and safeguarding commerce. This strategy recognizes that the Coast Guard is uniquely positioned to attack a key center of gravity of transnational criminal networks.

The unmatched capability of maritime interdiction allows for the interdiction of concentrated, often multiton loads of expert quality drugs at sea before they can reach land and be broken down into small quantities that not only become extremely difficult to police but also cause death and devastation as they make their way to North American markets.

The cocaine trade, in particular, is uniquely vulnerable as the existence of the Darien Gap means that virtually all cocaine exported from South America must at some point during its journey travel by air or maritime means. This movement exposes conveyances to sensors and interdiction.

In addition, maritime interdiction often allows for the assertion of U.S. jurisdiction over the witnesses and evidence vital to identifying and attacking transnational criminal organizations closest to the head of the snake. Maritime interdiction against mostly go-fast boats, however, typically require sophisticated detection monitoring techniques in vast ocean spaces and an endgame carried out by flight deck-equipped cutters with embarked day/night airborne-use-of-force helicopters.

Coast Guard ships are the Nation's and our neighbors' defense forward against the transnational criminal threat beyond our land borders, beyond Mexico, and beyond Central America. When we detect a suspect vessel, our cutters, helicopters, and highly trained pursuit boat crews have a nearly 90-percent interdiction success rate.

Over the years, our operations have become extremely lean and efficient with the vast majority of interdictions happening as a result of intelligence cueing. In the last month alone, the Coast Guard has been involved in 22 counterdrug cases that have resulted in the arrest of more than 50 suspects, the removal of more than 12 metric tons of pure uncut cocaine on the sea, and that does not include this interdiction that I showed you this morning, sir. And denial to criminal networks of more than $400 million wholesale in drug proceeds.

While we have made substantial improvements in our tactics, techniques, and procedures, resource constraints leave us able to target only 37 percent of the high-confidence intelligence cases, almost always due to a lack of surface vessels.

To close this gap, the Coast Guard has undertaken four specific initiatives. We have increased our offshore presence to interdict drugs at sea, the initial results of which are encouraging. We have continued to build upon the 43 international maritime law enforcement bilateral agreements and work closely with the Department of State and our international partners in these interdiction efforts.

We are fully integrated in in Secretary Johnson's vision for unity of effort and the DHS [Department of Homeland Security] task forces to secure America's southern border and approaches, and we continue to move forward with the acquisition of the affordable Offshore Patrol Cutter.

Recapitalizing the medium endurance cutter fleet with the OPC [Offshore Patrol Cutter] is the Coast Guard's number-one investment priority and is critical to our offshore presence and core missions. By the time we begin laying the keel for the first OPC, some of the legacy cutters they are scheduled to be replace will be more than 55 years old, well beyond their intended service life.

The time to recapitalize the fleet is now, and we are on schedule to award OPC detailed design in fiscal year 2016. In summary, the Coast Guard continues to exploit the unique benefits of maritime interdiction to combat transnational criminal networks. This forward defense of the Nation and the region applied at a critical cen-

ter of gravity for transnational criminal networks requires highly specialized maritime assets and crews that are capable of countering a well-equipped, adaptable, and ruthless adversary.

Thank you for the opportunity to testify before you today and for all you do for the men and women of the United States Coast Guard. I look forward to hearing your concerns and questions. Thank you.

Mr. HUNTER. Thanks, Admiral.

Our next witness today is Rear Admiral Karl Schultz, the Director of Operations for U.S. Southern Command. You are recognized, Admiral.

Admiral SCHULTZ. Chairman Hunter, Ranking Member Garamendi, members of the committee, thank you for the opportunity to appear before you today on behalf of General John Kelly, commander, U.S. Southern Command. I look forward to discussing how the U.S. Southern Command works with the Coast Guard to defend the southern approaches to the United States.

Every day, our southern approaches are under direct assault by sophisticated criminal networks whose smuggling operations reach across Latin America and deep into the United States. These groups exploit every land, sea, and air border to traffic drugs, people, and weapons throughout the Western Hemisphere and beyond. Their corrosive activities pose a direct threat to our national security and the stability of our partner nations in the region.

Mr. Chairman, it will take a network to defeat a network, which is exactly what SOUTHCOM, the Coast Guard, our interagency, and international partners are building through multinational counterdrug operations, and capacity-building efforts in Central America, South America, and the Caribbean Basin.

As you know, the Department of Defense has a congressionally mandated statutory responsibility for the detection and monitoring of illicit drugs in the air and maritime domains. Our Joint Interagency Task Force South executes this responsibility working with agencies from the Department of Homeland Security, the Justice Department, the Department of State, and partner nation defense and security forces to disrupt illicit trafficking and dismantle criminal organizations.

JIATF South has long been the gold standard in leading and orchestrating successful interdiction operations. Last year, the JIATF South team supported the disruption of 158 metric tons of cocaine. That is 76 percent of the total amount of cocaine seized by all U.S. Government agencies.

JIATF South's continued success, however, could be in jeopardy. Due to other global defense priorities, limited Department of Defense resources are available to source the counterdrug mission, and we have been forced to rely heavily on Coast Guard support, including their personnel, aircraft, and cutters.

Come this September, the U.S. Navy will have a minimal presence in the SOUTHCOM area of responsibility. Mr. Chairman, for all intents and purposes, the Coast Guard is U.S. Southern Command's Navy, which is why we share and echo the Coast Guard Commandant's concern over the Coast Guard's ability to sustain its aging fleet while recapitalizing its fleet of Fast Response, Offshore, and National Security Cutters.

As an economy-of-force geographic combatant command, we at U.S. Southern Command are concerned by the limited availability of Department of Defense assets, including U.S. Navy frigates, airborne ISR [intelligence, surveillance, and reconnaissance], and national technical means to support our missions. For both the Department of Defense and the Coast Guard, asset shortfalls and potential asset failures are the greatest threats to our ability to defend the United States against the relentless onslaught of transnational criminal activity and illicit drugs.

Finally, I will close by noting that the possible return of sequestration would be disastrous for the counterdrug mission. It will undermine our ability to remain engaged with our partners, undermine our awareness of threats in the region, and undermine our ability to stop them before they reach our shores. I look forward to discussing these and the other issues with you. Thank you.

Mr. HUNTER. Thank you, Admirals.

I am going to start by recognizing myself, and then the other Members for questions. I guess my first question is, if you take the Department of Justice, and you take the Department of Homeland Security, and you basically take everything else that is under that umbrella, including the DEA [Drug Enforcement Administration], the FBI [Federal Bureau of Investigation], local police forces for everything, you can probably guess, do you have a number for how much they spend on drug interdiction to get to that 24 percent of the total annual amount?

So if you take—if you interdict 76 percent, it leaves them with 24 percent, I am just curious about the money spent for each one—each bang for the buck there.

Admiral MICHEL. Those figures are available. I don't have them, but I can provide them on the record. There is a question for the record.

Mr. HUNTER. Could somebody on the committee just Google that maybe while we are doing this? Let's just find out what the number is. If you can get all the other—I am just curious.

Admiral SCHULTZ. What I can tell you, Mr. Chairman, from a DOD [Department of Defense] perspective, about $25 billion goes into the drug budget, writ large. About $5 billion of that is allocated; about $3.7 billion across for interdiction efforts; I think $1.2 billion or $1.3 billion for international efforts; about 20 percent of that drug budget goes towards what I call the JIATF South world to work there. JIATF South consumes about 1.5 percent of that $25 billion budget, to give you a sense. I can't speak to the other agencies to your specific question but——

Mr. HUNTER. That is just DOD?

Admiral SCHULTZ. Well, the JIATF South piece of DOD of the $25 billion total drug budget is sort of how those numbers shake out.

Mr. HUNTER. But the DOD total drug budget is about $25 billion.

Admiral SCHULTZ. That is the U.S. Government——

Mr. HUNTER. Oh, that is the entire. That is the whole effort.

Admiral SCHULTZ. Entire drug budget, across the U.S. Government, writ large, yes, sir.

Mr. HUNTER. All right. Makes sense. Let's go really quick to interdiction performance because I—we talked about this the last

hearing we had. We got into how the standard gets raised or lowered kind of based on every year going forward, and the baseline can get moved as well, which makes it hard for us to figure out where the real baseline was or is and where you really come from where you were, right.

I do know that you said JIATF South, they increased their hits last year, right, meaning your average take was—you were hitting 20 percent. Now it is more towards 30 percent?

Admiral SCHULTZ. Sir, JIATF South is currently targeting about 36, 37 percent of the known activities. You know, if you get down to the success metrics, that is a different set of numbers, but we are targeting about——

Mr. HUNTER. But you are up over last year.

Admiral SCHULTZ. Up over last year, and then when you look at—after you target them, the next step would be how do you go about detecting and monitoring them. We detect and monitor about 70 percent of what we target, so start with a number say 1,250, you look at about one-third of that, and then within that, about 70 percent of those, you are actually putting detection and monitoring assets against.

When we go out there and fly a Maritime Patrol Aircraft against a target, we are successful—a very high preponderance of an endgame—almost 90 percent of those that we target and then detect, we actually get a disruption or a seizure at the end of the day.

Mr. HUNTER. So it is not possible, though, for the—for JIATF South's interdiction percentage to go up and the Coast Guard's, their numbers, or their goals met to go down, is it?

Admiral SCHULTZ. Sir, our numbers at SOUTHCOM and JIATF South are inextricably linked to the Coast Guard's numbers. I mean, come this fall, the Coast Guard essentially is the only U.S. Government ship-providing game in the business here. We will have some PC–179 patrol craft from the Navy, but it is a Coast Guard game. As I mentioned in my opening statement, the Coast Guard is SOUTHCOM's Navy moving forward.

Mr. HUNTER. OK. So then my last question then is, so tie those together. How could the Coast Guard reduce performance target for cocaine, let me see, from 18.5 to 13.8 percent in fiscal year 2015, so how can yours go down then as SOUTHCOM's go up?

Admiral MICHEL. I am not sure exactly.

Mr. HUNTER. Or am I missing——

Admiral MICHEL. Well, there is—it is a little more complicated than that. So JIATF South supports disruption of cocaine not only by the Coast Guard but also by other U.S. Government agencies as well as foreign partners, so they may assist the Government of Colombia or the Government of Canada or the U.K. or the Dutch or the French who contribute ships to this effort as well as the Central American partners, so they have got a broader scope than the Coast Guard.

The Coast Guard itself is supported by JIATF South, and our numbers have been pretty consistent, and it looks like ours is just a matter of ship effort. So we have already—last year we interdicted 91 metric tons of cocaine. That is what the Coast Guard was actually able to interdict. So far this year, just to date in this fiscal year, we are at 83 metric tons, not including the 3 that were on

this semisubmersible, and we have still got 3 months of the year left to go.

So we are going to up our numbers, if I were guessing on trajectory here, probably up to 110, 115 metric tons when we get done here.

Mr. HUNTER. And again, this is your—your performance targets are a percentage of the whole that you know about? What is it a percentage of?

Admiral MICHEL. So the removal rate is based on—the numerator is the amount of known cocaine removed from the system, and the denominator is the U.S. Government's best estimate on the amount of flow that moves through the Western Hemisphere Transit Zone, and their confidence factors that go in there. It is based on production estimates, so you know, over the imaginary of cocoa fields and things likes that, plus known interdicted events with a certain degree of confidence, and then the Coast Guard is accountable for a portion of that.

Last year was 13.9 percent of that Western Hemisphere Transit Zone that the U.S. Coast Guard was accountable to get, and we got about 9 percent. And the long pole in the tent there is just simply numbers of ships. There was more actionable intelligence that would have allowed us to meet the goal down there, but we didn't have the ships to be able to do it. It is a pretty simple story.

Mr. HUNTER. OK. And to be clear again then, that is a percentage of the known flow, not the number of ships you are able to send out to interdict, right?

Admiral MICHEL. That is correct. The removal rate is based on the known flow, and the USG [U.S. Government] target, writ large, USG was 36 percent of that flow was the entire USG target of which the Coast Guard is responsible for 13.9 percent of that.

Mr. HUNTER. OK. Thank you, Admiral. I yield to the ranking member.

Mr. GARAMENDI. I thank you, Mr. Chairman. Actually three sets of questions. Now the first is on assets, the availability of the Coast Guard, how do you intend to bridge the gap if the Navy is pulling out and the Offshore Patrol Cutters are not, for another 2 years, assuming that they are actually going to wind up in that area, how do you intend to bridge the gap? That is one question. Let us deal with them one at a time, and then you won't have to write notes about the questions. So Admiral Michel.

Admiral MICHEL. Well, sir, that is the rub, ultimately, and our Commandant made an affirmative decision to increase our number of ships that we commit to the JIATF South effort in the Western Hemisphere Transit Zone by over 50 percent, and he did that by taking risk in additional Coast Guard mission sets.

I don't want to talk too much about that in this forum because some of that involves LE, law enforcement presence in other vectors, but the Commandant took a calculated risk because he felt the need to commit resources to that area to provide for regional stability and national security because those countries down there are really in a fight in addition to all the impacts that they have here.

So the way that we are bridging that gap is we are providing the best quality ships we can provide down there, which is our Na-

tional Security Cutters, which have the best sensor capabilities, the best day/night AUF [airborne-use-of-force] capability, which the Commandant has also plussed that up on our commitment of the airborne-use-of-force capability, which is critical to stop the go-fast boats, which is about 80 percent of the traffic moves on go-fast boats.

The other part is to continue to develop our intelligence mechanisms that will allow us to get at that other 30 percent that Admiral Schultz talked about there that we target but we can't detect because of lack of wide area surveillance or other type of intelligence capabilities, the ability to buy that down, and then trying to use every type of TTP [tactics, techniques, and procedures] and asset that we have, whether it is from a helicopter or pursuit boat to ensure that when we get those detected assets, that we are actually able to interdict then. And then we are waiting for the new assets the come online, sir.

Mr. GARAMENDI. So we have got about a 2-year, maybe a 3-year period of time here in which it is going to be touch and go. What are the role of the other countries in the area? You mentioned Colombia, the Coast Guard, Colombia's Coast Guard, Panama, and so forth. Would you speak for a few moments about that?

Admiral MICHEL. Yes, sir. Well, a number of countries down there have some good capabilities. Mexico, for example, has really good capabilities, and Colombia has good capabilities as well. Most of the other partners have very dedicated people but very small boats and essentially no detection and monitoring capability.

When I was JIATF South Director, for the majority of the Central American partners, we had to actually commit an aircraft to walk a go-fast boat onto their small craft because they had no radar, they had no detection capability at all, and probably won't have any for a long time. So they are committed forces and well-trained people, but they are not very well-equipped.

There are other partners down there that do have good equipment, the French, the Dutch, the Canadians, the U.K. have had ships in the area and continue to work in the area, and those are obviously high-end quality ships, and we try to use those as much as possible. So you have got kind of a mixed bag on the local partners.

I will say this about most of the local partners. They also have no real prosecution back end. So one of the critical parts about getting U.S. jurisdiction is the ability to exploit those cases for intelligence value to allow you to identify the networks and feed the intelligence cycle, and some of the partner nations, the people go in there, and we are not sure exactly sort of what happens to them, but we are not able to get intelligence value from them, sir.

Mr. GARAMENDI. Let's continue on with the other countries. There has been talk of a billion-dollar foreign aid program for the triangle countries in Central America, and that is part of this puzzle, it would seem to me. And also, how do you interact in the training programs that apparently are going to be diminished?

Admiral MICHEL. I will talk about mine, and then SOUTHCOM also has a large piece in this. Yes, there is a billion-dollar piece, and a chunk of that, about one-third of it is for security-related pieces. The Coast Guard actually plays in all the different areas,

security, governance, and prosperity because of our port security work, our work with the legal teams that we send down there to make sure that they have got adequate laws and things like that to take care of maritime trafficking.

But we have mobile training teams that we put into place down there who work on them on outboard motor maintenance or working on their communications capability, try to train them to maintain their equipment and how to do law enforcement. We have also stood up for the first time our support to interdiction and prosecution teams which are composed of a Coast Guard investigative service agent as well as some of our maritime law enforcement experts who work with the Central American countries to try to ensure that they can take that interdiction that we help them with and they can bring it into their court system and provide the witnesses and evidence to actually gain prosecutions as well as gain the intelligence value from the cases.

Mr. GARAMENDI. You have been doing about 2,000 students a year. Are you going to be able to maintain that, given the budget cuts?

Admiral MICHEL. Sir, my understanding is that the training money for the foreign nationals is on track, and part of that money comes from the Department of Defense and State Department. The Coast Guard has no organic foreign affairs authority. Most of the work that we do with foreign nations is done at somebody else's request, so it is funded through either State Department or DOD, typically under their programs.

Mr. GARAMENDI. And finally, if I might, Mr. Chairman, the issue of unmanned vehicles both on the water or under the water and in the air. What efforts are you making to work with the military or others and your own efforts on these unmanned vehicles?

Admiral MICHEL. So from a Coast Guard perspective, we have fielded right now the small unmanned aerial systems, the ScanEagles, and they are on a number of our cutters, including our National Security Cutters, and we operate those now. We are also a partner with CBP, Customs and Border Protection, in their Guardian unmanned aerial system program, which is essentially Predator B, a marinized Predator B, and we have worked with them, and they have actually deployed the Guardian down there into JIATFS AOR [Area of Responsibility], both in the Dominican Republic and also out of Comalapa, which is a cooperative security location in El Salvador.

The Coast Guard is actually making its determination now as to where we want to place our investments in this very dynamic unmanned aerial system, you know, whether we would want to go with a shipped-based system, which has some attractiveness but you got to be able to recover it, or whether we use a long-dwell, land-based system, and what type of sensor capabilities and back-end processing piece would we need in order to do that.

But we work hand in hand with the Department of Defense, and that is one of the great advantages the Coast Guard brings to the table is we have got all the connections with DOD to try to learn the lessons before we sort of make the big jump on unmanned aerial systems.

Mr. GARAMENDI. I for one, and I suspect the rest of my committee colleagues here, would like to be kept abreast of your plans with regard to these vehicles; also, how you will be collecting and analyzing the data.

Admiral SCHULTZ. Congressman, just on the UAS [unmanned aerial system] piece from a DOD perspective, to echo Admiral Michel, absolutely. We continue to use the Predator when it is available. You know, I would say the maritime solution for the UAS, as sophisticated it is in the land domain, what we have seen in the Middle East area. We are not quite there over the water, and there is some limitations in terms of where you can operate that, in terms of it is almost essentially a tether to it. You have to have a ground-based radar or shipboard radar, but we are very interested in how do you advance that, how do you bring those capabilities into the theater.

We do use a Global Hawk for some ISR responsibilities, capabilities, capacity in our AOR. We get that on a couple-of-mission-a-month basis, but we are employing them as well. Not specifically in the maritime domain but in the SOUTHCOM equities.

If there is a second, sir, to go back to just the country team participation, the question you asked there. From U.S. Southern Command's perspective, you know, we have almost 6,000 to 8,000 soldiers, sailors, airmen, coastguardsmen in the SOUTHCOM AOR on a day-to-day basis. I would say the bulk of their effort down there is along supporting the transnational organized crime, combatting that mission set.

So in Guatemala, we have the interagency task force at the Mexican-Guatemalan border. There is one in the—that they are working on on the Honduras side. There is one down in the southern part of Guatemala. The plan is to build out a couple more of those task forces. We have got about $15–$17 million invested towards that. That is to help the Central American countries establish some border security within their own domain.

Between us and INL [Bureau of International Narcotics and Law Enforcement Affairs], we are putting a lot of—while some of the countries that Admiral Michel mentioned don't have a lot of big ship capability, there is some patrol boat capability, and then there is—we, with INL, are both buying interceptor-type boats, so while we may not have a ship—and again, there is no replacement for a Navy ship, no replacement for a Coast Guard cutter, but what we do do is bring some endgame capability. If an aircraft can traffic a vessel in, we have some pretty sophisticated interceptors, Boston whalers, we have them in the Dominican Republic, we have them in the Central American countries.

Some countries prefer that we retake some refurbished former seized boats, eduardonos, which is a local domestic boat down there. And then we have got a special purpose Marine Air-Ground Task Force operating with 250 Marines in Honduras in the sort of ungoverned spaces in the northeast coast right now.

So we have got a lot of building partnership capacity stuff going on, and your question was Central America focused, so I kind of constrained myself there, but on a day-to-day basis, we are training, we are equipping things like night-vision goggles, just essentially helping them bring governance to regions where there are

very little of that today, and that really props up the security part of the equation.

Mr. GARAMENDI. Thank you. I yield back, Mr. Chairman. Thank you for the extra time.

Mr. HUNTER. I thank the gentleman.

The gentleman from South Carolina is recognized.

Mr. SANFORD. Thank you, Mr. Chairman. I guess what I would like to do for one second is go up 30,000 feet, and so this is not a commentary on how hard your men and women are working, the quality of their efforts, the hardiness of their pursuit, but really a macro question, because I remember being in hearings like this the last time I was in Congress. I remember going down to Howard Air Force Base, and I remember at that time there wasn't enough money in drug ops to send up an AWACS [airborne warning and control system] every day of the week, and so they would send one up once a week, once every 2 weeks.

And then the smart drug runners, they simply paid for a spotter, when the plane goes up that has the big dish, let us know, and then like the really stupid guys, the uninformed guys, they would still send a boat running north, and you would look at these films out of an F–16 in pursuit of the boat, they are throwing the drugs out of the boat, and once the boat is emptied, they would turn around, you burned a bit of jet fuel, you got a good video, but that was about it, and it was sort of catch-and-release.

In contrast, I remember at that time, as part of our payments to Peru in the drug ops war, they had a shoot-down policy, and I remember watching videos of planes actually being shot down in Peru. And so it just seems to me that in war, it is either war or it is not. And what we have had for a long while in this country is sort of a middle ground when indeed you and the Navy and others do their duty. But in terms of actual result, really there isn't that much in the way of result.

I mean, any time you look at equation wherein 75 percent of what you are trying to stop is going through, then about 25 percent you are stopping, I mean, you have to question the validity of spending, you know, $25 billion, 6,000 folks, as you just mentioned, in this effort, in terms of result. And you look at how scarce dollars are in the American system, how much scarcer they are going to get going forward. I mean, Alan Simpson and Erskine Bowles, their point was the most predictable financial crisis in the history of man is coming our way, given the squeeze financially that we are going to be in as a country. And therefore we have, I think a requirement, whether in this committee or any other committee, to fund those things that actually work.

And so this is not about, again, the validity of your effort, you guys are working hard, but at the end of the day, the end results, I found wanting, and in contrast, one more data point. I remember being down on a drug ops trip, again, last time I was here, and there had been like 4,000 judges killed in the country of Colombia. I mean, it was all out war down there, and so I—you know, I just really begin to question, are we doing anything? What is your thought on that?

Admiral MICHEL. Well, let me just take a quick stab. So when I first started in the Coast Guard in the mid-1980s, I was actually

assigned on a patrol boat out of Fort Lauderdale, Florida, and I would chase go-fast boats laden with cocaine right there into Miami Harbor, and those were the days of the Cocaine Cowboys where Miami was really on the brink. Those were the days of the shootout of the Dadeland Mall and all those things, and I can tell you, sir, we are a long ways from those days.

We have chased those guys back down through the Caribbean. They are still there but not in the numbers that they were back in those days, and now they are in Central America. There is a huge amount of progress that has been made. We interdicted——

Mr. SANFORD. No, we just moved the border. I mean, you say the Bahamas, you couldn't take a trip in the Bahamas without worrying about pirating in the Bahamas. You don't have to worry about pirating these days.

Admiral MICHEL. And the reason that is, sir, is because of the efforts that we put in place here. It is the same reason that the country of Colombia is actually a productive and advancing country when it almost was a basket case at one point. So we have made tremendous progress. Is there a lot more work to do? Yes, sir, there absolutely is a lot more work to do, but for anybody to say we have not made measurable progress on this, I think, is misinformed.

Mr. SANFORD. Well, in terms of volume of drugs coming into this country, we haven't really moved the needle there.

Admiral MICHEL. Well, sir, we continue to have that because we continue to want to trade with the world. If we decided to completely shut down our borders to all trade, we probably could stop this trade, but we try to balance that out——

Mr. SANFORD. And I would reverse it.

Admiral MICHEL [continuing]. With our law enforcement efforts with other society desires.

Mr. SANFORD. What I would respectfully submit is that when in the history of man has supply not met demand?

Admiral SCHULTZ. Congressman, I would just offer, I think if General Kelly were sitting here, he would tell you our country's insatiable appetite or demand for drugs has sort of put the region, what we call the transit zone, the Central American countries as sort of the meat in the sandwich between the Indian Ridge and producers. I think we have an obligation to aid and probably be part of the solution set here.

I would make an analogy to speeders on the highway. I have teenage drivers. I know there's a lot of speeders on the highway. I know there's not a lot of police officers out there, but I go to sleep at night knowing there's some police officers that keep some semblance of order out there, and I would say in the drug war, the transnational crime combatting efforts is sort of, you keep the lid on it. What we are here telling you with more effort——

Mr. SANFORD. Or does it do the reverse?

Admiral SCHULTZ [continuing]. You stop more.

Mr. SANFORD. Does it raise the profit margin?

Admiral SCHULTZ. Sir, I would say if you look at domestic cocaine use in this country, it is at a low that it's been in recent years, prices are fairly high. I think the efforts that the men and women that are fighting this fight, both from U.S. Government

forces, from international partners, from partner nations, are having an impact there. Again——

Mr. SANFORD. Some people say it is based on demographics, the fact that our country is aging, and the fact that somebody in their 50s may not be wanting to do what they were doing in their 30s or their 20s.

Admiral SCHULTZ. Yes, sir. I think we have got kind of an emerging epidemic with heroin use right now, and you know, I think with 8,500 deaths in this country here in the last year alone from heroin use, I think folks are seeing folks in places like New Hampshire where you didn't think you had drug problems before, and parts of Kentucky where that is cropping up. And I think how we get our arms around that, I guess you could say you stop going after that or maybe we need to look at the fact that 45 percent of that heroin comes out of Mexico, 45 percent-plus is coming out of South America.

Almost all of it now is coming out of this hemisphere through the same networks that the cocaine is coming up from, sir. So I don't disagree with you, but there is a lot of ways at looking at this, this challenge.

Mr. SANFORD. Understood. Understood. And again, I am not belittling in any way your efforts. I am just struggling with the overall aggregate in terms of numbers and the way in which this war—I remember seeing the statistics, the body bag counts, if you will, back when I was in high school, and us walking through those same body bag counts in terms of this much cocaine procured, this much marijuana stopped, but at the end of the day in a lot of small towns across America, somebody being able to buy whatever they want in some, you know, corner of town, and which says to me, obviously, we still have a problem.

I see I burnt through my time, though. Thank you, Mr. Chairman.

Mr. HUNTER. I refuse to be yielded to until the—is the gentleman suggesting that we do what?

Mr. SANFORD. That is the $94 question, and I really appreciate the chairman putting me on the spot like that. But I guess what I am struggling with, in watching this for a long number of years is do you spend more money and more time in affecting demand as opposed to trying to curtail supply. I mean, I think that is the big economic question out there, and that is ultimately not one that you all will resolve.

You are doing your duty, you are doing your part, that which you are charged, so I admire your work, but I think that is the $94 question we got to ask as a society is do we do something more. And again, a lot of this ties into stuff that is well beyond any of our pay grade, straight to the notion of family formation, a lot of other things that impact demand, poverty, you go down the list, but I think at the end of the day, the societal question we got to get our arms around is supply always equals demand.

I remember reading in National Review, James Buckley, who is by no means a liberal, saying the war is lost. That was the front page of the National Review way back when, and he made the case, in that case for liberalization and for legalization and zombie farms

out West. You would have some number of people lost in either equation, and do you look at it a different way.

I don't know what the answer is, but I think that is the question we got to answer that ultimately is beyond your pay grade, and I suspect it comes down to the pay grade of the Americans—you know, and civilian population decide how do we address this problem.

Admiral SCHULTZ. Congressman, I think both of us would tell you, we have sort of run our careers in parallel tracks over more than 6 years together. There is a balanced approach, you probably need both, but interdiction, I think, is clearly part of that equation.

Mr. SANFORD. I am less and less certain of that than I was 20 years ago.

Mr. HUNTER. I thank the gentleman. And I would add, too, it is as much about drugs as it is—because you can get anything through the drug route that you can get drugs through, whether it is a weapon of mass destruction, whether it is weapons, whether it is some kind of chemical agent, the exact same routes that the drug smugglers take, the other bad guys who want to come in here take, too.

Mr. SANFORD. My take, Mr. Chairman, is if you lined up a couple of Marines on the border, it would take care of the problem.

Mr. HUNTER. Probably true. I would agree with that.

The gentlelady from Florida is recognized.

Ms. FRANKEL. Thank you. Interesting discussion. I am going to follow up on that, but just first, quick question is, it sounds like what you are saying here today is that you need more assets to do a more effective job. Are the new assets, is it new technology or is it more of the assets that you have and you just need more of them?

Admiral MICHEL. It is a combination of both, ma'am. There is a certain quantity that is necessary to get the work done. On average, a major ship from either the Coast Guard or the Navy working for a year gets 20 metric tons of cocaine, which is a huge quantity of cocaine per ship, but each one of those ships can become more effective if you have more advanced sensor capabilities which allow them to find things like the semisubmersible.

I know you didn't see the picture of it, but we actually interdicted one of those this morning. I am sure they will share the picture of that with you and how difficult that is, and also the techniques for actually interdicting. So the airborne use of force which allows us to take on the go-fast boats. So it is a combination of both quantity, the number of ships that limit our ability to target, and then the better quality of the ship that allows it to have a better chance of detecting and interdicting that capability. It is a combination of both, ma'am.

Ms. FRANKEL. Thank you. I now want to just follow up on Mr. Sanford's. I thought it was interesting questions you had. I will just say it in a commentary. I think we spend $310 million a month in Iraq and Syria, and I think that a lot of people are questioning that. But I would like you, if you could, in that context, I would like to hear you make the argument as to the national security argument. That's what I would like you to have a little more detail

on, why you feel your mission is so important, how it affects our national security?

Admiral SCHULTZ. Congresswoman, I would say, and I think Chairman Hunter sort of opened up this dialogue. You know, General Kelly's first and foremost duty as a combatant commander for U.S. Southern Command is protecting the southern approaches to the United States for the security of this Nation. These same networks that allow drugs, you know, to the tune of—there's about 1,050 tons of cocaine that come out of the Indian Ridge, the sole cocaine producing region of the world on an annual basis, about 60 percent—660 tons comes to the United States.

It is the same networks that move those drugs, that move, you know, trafficking and women to the tune of 18,000 or so, moving cash both ways, weapons, illegal migrants, special interest aliens, we saw upwards of 500,000 illegals last summer, a subset of 50,000-plus children, those are very sophisticated networks. These organizations are well financed, they are highly adaptive, and it doesn't take a lot of imagination to think the same network that could move cocaine could move, you know, a component to a weapon of mass destruction or something else. They can move an Ebola patient. You name it. The networks are sophisticated.

You know, my boss sometimes makes analogies. It is like a FedEx operation. So when you think about the maritime interdiction of drugs and cocaine is what we are specifically talking about here, you know, we can get the bulk loads of 3,000 kilos, you know, upwards of 7,000 pounds in one seizure at sea, when that ship offloads that to a couple of fast boats off of Guatemala or Mexico and it gets into the land border and gets broken down into small loads and coming across the border in the grille of a car in a 50-kilo load, our ability to stop that is very, very low at that point.

When you interdict it at sea, there is no violence associated with that removal of 7,000 pounds of cocaine. When that cocaine hits the landmass, there is a lot of violence associated with that. There is a lot of graft and corruption associated with that, so the effectiveness is exponentially greater when we can push that border out and take that, you know, law enforcement endgame into the maritime domain.

Admiral MICHEL. Let me just add one other little piece here. So I think you are probably aware, but in Mexico and Central America, a number of the countries down there have declared various states of emergency, and they have actioned their militaries to actually counter this, which is the number-one threat that they face down there. They don't really have a nation state on nation state war problem, but they have a transnational criminal organization network.

It should concern every American that the Mexican armed forces are having to be on the streets of Mexico taking on the cartels because their law enforcement has been completely outstripped by these criminal organizations.

When you look at El Chapo Guzmán, Los Cano Los Cano from the Zetas cartel, or Treviño Morales from the Zetas cartel, they were not taken down by Mexican local police or even Mexican Federal police. They were taken down by Mexican marines who were there trying to defend their country against these transnational

criminal organizations who basically rot the state from the inside out through intimidation, corruption, all the different things that they do, and this is one of our closest neighbors.

And Mexico is a serious country. And to have a situation caused, at least in part, because of what American citizens are putting up their noses, to create that type of a national security situation in one of our closest neighbors should be a concern to every American beyond the public health problems that it creates in this country.

Ms. FRANKEL. OK. Thank you very much.

Mr. HUNTER. I thank the gentlelady. The gentleman from Louisiana is recognized.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. Chairman. I appreciate it.

Admiral, thank you very much. It is nice to see you. You clean up well. Your old commander threads till today, good to see you.

First of all, there was a hearing that the chairman had worked out with the HASC [House Armed Services Committee] that we had back in March where, Admiral Michel, you were there. And the topic was different but the theme was exactly the same in that it was talking all about the total maritime force package and the role that the Coast Guard plays in that.

We talked at length about the fact that the—that you are only as strong as your weakest link and that the Coast Guard plays a critical role in that overall maritime total force strategy or total force package. And so we are sitting here talking about your capabilities. And we are talking about your ability to actually perform the mission that you are tasked with, whether it is drug interdiction, alien interdiction, and many of the other missions that the Coast Guard has had heaped upon it over the last several years.

One of the things that we talked about a little bit in the past, I am going to bring it up again, the OPC. Can you talk a little bit about its role in you carrying out your duties, whether it is under the Cooperative Strategy for 21st-Century Seapower or it is your drug and alien interdiction mission?

Admiral MICHEL. Well, it is absolutely critical, sir, in that the OPC is the replacement for the Medium Endurance Cutter which is the bulk and real workhorse of the Coast Guard's fleet, and we have got about 25 in the program of record of the OPC. The OPC is a sea state 5——

Mr. GRAVES OF LOUISIANA. And I want to be clear, your MECs [Medium Endurance Cutters] are all aging out.

Admiral MICHEL. The average age even if everything goes on schedule—average age for a 270-foot cutter when it comes off the line is 35, average age for a 210-foot cutter is 55.

Mr. GRAVES OF LOUISIANA. OK. So we are beyond service life.

Admiral MICHEL. Yes, sir.

Mr. GRAVES OF LOUISIANA. You need the OPC. It is going to give you better capabilities. I don't want to put words in your mouth, if you could agree or disagree with that. Could you agree or disagree that the OPC is going to give you better capabilities?

Admiral MICHEL. It does provide better capabilities. It is a modern system and it is a sea state 5 capable ship.

Mr. GRAVES OF LOUISIANA. And it does help you—and again, I am not trying to put words in your mouth. I am asking for con-

firmation. It does help you to achieve your objectives within the overall maritime mission that you are tasked with.

Admiral MICHEL. No question.

Mr. GRAVES OF LOUISIANA. OK. So then we get to the budget request, and in the budget request, as we have just spoken about in the past, you have some very confusing language about no funding in there, but you are going to transfer funding, but you haven't identified the source, and I am not saying you, you understand, my friends at OMB, perhaps.

Can you talk a little bit about, about how these things actually line up? I mean, how is it that you are going to be able to achieve your mission in working together with the Navy and the other armed forces, how is it that you are going to be able to carry out your mission with regard to drug and alien interdiction and other missions the Coast Guard is tasked with whenever you are dealing with equipment that is well beyond its projected service life and there are not funds in the budget for you to achieve—for you to acquire new resources?

Admiral MICHEL. Yes, sir. I mean, that is the quandary in the world that I live in, and I will just give you an example. So on our 210-foot fleet, which is the older one, right now we lose about 20 percent of our scheduled time due to unscheduled maintenance, so these are, you know, major whole failures and other things that happen on that class of ship, and that situation only gets worse with time, so we need to replace that.

And the OPC, you hit the nail on the head. The current plan is that there will be an internal transfer within DHS of the roughly $69 million we need to do to proceed with detailed design work.

Mr. GRAVES OF LOUISIANA. But we don't know which couch to flip it over to find that?

Admiral MICHEL. I don't want to phrase it that way. Right now, the best that I have is I have assurances that that money transfer is going to take place and that the OPC is on schedule.

Mr. GRAVES OF LOUISIANA. One of the other things I am going to—I changed gears a little bit, but certainly the OPC's capabilities in regard to source and transit zones makes sense, but just quickly, Mr. Chairman, if it is OK. I am curious, could you talk a little bit about its capabilities and in terms of the Arctic and ops up there?

Admiral MICHEL. Right. So part of the reason it needs to be a sea state 5 capable ship is because this is not a one-for-one replacement with the Medium Endurance Cutter fleet. As a matter of fact, the 210-foot and 270-foot cutters, basically we tried to work those up in Alaska, and that is just too much weather. The distances are too great, and the weather is just horrendous.

So those ships really do not work, the 210-, 270-foot cutters up in the Bering. But because we are not a one-for-one replacement, we have got to have more flexibility with the—where we can assign those ships, and with a sea state 5 capable ship, that OPC can actually operate on a seasonal basis up there in that Alaskan area where we need it.

It is not going to be an ice capable ship or anything like that, but if you can understand that point, that is why we need sea state 5 capability because it is not a one-for-one replacement program.

Mr. GRAVES OF LOUISIANA. Sure. And it will work complementary to your new ice breakers that we will be acquiring sometime soon, correct?

Admiral MICHEL. Well, I hope so, sir. I know they are kind of a twinkle in somebody's eye, and we should probably have some discussion about that, but yes, sir, they are all designed to work together as a system.

Mr. GRAVES OF LOUISIANA. Sure. Thank you, Mr. Chairman.

Mr. HUNTER. I thank the gentleman.

The gentleman from Florida is recognized.

Mr. CURBELO. Thank you very much, Mr. Chairman, for this hearing, and I thank Rear Admiral Schultz and Vice Admiral Michel for their presence here today. As the Representative from Florida's southernmost district, I have a very special appreciation for the Coast Guard and its mission. Thank you for keeping our people safe and secure.

I am hoping you can address generally this phenomenon we are seeing of drug transit routes shifting to the Caribbean. Have you seen a spike in the past several years and what impact has this had on your budget?

Admiral SCHULTZ. Good afternoon, Congressman, and so good to see you, and thanks for your support of the men and women in JIATF South. I know you were down there as recently as April here.

Mr. CURBELO. Yeah that is right.

Admiral SCHULTZ. I would say in terms of the shift to the Caribbean, we have seen a shift in recent years here. I think, A, that shift is attributable to some of the successes we have had along the Central American corridor. Writ large, about 80 percent of the cocaine that comes out of the Indian Ridge destined towards the United States comes through the central corridor, Central American corridor, some in the Pacific, some in the western Caribbean, but as we have had successes there, as we partnered with the Hondurans, their maritime shield, I think it is the balloon effect. You know, the squeeze of the balloon in that region has pushed some more activity to the eastern Caribbean route there, so we are aware of that.

I think at the end of the day when you are dealing with a finite number of ships, and you know, the Coast Guard currently in this fiscal year had 6 ships—6.2 ships committed to the whole JIATF mission set here, that is across the EASTPAC [eastern Pacific] and the Caribbean. The Navy has had one ship. So you are taking seven ships on a good day, maybe some partnerships, and you are spreading them around, you know, we put some energy towards—at the JIATF, we put some energy in that eastern Caribbean route, but when, you know, you are in the teens, percentagewise, versus knowing 80 percent of it's moving in either side of the Central American isthmus there, it is sort of a—it is sort of their decision.

But that said, there's a lot of challenges in Puerto Rico with increasing violence. Puerto Rico has a homicide rate five times that of here in the States. Domestically it is about 5 per 100,000 people. I think it is 25 per 100,000 there, weapons coming in. So we are very in tune with that. The Coast Guard has been working Operation Unified Resolve there, and I will defer to Admiral Michel for

specifics there, but as we at the Southern Command are working with the new DHS joint task force, working with other participants there, working with NORTHCOM, because NORTHCOM really, from a geographic combatant commander standpoint, knows the Puerto Rico region, we are looking at how do we bring some energy to that challenge.

Politically, that has been a very hot area, so we are aware of that. So there is success there, and there is challenge there, and we are trying to attenuate that with a finite amount of bandwidth.

Admiral MICHEL. If I could just add a couple of points here. One thing we watch very carefully is Venezuela. I think you have seen Venezuela has got some stability issues, and unfortunately, the traffickers are exploiting that, so we have seen what Admiral Schultz mentioned there about additional flows coming out of Venezuela, and a lot of those impact the Dominican Republic and Puerto Rico and the eastern Caribbean, so we are going to have to watch that very carefully.

Also adding onto Admiral Schultz, the standup of the Secretary of Homeland Security's new unity of effort joint task forces, of which Puerto Rico and southern Florida are all captured within what is called Joint Task Force East, which is actually dual hatted with our land area commander up in Norfolk, but they bring the entire DHS family together, so CBP, ICE [U.S. Immigration and Customs Enforcement], Coast Guard, the other supporting elements, all in the unity of effort format, along the lines of JIATF, if you know the way that they work, where they truly have a unified chain of command. This is not a sort of coordination element. This is real command and control from the Department of Homeland Security, and we are looking for great things from them along those vectors stretching into Puerto Rico and also south Florida. We are also watching the Cuba situation like we always do. Right now the Cuban Government is pretty good counterdrug, but we are going to have to see if that changes over time, but we watch that very carefully, sir.

Mr. CURBELO. Since you mentioned Cuba, and with the chairman's dispensation because it doesn't have to deal specifically with drug trafficking, but we have seen a spike in migrant movement from Cuba to the United States. Do you attribute that to something specifically, and do you feel that you are prepared at this time for a potential mass migration of them?

Admiral MICHEL. We did see a spike here at the end of last year and into the beginning of this year, and when we interviewed the migrants, they said we heard that the wet foot/dry foot policy was going to be changing, so we want to make sure we got there. We have had a public relations campaign out there telling people that that is not true and making sure that they understand what the facts are.

And here over the summer, I think it has been relatively stable within kind of historic norms. And as always, we are ready for a mass migration, sir, and we watch that all the time and watch very carefully indicators and warnings both there and also in Haiti, the Dominican Republic, and those vectors where we have got some issues percolating. So we watch that very carefully, but we are

ready with our Homeland Security Task Force Southeast, which is specifically designed to deal with these mass migration events.

Mr. CURBELO. Thank you both. Thank you, Mr. Chairman.

Mr. HUNTER. I thank the gentleman. We are going to keep going here. We had really great participation today. You get more and more popular the more you come back, people start to like you. We will have full subcommittee here in a couple of years.

Let me ask you about the NSC [National Security Cutter] really quick. You have a gap. You have a gap between now—between this year and 2018 where you're not working on anything. Well, you are working on the OPC design stuff but you have a gap. There are some folks in this Congress and in this Senate that want to fill that gap for you with an extra NSC. What do you feel about that? And then if you would, not just say how do you feel about it, how would it—how would it affect drug interdiction ops; in SOUTHCOM, what would it do for you; could you use it? Could SOUTHCOM use it? I mean, you might have to take off your Coast Guard hat and put on your SOUTHCOM hat, and SOUTHCOM probably wants that ship.

Admiral SCHULTZ. Sir——

Mr. HUNTER. But the Coast Guard may not.

Admiral SCHULTZ [continuing]. All day. Any ship, Coast Guard ship, Navy ship, is value add for the equation.

Mr. HUNTER. OK. Got that one.

Admiral MICHEL. Easy for him to say. He doesn't have to pay the bills.

But, no, the NSC is an incredible ship, sir. It is the most capable ship the Coast Guard has ever had. We are ecstatic with the NSC. And I just want to go on the record. Same time, it is not within our program of record, and we designed our program of record to be affordable and best meet our needs, and that ninth NSC is not a part of that.

And we cannot allow that to interfere with our other programs because, for example, on the OPC, that is the workhorse of the fleet, much cheaper ship to operate, plus it is smaller and can get into some of the dock spaces and things that we have. The NSC is just a much bigger ship, and that is why it was not a part of the program of record. Not because it is a great ship, but it is not within our affordability characteristics.

And, obviously, if someone were to give one of those to us—and I hope it would not interfere with the other things that we need in the system—then your Coast Guard stands ready to use that ship, sir.

Mr. HUNTER. If you get a ship like that, do you actually see the needle move, depending on how much you interdict based off of a ship like that that has as much capability as it has?

Admiral MICHEL. Sir, that is the best ship available. I won't use the word "Cadillac," sir, because I know you called me on that last time. But the NSC has the best sensor capabilities, the best command-and-control suite, operates the best helicopters, and is the best that we have in the fleet. It has got the endurance. It has got the speed. If you were to design a ship to work in this mission set, it would be the NSC.

So it is the best that we can possibly bring to the fight, but it is also expensive. And its magnitude is more expensive than the OPC, which won't have as many capabilities but hopefully will have more of them.

That kind of goes to Ms. Frankel's question of a balance between quality and quantity at a certain level, and we tried to do that in our program of record in addition to making sure the program is affordable.

Mr. HUNTER. The Coast Guard has built the Navy's littoral combat ship for them. And we are all very thankful. When we copy that and take it from you to give to the Navy, I think they will be appreciative.

Admiral MICHEL. I wish they would send me a thank-you note, sir.

Mr. HUNTER. I want to get back if we could just really quick to when we were talking about levels of capability and your internal performance targets in the very beginning, right. Can you go through how you set those, just, you know, from the ground up for me?

Admiral MICHEL. Well, the Office of the National Drug Control Policy sets what the national goal is, and it is——

Mr. HUNTER. Forty percent?

Admiral MICHEL. Well, it is 36 percent in 2015, 40 percent in 2016, and that is along the formulas we describe, their sort of known interdiction versus the known flow, and there are formulas that underlie each one. So they sent——

Mr. HUNTER. Wait, let me ask, do they tie that to your capability, or do they just come up with that based on there is going to be more drugs coming across so we are going to up you 4 percent as our target or up the entire thing 4 percent?

Admiral MICHEL. No, sir. It was actually a result of a study done a number of years ago that actually brought in some economists and some very smart people and came to the conclusion that if you could interdict 40 percent of the cocaine flow—and they were looking at the cocaine trade—that you could actually force the traffickers to change their business model in a radical method. And there is actually an intellectual basis for why that 40 percent was set that way.

Then it was negotiated amongst the interagency partners as to what were achievable goals for each year in order to get to that 40 percent. And there were studies done specifically on what it would take for the maritime interdiction forces to get to that 40 percent. And the study, my recollection, and I looked at the study when I was in JIATF South is that they figured that we would need about 16 ships in order to do the 40 percent, at the time that study was done. Now, this was done a number of years ago.

Now, some things have changed. The ships have gotten better. The technology has gotten better. The intelligence capabilities have gotten better. So 16 ships is probably an overstatement, in my opinion, up to this point, but even now, we are not fielding anything even approaching 16 ships in order to get down there at the 40 percent that need to be done. So there is analysis behind all that. And it is also run through an interagency negotiation process

based on historical data. And that is where you come up with the Coast Guard's contribution.

And when you look at that historical data for our contribution of the removal, it converts directly into our resource commitments to the fight and what we think we can provide to the fight and what type of capabilities we can provide to the fight. Again, there is pretty good historical data that over a number of years, that for each capital ship that is put downrange by the U.S.—and also some of our foreign, the high-end foreign partners—1 year of ship effort is about 20 metric tons removed. So you can kind of do the math from there.

Now, part of it is beyond our control, you know, how much the traffickers plant, how much they move that year, what their production estimates, how much they decide to send to the U.S. and how much they decide to send to other global markets. So it is a difficult problem set, and recognize, the adversary does everything possible to keep all this from us. I mean, they want this all to remain in the dark. So it is based on our best estimates.

Mr. HUNTER. So your numbers going down from 18.5 percent to 13.8 percent over 5 years, that is based on what you had to do the job with. Is that how it goes?

Admiral MICHEL. That is based on the Coast Guard commitment, yes, sir. That is what we sign up for in order to—our portion of the national goal for the removal rate in the Western Hemisphere Transit Zone and then that converts into the number of assets we can put into the fight, which varies. Sometimes our assets get pulled off in different directions. Sometimes we can do more. Sometimes we can do less.

Mr. HUNTER. So what made it drop from 18 percent to 13 percent?

Admiral MICHEL. Ship effort. It is pretty simple math from a Coast Guard perspective, sir. It is just—it is the number of ships and capable ships that are brought into the fight.

Mr. HUNTER. Let me ask you a question that I am just curious about: Has the Pacific shift for the Navy to Asia had any play at all in anything that happens in your AO [area of operation]?

Admiral MICHEL. I will let Admiral Schultz jump in here, but just from a Coast Guard perspective, our admiral, Admiral Zukunft, talks specifically about this. And he understands the geostrategic perspective and understands the Navy gets pulled in a lot of different directions, and that is specifically why he committed additional Coast Guard resources to the Western Hemisphere Transit Zone. He said: This is an area where I can provide unique capability and be complementary to the other geopolitical moves that the combatant commanders are putting in place.

Mr. HUNTER. So just, if I could dovetail with that too, then does the Coast Guard see a place for itself in the Pacific, in the South China Sea, as opposed to the Navy? Because our fellow peer nation in that area uses their Coast Guard for that exact thing.

Admiral MICHEL. I get asked that question all the time, sir. Unfortunately, with every single combatant commander, there is more demand out there and more relevance for the Coast Guard than there is Coast Guard. And our Commandant has been specifically asked to provide resources to not only PACOM [Pacific Command]

but all the other combatant commanders. And right now his best judgment is our Coast Guard resources are going to be put in the Western Hemisphere Transit Zone because this is an area of regional stability and national security where the Coast Guard can provide unique benefit to the Nation.

And that is his judgment. But it is a risk calculation, no question about it. The Coast Guard is increasingly relevant in the area, and when you see the bumping and all the other things going on, they are Coast Guard boats and typically not gray hulls doing that stuff, sir.

Mr. HUNTER. Admiral Schultz.

Admiral SCHULTZ. Congressman, the only thing I would add to that, you know, the pivot to the Pacific obviously is the demand signal there. I think there is also sort of the perfect storm of the decommission of the fast frigates from a budgetary standpoint. The Perry-class frigates, the last one is on patrol today. Once that ship finishes up her current JIATF patrol, we won't see any frigates here for the foreseeable future.

The LCSs, littoral combat ships, which have been renamed the frigates, will probably not come to the SOUTHCOM AOR for 3 to 5 years here, given that pivot to the Pacific and the rate of recapitalization.

Mr. HUNTER. With that, the ranking member has no more questions. I have no more questions, unless you have any closing comments you would like to give.

Mr. GRAVES OF LOUISIANA. Mr. Chairman.

Mr. HUNTER. Oh, I am sorry. Go ahead. Gentleman from Louisiana.

Mr. GRAVES OF LOUISIANA. Thank you. Thank you very much.

Admiral Schultz, you just talked about the decommissioning of the frigates, and as I recall, I believe you have three that are being decommissioned now that does affect your area of operation. I am just continuing this theme. You talked earlier about the inability to meet the Office of National Drug Control Policy's target of 40 percent. You are losing frigates. You are not budgeting for new capabilities. Your AC&I [acquisition, construction, and improvements] account is going down not up. Can you comment on the conditions on the ground and how it affects your mission?

Admiral SCHULTZ. Well, I would say from the SOUTHCOM commander's perspective, you know, capacity is the spigot, you know. We still operate with that 16 number that Admiral Michel talked about, three large cutters, which would be, you know, your National Security Cutter, your former High Endurance Cutters or maybe a cruiser, destroyer from the Navy. And 13, those would be your to be built OPCs, currently the Medium Endurance Cutters; those were the Perry-class frigates.

So, at the end of the day, it is about capacity from a SOUTHCOM perspective. And, you know, that ship with a helicopter, with the ability to launch a small boat, the ability to move around agilely within the AOR, which translates to a Coast Guard cutter, a Navy ship, some of our high-end partners, you know, you associate a number about 20 million—or 20 metric tons, as Admiral Michel talked about. It is a math equation.

Mr. GRAVES OF LOUISIANA. I certainly don't want to get anybody in trouble here, but is there a way that you can carefully answer the question about, you have got a major loss of connectivity here. Again, heaping missions upon you, setting targets that I am confident if you were properly capitalized, you could achieve, yet they aren't providing the resources for you to actually do that. Where do you see the lack of connectivity here?

Admiral SCHULTZ. Well, I think, sir, the lack of connectivity is clearly budgetarily related. I think where we focus our efforts at Southern Command, I think where the Coast Guard does is, you know, how do you work as smart as possible within the workspace you have while you wait for the recapitalization of new ships?

You know, we look at a resource like the Joint STARS, which flies maritime patrol capability. One Joint STARS flight equates to about 10 P–3 flights. It can surveil that much ocean on one mission here. We will fly that sometimes in conjunction with a B–52 or another type of bomber. Sometimes they will fly solely. We could fly a Joint STAR on the Caribbean base, and they could actually see traffic in the eastern Pacific.

So there's the capacity piece on the surface side, which I talked about. There's other ways to, you know, stay in the game and work smarter with what you have here and pray for better days for more ships to come to the future. I would tell you, there is no bigger advocate to endorse the Coast Guard's recapitalization needs because of the challenges we have. And, again, it is transnational organized crime.

Mr. GRAVES OF LOUISIANA. Sure.

Admiral SCHULTZ. We can take the discussion down to just drugs, but it is about regional stability. And the Coast Guard presence down there, the Navy ships with LEDETs [law enforcement detachments], they are all about, you know, bringing some sanity to that challenge there.

Mr. GRAVES OF LOUISIANA. So you said it is Admiral Michel's fault?

Admiral SCHULTZ. Congressman, you said that, not me. I may need to go back and work for the Coast Guard.

Mr. GRAVES OF LOUISIANA. No, Admiral, look, I just want to be clear. Every hearing that we have, I think that a number of us are going to continue to pound that theme. There is a lack of connectivity here. You are being tasked with missions—we described you as a Swiss Army knife at the HASC hearing in regard to all the missions that are being heaped upon you. You are not being capitalized. There is a loss of connectivity between the work that you are being tasked with and the resources of the capitalization that you are being given.

You have got a great workforce. The men and women of the Coast Guard—and I will put my oil spill comments aside for just a minute—are some great people that work incredibly hard. And I am confident, if given the proper resources, they could hit the targets that you put in place.

I just want to make sure that you are continuing to beat the drum up your chain of command. We obviously are continuing to do the same thing. I am looking forward to the appropriations bill

when it comes to the floor because I think we have got some priorities that need to be addressed.

Let me ask you one last question. The chairman and Congressman Sanford both addressed the issue of when you have open lanes, you can send anything through them, whether it is aliens, whether it is drugs, whether it is a terrorist or weapons or what have you. I assume you would agree with that?

Admiral MICHEL. Absolutely, sir. Just take a look at that picture of that self-propelled semisubmersible. My guess is that probably has a carrying capacity of maybe 5 to 7 metric tons of anything that you want, and it can approach the United States almost undetectable. Most of those SPSSs—now, they are kind of in version four of those things—3,500-, 4,000-mile range, you know, the fact that we have sort of through our consumption patterns allowed the creation of really a bad guy battle lab for the development of these dark highly mobile asymmetric maritime targets should concern everybody.

Mr. GRAVES OF LOUISIANA. And do you often see comingled loads, meaning drugs and aliens together and things like that?

Admiral MICHEL. Actually, rarely. We do see comingled drug loads. So we just had a load of heroin and cocaine. But, interestingly, typically, you will either get a drug boat or you will get a migrant boat.

Mr. GRAVES OF LOUISIANA. OK.

Admiral SCHULTZ. And, Congressman, one thing the DEA has said publicly, I think it is 27 of 54 known terrorist organizations have proven links through drug trafficking. So there is clearly that nexus of, you know, transnational organized crime, illicit drug trafficking, and the potential for more nefarious activities.

Mr. GRAVES OF LOUISIANA. Sir. Thank you all very much.

Thank you, Mr. Chair.

Mr. HUNTER. Thank you.

One last question here. Marijuana, so say that you legalized weed throughout the entire country, right. Would that have any impact whatsoever on what you are doing?

Admiral MICHEL. It is hard to say under what circumstance they would be legalized. As long as the traffickers can make a profit, they are going to be there. I mean, this goes to Mr. Sanford's question. You know, if they can undercut the marijuana market by growing marijuana overseas and putting it in the United States, even under a legalization scheme where you pay more, my guess is they would probably do it. I mean, that is—traffickers are going to make money.

Mr. HUNTER. Well, what would it do? Because you interdict more cocaine than anything else, right? But that is also what you are trying to interdict more of, correct?

Admiral MICHEL. Absolutely. Cocaine really is the money product. And a lot of the problems in Central America, it is not because of marijuana that is being dragged across there. Most of the marijuana is being made in the U.S. or Mexico or somewhere like that. It is because of the cocaine trade that exists here, and it is so insidious because it is a very high-value, very small product.

You have got to smuggle a lot of marijuana to make the same amount in cocaine, and that makes it more vulnerable, makes it

more vulnerable to border tactics, like fences, makes it more vulnerable in the panga arena—I know that you are aware of—in San Diego and things. But the cocaine is incredibly dangerous. And once it gets past the JIATF forces and the Coast Guard forces down there, it is basically done. You are not going to get it.

When I was JIATF South Director, the average cocaine seizure, which was pretty rare on the Southwest border, was 4 to 7 kilos. A major seizure was 40 kilos. That one semisubmersible that I showed you there, 3,000 kilos. And you got that on the water before it got into Mexico and corrupted that government official, killed that kid in the drive-by shooting, plus you have got witnesses and evidence that can actually get you to the kingpins, so the head of the network that set all that stuff in motion. So it is the beauty of maritime interdiction. And so traffickers will make money if there is money to be made, sir.

Admiral SCHULTZ. Congressman, I think when we had the conversation about the violence, the judges, you know, I think for my boss, General Kelly, when he is down there talking to the CHODs [chiefs of defense], the ministers of defense, the MODs, I think there is a certain level of credibility here, you know, when they look at him and say: Well, General, your country is legalizing marijuana. You know, how committed are you to this fight here? You know, we have got our frontline men and women, whether that is law enforcement folks, whether that is their military because they have to bring their military to establish some security, it creates a bit of a credibility gap that the U.S. Government is truly committed to the fight.

Mr. HUNTER. Last question I have. Have you seen full submersibles now? Because I think I was watching something, it was either "Vice" on HBO or some documentary, where they had the full submersibles.

Admiral MICHEL. Yes, sir. As a matter of fact, I toured a fully submersible vessel that was seized by the Colombian Navy, with some help from the United States, at its construction site in Bahia Malaga, Colombia. I have toured that vessel. That vessel is capable of going from Colombia to Los Angeles unrefueled in a snorkeling state.

We also seized a semisubmersible in San Lorenzo, Ecuador, in 2010. That is a fully submersible craft that can operate under the water. I can talk to you more offline about the operating characteristics, but that can carry 7 to 10 metric tons of anything that you want basically undetected from Ecuador to Los Angeles.

Mr. HUNTER. OK. So let's step away from SOUTHCOM totally. I am just curious, when does the Coast Guard realize that you got—you will have multinational, you know, terrorist organizations mixed with really easy to make full submersibles, where you can drop off anybody and anything, when do those two things come together for you?

Admiral MICHEL. Well, I will let Admiral Schultz talk a little bit more about the terrorist connections, but the FARC [Revolutionary Armed Forces of Colombia], for example, which is declared a terrorist organization, is a drug-trafficking organization, and they are the ones who financed the semisubmersible construction, a large

number of those things. So you already have that convergence, sir. It is already there.

Mr. HUNTER. But the FARC likes to have power and make money, right. They don't necessarily want to kill a million Americans so they can go see their God, right? That is the difference between radical Islam that I am talking about and bad crime organizations. Or, I mean, to a certain extent, I think I am correct there.

Admiral MICHEL. I am not willing to put my trust in the FARC, sir.

Mr. HUNTER. OK.

Admiral SCHULTZ. And I think Congressman, you know, when you look at that convergence, I think if you look to Latin America, you know, within South America, you have upwards of 75, 80 cultural centers, Iranian cultural centers. I think you have a Lebanese Hezbollah center of gravity there where I think there is indications that they are raising tens of thousands, you know, tens of millions of dollars there. You know, is it just fundraising and money that goes back to Libya? You know, do they have other activities afoot? You know, do we have any connection to IJO type activities?

You know, I think, we watch that. And one of our challenges at SOUTHCOM is we get a fairly small percentage of the overall DOD ISR. So our challenge is, we don't know what we don't know. But with what we have, we try to, you know, stay aware of the transnational organized crime, but we are also paying attention to, you know, what threats on the counterterrorism front are potentially, you know, to our southern flank there.

Mr. HUNTER. Would it be fair to say that you would be the first ones to know if some folks out of the Middle East started using these tactics?

Admiral MICHEL. I think that that is fair to say, sir. The enterprise that we have arrayed here before you really is the early warning sensor for the entire sort of southern approaches to the United States. We are it.

Mr. HUNTER. Thank you very much. This is probably one of the most informative, interesting topics in hearings that we have had.

So thank you both, gentlemen. Appreciate it.

And, with that, we are adjourned.

[Whereupon, at 3:33 p.m., the subcommittee was adjourned.]

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TESTIMONY OF
VICE ADMIRAL CHARLES D. MICHEL
DEPUTY COMMANDANT FOR OPERATIONS

ON
"DRUG INTERDICTION OPERATIONS"

BEFORE THE
HOUSE COAST GUARD AND MARITIME TRANSPORTATION SUBCOMMITTEE

JUNE 16, 2015

Introduction

Good afternoon Mr. Chairman and distinguished Members of the Subcommittee. It is a pleasure to be here today to discuss the Coast Guard's Drug Interdiction mission.

The primary mission of the United States Coast Guard is to ensure the safety, security, and stewardship of the Nation's waters. The Coast Guard protects those on the sea, protects the nation from threats delivered by the sea, and protects the sea itself. The Coast Guard is recognized for its ability to be agile and perform a broad range of maritime missions across a large area of responsibility. For counterdrug operations, the Coast Guard is the lead federal agency for maritime law enforcement, including drug interdiction on the high seas, and shares the lead for drug interdiction in U.S. territorial seas with Customs and Border Protection (CBP). The Coast Guard is able to leverage a broad array of authorities, capabilities, competencies, and partnerships which are vital to successful mission execution.

Additionally, the Coast Guard Commandant, Admiral Paul Zukunft, is designated by the Director of the White House Office of National Drug Control Policy (ONDCP) as the Chairman of The Interdiction Committee (TIC). TIC is a senior interagency forum, with drug control representatives from twenty-six different departments and agencies, which meets to discuss and resolve issues related to the coordination, oversight, and integration of international, border, and domestic drug interdiction efforts countering networks in support of the President's National Drug Control Strategy (NDCS). TIC supports the NDCS by developing interagency recommendations to promote information sharing and integrating detection, monitoring, and law enforcement activities with interdiction efforts to more effectively disrupt and dismantle drug trafficker transportation and distribution systems.

The Department of Defense (DoD) has the statutory responsibility for the detection and monitoring of illicit drugs in the air and maritime domains bound for the U.S., in support of law enforcement agencies such as the Coast Guard. This activity is conducted by DoD primarily through Joint Interagency Task Force (JIATF) South. The Coast Guard contributes aircraft, cutters, and personnel to JIATF South for the detection and monitoring mission, leads the critical phase of maritime interdiction and apprehension of suspect vessels and their crews, and delivers suspects, contraband, and evidence to investigators and prosecutors to deliver effective consequences for the illicit activities.

With broad authorities and an extensive array of bilateral agreements and arrangements with nearly every coastal state in the Western Hemisphere, the Coast Guard leads maritime interdiction efforts and plays an important role in the broader, regionally coordinated fight against transnational organized crime (TOC) networks that are largely fueled by the illicit drug trade. Our major cutters, Airborne Use of Force (AUF)-equipped helicopters, and maritime patrol aircraft possess the offshore capabilities necessary to operate on the high seas where TOC networks are largely unchallenged by regional partners, and where those networks are most vulnerable to enforcement action by the United States. Over the last five years, Coast Guard cutters and aircraft have removed from the high seas more than 450 metric tons of pure, uncut cocaine, with a wholesale value of nearly $15 billion. Our annual seizures at sea amounts to more than three times the quantity of cocaine seized at our borders and within the United States combined. From 2002 to 2011, intelligence gained from Coast Guard interdictions contributed to the arrest and extradition of nearly 75 percent of all Colombian Consolidated Priority Organizational Targets (CPOTs), or drug kingpins.

Emerging Threats: Transnational Organized Crime, Violence, and Instability

One of the goals of the Coast Guard's drug interdiction program is to interdict illicit traffic as close to the source zone[1] as possible. This helps to keep the drugs from reaching the shores of Central America where it is transported over land into Mexico, and then to the United States, where the proceeds from the sale of drugs fuel TOC networks. These nefarious organizations operate with impunity throughout Central America while vying for power through drug-fueled violence and corruption of government officials; in fact, eight out of the ten most violent nations in the world are along these trafficking routes in the Western Hemisphere. Traffickers have also increasingly moved product through the Central and Eastern Caribbean vector. Corresponding with this movement, the homicide rate in Puerto Rico is five times that of the rest of the United States. Drug trafficking has destabilized regional states, undermined the rule of law, terrorized citizens, and driven both families and unaccompanied children to migrate to the United States. To be clear, the flow of illicit drugs funds TOC networks which pose a significant and growing threat to national and international security[2].

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[1] Source Zone: The area of primary growing and/or processing of illicit drugs; where international distribution begins. The geographic area that is the original source of the illicit drug; i.e., where it is produced. This area normally encompasses the growth of required agricultural components and much or all of the processing required, either from synthetic or agricultural components, to create the consumable product. (National Interdiction Command and Control Plan (NICCP) of 2010).

[2] 2011 National Strategy to Combat Transnational Organized Crime.

These TOC networks are constantly evolving to move their illicit cargoes. Today we face a sophisticated adversary that leverages high-tech conveyances such as semi- and fully-submersibles, employs multiple go-fast vessels to move drug shipments, and deploys beacons if forced to jettison bales of contraband to allow later relocation; all are advanced and coordinated means to avoid detection and evade apprehension.

In September 2014, the Coast Guard released its Western Hemisphere Strategy that identifies three priorities for the maritime domain in the Western Hemisphere: Combating Networks, Securing Borders, and Safeguarding Commerce. To meet these priorities, the strategy emphasizes the importance of a robust offshore AUF-enabled cutter capability, which is supported by fixed winged maritime patrol aircraft and sophisticated intelligence capabilities.

Combating TOC Networks – *A Layered Approach to Drug Interdiction*

The Coast Guard uses a maritime trident of cutters, boats and aircraft in a layered approach to combat TOC networks as they transport illicit goods from the source zone, through Central America and Caribbean islands, into the United States. This approach increases our border security by confronting the threat beyond our land borders, beyond Mexico, and beyond Central America on the high seas where traffickers are most exposed and vulnerable to interdiction by the United States. This layered approach begins overseas, spans the offshore regions, and continues into our territorial seas and our ports of entry.

As briefly mentioned earlier, the Coast Guard is the major maritime asset provider to JIATF South and deploys an effective package of offshore assets to combat drug organizations in the transit zone[3]. They include flight deck-equipped major cutters, fixed-wing maritime patrol aircraft, AUF-capable helicopters, deployable small boats and Coast Guard Law Enforcement Detachments embarked on U.S. and allied ships. This suite of assets are the most capable and effective drug interdiction package in the maritime counterdrug inventory; when they are able to target cases, they have been 80-90 percent effective in disrupting the shipment.

With the implementation of the Western Hemisphere Strategy, the Coast Guard is dedicating additional focus and assets to Transit Zone interdiction operations and investing in the people and platforms necessary to carry out an offensive focus that targets TOC networks. As an example of these efforts' effectiveness, this April I welcomed home the Coast Guard Cutter BOUTWELL on her return to Naval Base San Diego after completing a 79-day counter-drug patrol in the Eastern Pacific. On deck, she carried over 29,700 pounds of uncut, pure cocaine with a street value of more than half a billion dollars. It was the result of 18 different interdictions by U.S. forces.

[3] Transit Zone: A six million square mile area, including the Caribbean Sea, Gulf of Mexico, and Eastern Pacific Ocean. The path(s) used by drug traffickers to transport illicit drugs to their market. Geographically, these paths normally connect, but do not include, the source and arrival zones. (National Interdiction Command and Control Plan (NICCP) of 2010).

That amount, combined with the 28,000 pounds of cocaine BOUTWELL had on deck upon completion of a patrol last October, is the equivalent of over a billion dollars-worth of cocaine that never reached U.S. streets. Our Helicopter Interdiction Tactical Squadron (HITRON) of AUF-capable helicopters set a record in 2014, with 46 at-sea interdictions, netting over 31 metric tons of cocaine and 27 tons of marijuana. In total for fiscal year 2014, the Coast Guard removed 91 metric tons of cocaine and 108,000 pounds of marijuana from the transit zone, worth an estimated wholesale value of three billion dollars.

Additionally, through the first two quarters of this fiscal year, awareness of drug events is up 15 percent.[4] More importantly, our interdiction success has also increased. Notably, the number of detainees interdicted and subject to prosecution, by either the U.S. or partner nations, has more than doubled from 168 through the end of May in fiscal year 2014, to 311 this year. The importance of interdictions transcends the direct removal of drugs taken off the high seas—when the U.S. Coast Guard apprehends suspects from drug smuggling cases, they divulge information during prosecution and sentencing that is used to help indict, extradite, and convict drug kingpins in the effort to dismantle TOC networks. They also contribute to actionable intelligence on future events, producing follow-on seizures and intelligence. The intelligence gained during interdictions and the subsequent prosecution directly feeds additional interdictions. More than 90 percent of our 2014 interdictions were cued by intelligence, but our operational capacity limits us to targeting one third of the actionable intelligence.

To sustain and improve on these operational successes, the Coast Guard needs to replace its Medium Endurance Cutter (MEC) fleet with an affordable and capable Offshore Patrol Cutter (OPC). The OPC will be the backbone of Coast Guard offshore presence and the manifestation of Coast Guard authorities. It is essential to interdicting drug smugglers at sea, as well as for interdicting undocumented migrants, rescuing mariners, enforcing fisheries laws, responding to disasters, and protecting our ports. As the Coast Guard completes acquisition of the National Security Cutter, the OPC is now the Coast Guard's number one acquisition priority.

Combating TOC Networks – *International Cooperation*

In coordination with JIATF South, the Coast Guard is also working closely with partner nations in Central and South America, leveraging their capabilities and local knowledge to improve maritime governance in the littoral regions that are being exploited by TOC networks. To foster international cooperation and build partner capacity, Coast Guard personnel are posted as attachés, liaisons and drug interdiction specialists at several of our embassies in the Western Hemisphere. These personnel develop strategic relationships with partner nations that facilitate real-time operations coordination, confirmation of vessel registry, waivers of jurisdiction, and disposition of seized vessels, contraband, and detained crews.

Working in conjunction with the Departments of State and Justice, the Coast Guard has negotiated, concluded, and maintains forty-five counterdrug bilateral agreements and operational procedures with partner nations throughout the world, the majority of which

[4] Joint Interagency Task Force South

are in the Western Hemisphere. These agreements enable the Coast Guard to rapidly gain authority to board suspect vessels, prevent suspect vessels from using under-patrolled territorial waters as a safe haven, and coordinate interdiction and apprehension operations in the transit zone.

As an example, on May 8, 2014, Honduran drug kingpin Carlos Arnoldo Lobo was extradited to the U.S. to face charges in the Southern District of Florida involving conspiracy to distribute cocaine. The investigation and subsequent indictment of Lobo was significantly aided by evidence and information obtained through four Coast Guard interdictions from 2010 through 2012, resulting in the indictment and conviction of numerous drug traffickers who worked for Lobo as he oversaw smuggling of cocaine onto vessels for shipment from Panama to Honduras, through Guatemala and Mexico, and ultimately into the United States. This was the first successful extradition of a Honduran national from Honduras to the United States since Honduras amended its Constitution in 2012. In December 2014, Lobo was sentenced to serve 20 years in prison, to be followed by five years of supervised release, for his involvement in a conspiracy to distribute cocaine into the United States.

Another success with international partners was the extradition of Juan Alberto Ortiz-Lopez. On May 22, 2014, Ortiz-Lopez was extradited to the Middle District of Florida to face federal drug trafficking charges. He had been indicted on February 1, 2011, and provisionally arrested in Guatemala on March 30, 2011, by Guatemalan authorities. Ortiz-Lopez's indictment was obtained following a long-term investigation led by agents assigned to the Organized Crime Drug Enforcement Task Forces' (OCDETF) Operation Panama Express Strike Force (PANEX), including an agent from the Coast Guard Investigative Service (CGIS). Ortiz-Lopez was linked to the crew members and associates of two drug smuggling vessels interdicted in November 2007, by the Coast Guard Cutter CHASE, and in July 2009, by Coast Guard Cutter BERTHOLF. Based on intelligence and information from these two interdictions, a grand jury indicted Ortiz-Lopez, who was considered by the Drug Enforcement Administration at the time to be the highest ranking drug trafficker operating in Guatemala. In January 2015, Ortiz-Lopez pled guilty to a charge of conspiracy to possess with intent to distribute cocaine and is pending sentencing.

Since 2007, the Coast Guard has sponsored regional semi-annual multilateral maritime counterdrug summits. The most recent summit was last month in Guatemala City. These events draw national operational and legal experts from more than twenty nations to discuss changes in threats, resolve operational coordination difficulties, and develop ways to improve the likelihood interdiction cases will result in successful prosecution.

Finally, the Coast Guard provides international training and education through a variety of courses at Coast Guard training centers, through hands-on experience at U.S. Coast Guard operating units, and through Mobile Training Teams deployed to partner nations. Largely funded by the Department of State, exportable training is one of the Coast Guard's most versatile and cost effective international training tools, serving an average of 2,000 international students in approximately 40 countries each year. The end goal is to build and sustain capable partners who can respond to threats and conduct maritime operations vital to their own and regional security.

Combating TOC Networks – *A Whole of Government Approach*

Using an interagency approach to combat drug trafficking, the Coast Guard coordinates and conducts interdiction operations in concert with the Departments of State, Justice, and Defense and other components of the Department of Homeland Security. Last year, in order to improve departmental unity of effort, Secretary Johnson developed the Southern Border and Approaches Campaign Plan and creation of three Joint Task Forces. The Coast Guard Atlantic Area Commander, Vice Admiral Dean Lee, serves as the Director of Joint Task Force East to achieve unity of effort among DHS components operating in maritime approaches in the Caribbean Sea, Gulf of Mexico, and Eastern Pacific Ocean.

Conclusion

The Coast Guard endeavors to keep drugs from reaching the U.S. border by identifying the emergent threat, countering it with a layered approach, utilizing strong international relationships, and maximizing domestic partnerships to combat TOC networks. The Coast Guard will continue to answer the call and respond to the maritime threat posed by TOC networks.

Thank you for the opportunity to testify today, and thank you for your continued support of the U.S. Coast Guard. I would be pleased to answer your questions.

WRITTEN STATEMENT OF

REAR ADMIRAL KARL L. SCHULTZ, UNITED STATES COAST GUARD,

DIRECTOR OF OPERATIONS, UNITED STATES SOUTHERN COMMAND

BEFORE THE 114TH CONGRESS, U.S. HOUSE

SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

16 JUNE 2015

AS SUBMITTED BY

GENERAL JOHN F. KELLY, UNITED STATES MARINE CORPS

COMMANDER, UNITED STATES SOUTHERN COMMAND

BEFORE THE SENATE ARMED SERVICES COMMITTEE

12 MARCH 2015

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Introduction

Chairman Shuster, Ranking Member DeFazio, and distinguished Members of the Committee: I appreciate the opportunity to appear before you today to discuss U.S. Southern Command's efforts in Central America, South America, and the Caribbean. As I finish my third and likely final year in command, I continue to be impressed by the courage and sacrifice displayed by so many countries in this part of the world. Our friends across the region are committed to winning back their streets, indeed their countries, from criminal gangs and drug traffickers, and doing so while protecting human rights. They are ready and willing to partner with the United States, and they are eager for expanded cooperation and increased learning and training opportunities with the U.S. military. But they are frustrated by what they perceive as the low prioritization of Latin America on our national security and foreign policy agendas, which is especially puzzling given the shared challenge of transnational organized crime.

The drug trade—which is exacerbated by U.S. drug consumption—has wrought devastating consequences in many of our partner nations, degrading their civilian police and justice systems, corrupting their institutions, and contributing to a breakdown in citizen safety. The tentacles of global networks involved in narcotics and arms trafficking, human smuggling, illicit finance, and other types of illegal activity reach across Latin America and the Caribbean and into the United States, yet we continue to underestimate the threat of transnational organized crime at significant and direct risk to our national security and that of our partner nations. Unless confronted by an immediate, visible, or uncomfortable crisis, our nation's tendency is to take the security of the Western Hemisphere for granted. I believe this is a mistake.

Last year, almost half a million migrants[1] from Central America and Mexico—including over 50,000 unaccompanied children (UAC) and families—were apprehended on our border, many fleeing violence, poverty, and the spreading influence of criminal networks and gangs. Assistant Secretary of State Roberta Jacobson testified that the "UAC migration serves as a warning sign that the serious and longstanding challenges in Central America are worsening."[2] In my opinion, the relative ease with which human smugglers moved tens of thousands of people to our nation's doorstep also serves as another warning sign: these smuggling routes are a potential vulnerability to our homeland. As I stated last year, terrorist organizations could seek to leverage those same smuggling routes to move operatives with intent to cause grave harm to our citizens or even bring weapons of mass destruction into the United States. Mr. Chairman, Members, addressing the root causes of insecurity and instability is not just in the region's interests, but ours as well, which is why I support President Obama's commitment to increase assistance to Central America.

These and other challenges underscore the enduring importance of U.S. Southern Command's mission to protect our southern approaches. We do not and cannot do this mission alone. Our strong partnerships with the U.S. interagency—especially with the Department of Homeland Security (DHS), the U.S. Coast Guard, the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), and the Departments of Treasury and State—are integral to our efforts to ensure the forward defense of the U.S. homeland. We are also fortunate to have strong, capable partners like Colombia, Chile, Brazil, El Salvador, and Panama, regional

[1] U.S. Customs and Border Patrol, *FY 14 Border Security Report*. According to the CBP, 239,229 migrants from the Northern Tier countries of Guatemala, Honduras, and El Salvador were apprehended in 2014, representing a 68% increase compared to FY 13. 229,178 migrants from Mexico were apprehended, a 14% decrease.

[2] Testimony of Roberta Jacobson, Assistant Secretary of State, Bureau of Western Hemisphere Affairs, Before the Subcommittee on Western Hemisphere Affairs, United States House of Representatives, November 18, 2014.

leaders and outstanding contributors to hemispheric and international security. Given our limited intelligence assets, interagency relationships and bilateral cooperation are critical to identifying and monitoring threats to U.S. national security and regional stability.

Finally, while I thank the Congress for mitigating some of our asset shortfalls in 2015, the specter of sequestration still hovers over everything we do. Its potential return in FY16 would jeopardize our progress; undermine our credibility and the region's trust in our commitments; and present renewed hardships for our civilian and military workforce. I have already taken painful steps to implement a mandated 20% reduction in our headquarters budget and personnel, and we have thus far managed to avoid a reduction in force while still protecting our ability to conduct our most important missions. Nevertheless, as the lowest priority Geographic Combatant Command, 'doing less with less' has a disproportionate effect on our operations, exercises, and engagement activities. Mr. Chairman, Members, the truth is we are managing to keep the pilot light of U.S. military engagement on in the region—but just barely. This presents more than just risks to our national interests; U.S. Southern Command has accepted risk for so long in this region that we now face a near-total lack of awareness of threats and the readiness to respond, should those threats reach crisis levels.

Security Environment

Transnational Organized Crime. The spread of criminal organizations continues to tear at the social, economic, and security fabric of our Central American neighbors. Powerful and well-resourced, these groups traffic in drugs—including cocaine, heroin, marijuana, counterfeit pharmaceuticals, and methamphetamine—small arms and

Spotlight: Heroin Trafficking

- *According to the National Survey on Drug Use and Health, there was a 37% increase in heroin initiates in the United States between 2008-2012.*
- *In 2012, 51% of all heroin analyzed by the DEA originated in South America, 45% in Mexico, and 4% from Southwest Asia.*

explosives, precursor chemicals, illegally mined gold, counterfeit goods, people, and other contraband. They engage in money laundering, bribery, intimidation, and assassinations. They threaten the very underpinnings of democracy itself: citizen safety, rule of law, and economic prosperity. And they pose a direct threat to the stability of our partners and an insidious risk to the security of our nation.

While there is growing recognition of the danger posed by transnational organized crime, it is often eclipsed by other concerns. Frankly, Mr. Chairman, I believe we are overlooking a significant security threat. Despite the heroic efforts of our law enforcement colleagues, criminal organizations are constantly adapting their methods for trafficking across our borders. While there is not yet any indication that the criminal networks involved in human and drug trafficking are interested in supporting the efforts of terrorist groups, these networks could unwittingly, or even wittingly, facilitate the movement of terrorist operatives or weapons of mass destruction toward our borders, potentially undetected and almost completely unrestricted. In addition to thousands of Central Americans fleeing poverty and violence, foreign nationals from countries like Somalia, Bangladesh, Lebanon, and Pakistan are using the region's human smuggling networks to enter the United States.[3] While many are merely seeking economic opportunity or fleeing war, a small subset could potentially be seeking to do us harm. Last year, ISIS

Spotlight: Economic Citizenship Programs

- *Regional economic citizenship programs provide a quick path for foreign nationals to acquire citizenship.*
- *Of concern, these "cash for passport" programs could be exploited by criminals, terrorists, or other nefarious actors to obtain freedom of movement, facilitate entry into the U.S., or launder illicitly gained funds.*

[3] Texas Department of Public Safety, *2013 Threat Assessment.*

adherents posted discussions on social media calling for the infiltration of the U.S. southern border. Thankfully, we have not yet seen evidence of this occurring, but I am deeply concerned that smuggling networks are a vulnerability that terrorists could seek to exploit.

I am also troubled by the financial and operational overlap between criminal and terrorist networks in the region. Although the extent of criminal-terrorist cooperation is unclear, what is clear is that terrorists and militant organizations easily tap into the international illicit marketplace to underwrite their activities and obtain arms and funding to conduct operations.[4] It's easy to see why: illicit trafficking is estimated to be a $650 billion industry—larger than the GDP of all but 20 countries in the world—and less than 1 percent of global illicit financial flows is currently being seized or frozen.[5] The terrorist group Lebanese Hezbollah—which has long viewed the region as a potential attack venue against Israeli or other Western targets—has supporters and sympathizers in Lebanese diaspora communities in Latin America, some of whom are involved in lucrative illicit activities like money laundering and trafficking in counterfeit goods and drugs. These clan-based criminal networks exploit corruption and lax law enforcement in places like the Tri-Border Area of Brazil, Paraguay, and Argentina and the Colon Free Trade Zone in Panama and generate revenue, an unknown amount of which is transferred to Lebanese Hezbollah. Unfortunately, our limited intelligence capabilities make it difficult to fully

Spotlight: Narco-terrorist profits

Colombian defense officials estimate the narco-terrorist Revolutionary Armed Forces of Colombia (FARC) earn an excess of $3.5 billion in drug revenue, with several more billion in proceeds from illegal mining and extortion.

[4] According to the Drug Enforcement Administration, twenty-two of the fifty-nine Department of State designated Foreign Terrorist Organizations are linked to the global drug trade.
[5] United Nations Office of Drugs and Crime. *Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Crimes*. Geneva, 2011.

assess the amount of terrorist financing generated in Latin America, or understand the scope of possible criminal-terrorist collaboration.

Iranian Influence and Islamic Extremist Organizations. Over the last 15 years Iran has periodically sought closer ties with regional governments, albeit with mixed results. Iranian legislators visited Cuba, Ecuador, and Nicaragua to advocate for increased economic and diplomatic cooperation. Iran's outreach is predicated on circumventing sanctions and countering U.S. influence. Additionally, Iran has established more than 80 'cultural centers' in a region with an extremely small Muslim population. The purported purpose of these centers is to improve Iran's image, promote Shi'a Islam, and increase Iran's political influence in the region. As the foremost state sponsor of terrorism, Iran's involvement in the region and these cultural centers is a matter for concern, and its diplomatic, economic, and political engagement is closely monitored.

Sunni extremists, while small in number, are actively involved in the radicalization of converts and other Muslims in the region and also provide financial and logistical support to designated terrorist organizations within and outside Latin America. Partner nation officials throughout the region have expressed concern over the increasing number of suspected Islamic extremists from the hemisphere who are traveling to Syria to participate in jihad. Some take part in military and weapons training before departing; last year 19 Trinidadian Muslims were detained in Venezuela for conducting training with high-powered weapons. When these foreign fighters return, they will possess operational experience, ties to global extremists, and possible intent to harm Western interests—and they will reside in a region rife with smuggling routes that lead directly and easily into the United States.

Chinese Outreach. As in other regions around the world, China has growing influence in Latin America and the Caribbean. Since 2005, it has provided financing to the region in excess of $100 billion.[6] Chinese investment is concentrated in commodities, manufacturing, telecommunications, and construction sectors, including a $40 billion investment in a Nicaraguan 'alternative' to the Panama Canal by a Chinese company.[7] In my view, just as we have 'pivoted' to the Pacific, China has pivoted to the Western Hemisphere. It views good relations with the region as useful for two reasons: to gain access to natural resources and to increase its global influence. China continues to increase its cooperation with regional organizations such as the Community of Latin American and Caribbean States (CELAC) and the Caribbean Community (CARICOM), and leverages its position in BRICS[8] to advance its interests regionally. Of note, Beijing recently hosted a two-day China-CELAC Forum to discuss opportunities for increasing bilateral partnerships. Although cultural differences often preclude close cooperation, Chinese engagement with regional militaries is gradually expanding, especially with Cuba and Venezuela. This outreach, while not a threat to U.S. interests at this time, does underscore the importance of continued engagement by the U.S. military to maintain our valued security partnerships.

Increased Russian Presence. In contrast, Russian activities in the region are more concerning. Periodically since 2008, Russia has pursued an increased presence in Latin America through propaganda, military arms and equipment sales, counterdrug agreements, and trade. Under President Putin, however, we have seen a clear return to Cold War-tactics. As part of its

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[6] Amos Irwin and Kevin Gallagher. *Chinese Finance to Latin America Tops $100 Billion Since 2005*. Inter-American Dialogue. April 2, 2014.
[7] R. Evan Ellis. *The Rise of China in the Americas*. Security and Defense Studies Review. Volume 16. 2014.
[8] Brazil, Russia, India, China, and South Africa

global strategy, Russia is using power projection in an attempt to erode U.S. leadership and challenge U.S. influence in the Western Hemisphere. Last year and again this year, a Russian intelligence ship docked in Havana multiple times while conducting operations in the Gulf of Mexico and along the east coast of the United States. Russia has courted Cuba, Venezuela, and Nicaragua to gain access to air bases and ports for resupply of Russian naval assets and strategic bombers operating in the Western Hemisphere. Russian media also announced Russia would begin sending long-range strategic bombers to patrol the Caribbean Sea and Gulf of Mexico, in an effort to "monitor foreign powers' military activities and maritime communications."[9] While these actions do not pose an immediate threat, Russia's activities in the hemisphere are concerning and underscore the importance of remaining engaged with our partners.

Regional Challenges and Opportunities for U.S. Influence. The United States also faces challenges from regional bodies like CELAC, which deliberately exclude the United States and seek to limit our role in the hemisphere. Other regional organizations such as the Central America Integration System (SICA), however, offer the United States opportunity for engagement. Just this past year, we hosted SICA leaders and asked the Colombian Minister of Defense to share his perspective on Colombia's success and lessons learned over the past decades. Additionally, ALBA[10] nations like Venezuela, Ecuador, and Bolivia restrict defense ties with the United States and have sought in some cases to eliminate the U.S. military presence from their countries. As one example, in 2014 the Ecuadorian government directed that the U.S. Embassy close its security cooperation office, further restricting defense cooperation between our countries. Despite such complex and evolving regional dynamics and within our current

[9]Russian Defense Minister Sergei Shoigu, November 12, 2014.
[10] ALBA (in its Spanish acronym) stands for the Bolivarian Alliance for the Peoples of our America

resource constraints, U.S. Southern Command is ready and willing to partner with *all* regional militaries on issues like respect for human rights, disaster response, and illicit trafficking.

Implications of Venezuelan Instability. Mr. Chairman, Members, our efforts to enhance regional stability are directly connected to our ability to engage. Since 2003, the Venezuelan government has reduced its traditionally close military and defense ties with the United States, and in the course of the past ten years we have witnessed a dramatic decline in the country's democratic institutions. Venezuela now faces significant economic, social, and political instability due to rampant violent crime and poverty, runaway inflation, serious shortages of food, medicine, and electricity. Human rights abuses by security forces and the government's continued mismanagement of the country are contributing to an environment of uncertainty, and large segments of the population say the country is on the wrong track. Additionally, falling oil prices and deteriorating economic conditions could lead the Venezuelan government to cut social welfare programs and its foreign oil subsidy program, PetroCaribe. Further cuts to social welfare programs and continued shortages—which seem unavoidable—could likely lead to increased tensions and violent protests, encouraging President Maduro and his party to engage in additional repressive measures against protestors and the opposition. Cuts to PetroCaribe deliveries to its member nations could trigger regional economic downturns, which could elevate the risk of increased migration, especially in the Caribbean.

Spotlight: Venezuela's Deteriorating Citizen Security

- *According to respected NGO Observatorio Venezolano de Violencia (OVV), Venezuela is the second most violent country in the world.*
- *Venezuela's homicide rate is now 82 per 100,000; in 1998, the rate was 19 per 100,000.*

Command Priorities

The U.S. military plays an important role in addressing these and other challenges to our hemisphere's security and stability. Despite significant resource constraints, U.S. Southern Command remains postured to contribute to a whole-of-government approach to advancing U.S. interests in the region. This important work is carried out by our command's most valuable assets: our Soldiers, Sailors, Airmen, Marines, Coast Guardsmen, and civilian employees. Last year was an active one for U.S. Southern Command, and I am proud of our contributions to the security of Latin America and the Caribbean. Looking to the year ahead, we hope to build on our past achievements and deepen our security partnerships, as we continue safeguarding the southern approaches to the United States.

Detention Operations. As we begin the thirteenth year of detention operations at Guantanamo, we continue to provide dignified, humane, and lawful care and treatment of detainees. In fact, the only people *not* treated humanely or having their human rights protected are the guards, especially our female and minority ones, who find themselves in a challenging environment where they regularly confront verbal and physical abuse and 'splashings' by many detainees. Mr. Chairman, Members, our guard and medical force is doing a superb job, and our nation should be extremely proud of these young military professionals. They execute a difficult, no-fail mission with honor, integrity, and the utmost professionalism, all within a pressure cooker of unrelenting public scrutiny and fabricated accusations of inhumane treatment and abuse. It is worth reiterating that everything they do—including supporting ongoing transfers, enteral feeding, military commissions, and periodic review boards—is done entirely at the direction of our military chain of command, in execution of U.S. national policy. Like all our men and women in uniform, these young Service members are second to none, and I thank the

Congress for sharing that sentiment and for its continued support to our troops stationed at Guantanamo.

We also greatly appreciate congressional support to construct a new dining facility and medical clinic at Naval Station Guantanamo, which will address the health and safety concerns posed by the current facilities. As our service members perform our directed detention mission in an honorable and professional manner, the facilities in which they reside have long exceeded their useful life. Each year we struggle to maintain, repair, or replace obsolete or sub-standard facilities. It is difficult and expensive to mitigate life, health, and safety issues in an incremental, piecemeal manner. Our troops deserve better.

Finally, it is important to note that the strategic importance of U.S. Naval Station Guantanamo Bay is independent of the presence of the Joint Task Force. Its airfield and port facilities are indispensable to the Departments of Defense, Homeland Security, and State's operational and contingency plans. The Naval Station plays a crucial role in the interception and repatriation of migrants and serves as a critical distribution and staging area for humanitarian assistance and disaster relief operations. As the only permanent U.S. military base in Latin America and the Caribbean, its location provides persistent U.S. presence and immediate access to the region, as well as supporting a layered defense to secure the air and maritime approaches to the United States.

Countering Transnational Organized Crime. Our efforts to counter transnational organized crime focus on two complementary missions: defending the southern approaches of the United States and supporting partner nation efforts, in coordination with our U.S. interagency partners, to stem the flow of illicit trafficking. In both missions, we rely heavily on support from

> *Spotlight: Counter Threat Finance*
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> - *In collaboration with the Department of the Treasury, U.S. Southern Command maps illicit networks, conducts all-source intelligence analysis and production, and works with U.S. and regional partners to support targeted financial measures and U.S. law enforcement efforts.*

the DHS, especially the U.S. Coast Guard. Secretary Jeh Johnson and the heroic men and women at DHS deserve enormous recognition working cooperatively across the interagency to help us safeguard our nation's southern approaches. Secretary Johnson and I both share the conviction that homeland defense does not begin at the 'one yard line' of our Southwest border, but instead extends forward, throughout the hemisphere, to keep threats far from our nation's shores. Along with DHS, we work with the FBI, DEA, and the Departments of State and the Treasury to do exactly that.

While these partnerships are superb at the tactical level, I am frustrated by the lack of a comprehensive U.S. government effort to counter the TOC threat. Nearly four years after the release of the President's *National Strategy to Combat Transnational Organized Crime*, interagency CTOC activities in the region—especially in Central America—remain poorly coordinated and minimally funded. Fortunately, there is growing recognition that the magnitude, scope, and complexity of this threat demand an integrated counternetwork approach. I thank the Congress for recognizing this threat and expanding section 1004 authorities to include CTOC operations, and I fully support efforts to improve interagency coordination on this critical national security issue.

I am hopeful that the new *Strategy for U.S. Engagement in Central America* will broaden our approach to achieving lasting security in Central America and help reinvigorate our partnerships with the sub-region. As I have often said, we cannot shoot our way out of the CTOC challenge. It will truly take a whole-of-government effort, because Central America's prosperity, governance, and security are intrinsically connected. Economic growth is only

sustainable in an environment where democratic values and institutions flourish, citizens feel secure in their communities, impunity is reduced, and civil society and the media can play their rightful roles. President Obama requested $1 billion in the FY2016 budget for the Department of State and USAID to implement the new Strategy. As Vice President Biden rightly points out, the cost of investing now to address Central America's challenges is modest compared with the costs of letting festering violence, poverty, and insecurity become full-blown crises.[11] I fully support the President's efforts to prioritize Central America at this crucial time, and urge Congress to support the President's budget request.

In another positive development, we are seeing significant improvements in regional cooperation. Although we receive a tiny fraction of the Intelligence, Surveillance, and Reconnaissance (ISR) assets we need, our ongoing Operation MARTILLO continues to yield tactical successes thanks to increased contributions by our partner nations and our continued coordination with DEA. The Coast Guard Commandant shares my view that transnational organized crime poses a significant threat to our hemisphere, and he has committed a 50% increase in cutters equipped with ability to land a helicopter , plus a commensurate plus-up in maritime patrol aircraft hours. While the Commandant is doing everything he can to support us, the Coast Guard faces its own limitations, and this increase only translates to an additional two to three cutters, far below the 16 flight-deck equipped vessels required to conduct our detection and monitoring mission. This support, however, comes at a critical juncture for the counterdrug

Spotlight: Operation MARTILLO

Orchestrated by the Joint Interagency Task Force South, and coordinated with our interagency partners, MARTILLO has resulted in the disruption of over 400 metric tons of cocaine over the past four years, denying drug traffickers $8 billion in potential revenue.

[11] Vice President Joseph Biden, "A Plan for Central America." January 29, 2015.

mission, as the U.S. Navy decommissions its frigates and deploys its new Littoral Combat Ships to the Pacific. I would like to go on record here today before the Congress in strong support of the Coast Guard and DHS' efforts to recapitalize their fleet of cutters, some of which are in their fifth decade of service. The Coast Guard and U.S. Southern Command need these replacement cutters as soon as possible to continue the important work of securing our southern approaches.

Additionally, I believe we have a window of opportunity in Central America to capitalize on the region's growing political will to combat criminal networks. Last year the presidents of Guatemala, Honduras, and El Salvador developed a coordinated plan to address their countries' endemic challenges. These leaders recognize the magnitude of the tasks ahead and are prepared to address them, but they need our support. They are frustrated, however by conditions on U.S. security assistance—some of which are not even related to military-to-military engagements—and our cumbersome Foreign Military Sales procurement processes, which delay or even hinder cooperation efforts. Unfortunately, these conditions are often placed on governments that most need our help, providing an opening for other actors to successfully conduct outreach to the region. Unlike the United States, some countries place no emphasis on promoting human rights, anti-corruption measures, fair labor practices, and environmental protection as part of their offers of security assistance.

Our president has recognized the importance of supporting our Central American partners, making the region one of his top foreign policy priorities. We are now seeing real progress being made by the three 'Northern Triangle' countries. While there are many good examples, the situation is especially encouraging in Honduras, where the government is working hard to combat the drug trade, re-establish governance in remote areas, and take meaningful action to protect human rights. In cooperation with the U.S. Department of Justice, and for the

first time in the country's history, the Government of Honduras extradited seven Honduran nationals wanted to face drug trafficking charges in the United States. The Honduran government also deserves recognition for the establishment of a special investigative unit to combat impunity in Bajo Aguán and to improve citizen security. According to government figures, the 2014 homicide rate dropped to 66.4 per 100,000, a nearly 25% reduction in only two years. Although some groups expressed concerns over the use of the Honduran military in a domestic security role, the government of Honduras has developed a comprehensive strategy to phase out the use of its Military Police of Public Order (PMOP); has increasingly investigated and brought charges against high-level officials involved in corruption; and is making efforts to swiftly arrest those security forces implicated in human rights abuse. At the request of the Honduran president, the United Nations will open an office of the UN High Commission on Human Rights. Of note, human rights groups have acknowledged to me that Honduras is making real progress in this area.

This is a historical first step, and it simply would not have happened without our superb Ambassador to Tegucigalpa, Ambassador Jim Nealon, who provided help and advice not only to the Government of Honduras, but to the entire U.S. interagency. This is reflective of the close and continuous working relationship all Combatant Commanders have with their respective ambassadors throughout their Area of Operations. It is a team effort, and as a team we are hobbled in our interaction with foreign governments when there is no U.S. Ambassador in the seat, and frankly, the individual foreign partners take offense and are confused regarding U.S. interests in their country and the region. I know there are many reasons why there are often long gaps in coverage, but the fact is the lack of an ambassador handicaps the advancement of U.S. interests. This time last year, we did not have Ambassadors in Colombia, Peru, and Argentina.

I am grateful for Congressional action to remedy the lack of Embassy leadership in these countries, and I am hopeful that Ambassador-Designate Mr. Stafford Fitzgerald Haney will be confirmed as Ambassador for Costa Rica without delay.

Finally, I would like to close this section by sharing a few examples of how our counterdrug efforts, conducted in coordination with DEA, are contributing to the region's overall security. In Guatemala, we provided infrastructure support and over $17 million in equipment and training to the country's two interagency task forces along Guatemala's northern and southern borders. In concert with U.S. Northern Command, we also work with Mexico, Guatemala, and Belize to support Mexico's Southern Border Strategy. In Honduras, we helped create a 'maritime shield' to deflect drug trafficking off the country's northeastern coast and are supporting the Honduran government's citizen security efforts. In the Caribbean, we are prioritizing infrastructure projects designed to improve regional interdiction capabilities; last year we completed construction on new training facilities in the Dominican Republic and an operations center for the Regional Security System. To enhance our partners' efforts to counter increased drug trafficking in the Caribbean, we provide counterdrug training and support the Technical Assistance Field Teams, comprised of Coast Guard and DoD personnel who provide mentoring and technical assistance to 13 Caribbean nations. This support encourages our partners to be more self-reliant in the maintenance and upkeep of their assets, making them more dependable and capable allies in the CTOC fight. Further south, we are supporting the Peruvian military's increasingly successful efforts to improve their maritime interdiction capability, strengthen their collaboration with Colombia, and combat the scourge of narcoterrorism that has plagued their country for decades.

Counterterrorism. In 2014, we continued our work with the interagency, U.S. Embassy Country Teams, and our partner nations to counter Islamic extremism, recruitment, and radicalization efforts that support terrorism activities. Working closely with the interagency and partner nations, we also began monitoring the possible return of foreign fighter extremists participating in jihad in Syria. Over the past year our Special Operations Forces (SOF) conducted multiple engagements such as subject matter expert and intelligence exchanges, counterterrorism-focused exercises, and key leader engagements in countries throughout the region. Our Department of Defense Rewards Program yielded successes and offers a model for a low-cost, small footprint approach to counterterrorism. In 2014, this program enabled partner nation authorities to bring 33 members of terrorist organizations to justice. These, and other counterterrorism cooperation efforts, ensure our partners are able to mitigate terrorist threats before they can destabilize a country or reach the U.S. homeland.

Building Partner Nation Capacity. Our engagement—through our humanitarian and civic assistance programs, defense institution building efforts like the Defense Institution Reform Initiative, and the U.S. Southern Command-sponsored Human Rights Initiative—helps partner nations strengthen governance and development, professionalize their militaries and security forces, and increase their ability to conduct peacekeeping, stability, and disaster relief operations. Our military components are at the forefront of these engagement efforts and perform superb work in strengthening our security partnerships. While we engage on

Spotlight: USS AMERICA Visits the Americas

- *In 2014, the USS AMERICA, the Navy's newest class of amphibious assault ship, conducted a 10-week transit of South America while en route to her home port.*
- *USS AMERICA embarked Expeditionary Strike Group THREE (ESG 3) and a Special Purpose Marine Air Ground Task Force (SPMAGTF), which conducted numerous engagement activities during port calls in Colombia, Brazil, Chile, and Peru.*
- *This transit offered a clear example of U.S. Navy-Marine Corps integration and set the standard for future new ship transits in the region.*

a variety of different issues, I would like to highlight a few of our capacity-building efforts that are making a significant difference in the region.[12]

Support to Colombia. Colombia is a terrific example of how sustained U.S. support can help a partner nation gain control of their security situation, strengthen government institutions, eradicate corruption, and bolster their economy. Colombia's turnaround is nothing short of phenomenal, and it stands shoulder-to-shoulder with the United States as together we work to improve regional stability. Mr. Chairman, Members, as you know, the United States has a special relationship with only a handful of countries throughout the world. These relationships are with countries that we rely on to act as regional stabilizers, countries that we look to for international leadership, countries that we consider our strongest friends and most steadfast allies. Colombia unquestionably plays that role in Latin America. Through the U.S.-Colombia Action Plan on Regional Security, Colombia provides vital assistance to its Central American and Mexican counterparts in the fight against criminal networks. I want to note that every aspect of U.S. collaboration under this Plan, including activities conducted by U.S. Southern Command, is facilitated through U.S. security assistance and governed by the same U.S. laws and regulations—especially those requiring the human rights vetting of units—governing my own personnel.

Spotlight: Building Colombia's Counter-IED Capacity

- *U.S. Southern Command and the Joint IED Defeat Organization work with the Colombian military to counter IED threats.*
- *Though it remains the #3 country in the world for IED incidents, Colombian casualties from IEDs were down 20% in 2014.*

I fully support the government of Colombia's efforts to ensure that justice and accountability are integral parts of the peace process. We must sustain U.S. support throughout

[12] A complete list of activities by our military components can be found in the Annex.

this process and during the post-conflict phase as our closest partner works to end a decades-long insurgency. As I have told my Colombian colleagues, the last 50 years were easy compared to what the next five hold in store. Our goal is to ensure Colombia can sustain U.S.-funded programs, and to that end we work with the Defense Institution Reform Initiative to improve the Colombian Ministry of National Defense's strategic planning capabilities. As testament to the enduring strength of our relationship, Colombia wants to partner with the United States for planning and implementation of their Disarmament, Demobilization, and Reintegration (DDR) process. We are exploring options to provide verification, advice, and monitoring of these efforts.

Exercise Program. Bilateral and multilateral exercises with partner nations improve staff planning and operations, promote interoperability, and support national security objectives. While the technical skills our partners learn during these exercises are important, the personal relationships that are made are invaluable, binding participating countries together as equal partners and true friends. In 2014, our four operational exercises included INTEGRATED ADVANCE, which exercises our response to various regional contingencies, and FUSED RESPONSE, designed to improve the training, readiness, and capability of Belizean, Brazilian, Canadian, and U.S. special operations forces. We also held four multilateral exercises, including TRADEWINDS, which aims to improve the capability of Caribbean nations to counter transnational organized crime and respond to a natural disaster; PANAMAX, which focuses on the defense of the Panama Canal by a 17-nation multinational force; and FUERZAS ALIADAS HUMANITARIAS, which brings together 11 partner nations and regional humanitarian organizations to improve coordination on disaster response.

Humanitarian and Civic Assistance. As a complement to our multinational exercises, our humanitarian and civic assistance program help demonstrates the United States' enduring commitment to the citizens of Latin America. There are no better symbols of this commitment than our humanitarian exercises and the USNS COMFORT, which returns to the region to conduct humanitarian missions in 11 countries as part of CONTINUING PROMISE 2015.

> ***Spotlight: 2014 Beyond the Horizons and New Horizons Exercises***
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> - ***Working alongside partner nation personnel, U.S. military forces provided free medical and dental services to more than 42,000 patients in the Dominican Republic, Guatemala, and Belize.***
> - ***U.S. forces also constructed 16 new classrooms, a hospital addition, and two healthcare clinics in remotely located communities.***

Our humanitarian mission also helps strengthen governance and partner nation response capacities. In coordination with the U.S. Agency for International Development (USAID), in 2014 we funded the construction of 172 humanitarian projects in the region, building disaster relief warehouses, emergency operations centers, and emergency shelters. This infrastructure helps increase partner nation capacity to respond to a regional disaster, often without U.S. assistance. Last year, the Government of Haiti successfully responded to flooding in Nord using emergency response facilities constructed under this program. This is a major step and a sign of continued progress in Haiti; in the past, such an event would have required U.S. or outside assistance.

Public-Private Cooperation. U.S. Southern Command remains at the forefront of public-private cooperation, a force multiplier in our exercises, operations, and engagement activities. In 2014, our collaboration with non-governmental and private sector entities yielded over $10 million in service and gifts-in-kind—such as school furniture and medical equipment—to partner nations in conjunction with our annual exercises. Early this year we held a forum that brought together U.S. and partner nation government officials and private sector leaders to brainstorm

ways to improve security and economic investment in El Salvador, Guatemala, and Honduras. The forum featured lessons learned from Colombia and Mexico on the importance of security to economic development and identifying near-term activities to improve the security situation and, by extension, the investment climate in these three countries. To quote Paul Brinkley, who wrote one of the most impressive books I have read on the subject, the greatest element of our national power is our "private-sector economic dynamism."[13] I am hopeful American businesses will help advance our President's goal of a stable, prosperous, and secure Central America.

Promoting Respect for Human Rights. Mr. Chairman, Members, human rights are fundamental to our capacity-building efforts in the region. During my time as Commander of U.S. Southern Command, I have aggressively worked to promote genuine and concrete respect for human rights throughout Latin America. One of my greatest tools in this mission is actually something pretty simple, and doesn't cost the taxpayer one penny: open and frank dialogue with both our closest partners and our fiercest critics. Every conversation I have—whether with a president, with a minister, with a chief of defense or his subordinates, with U.S. or regional media outlets, or human rights representatives from Washington to Montevideo—begins and ends with a straightforward discussion on human rights.

I am proud to state that I incorporate meetings and engagements specifically focused on human rights into nearly every one of my numerous trips to the region. I do this because I have long recognized the vital role human rights organizations play in supporting democracy and open societies, strengthening the rule of law, and ensuring that government officials are accountable to their citizens. As I have said before, the U.S. military doesn't just talk about human rights, we

[13] Paul Brinkley, *War Front to Store Front: Americans Rebuilding Trust and Hope in Nations Under Fire.* New York: 2014.

do human rights. We teach it. We enforce it. We live it. The protection of human rights is embedded in our doctrine, our training, and our education, and above all, in our moral code. It is the source of our great strength as a military power, and it is also our best defense against losing legitimacy in the hearts and minds of the people we have taken an oath to protect.

Mr. Chairman, I believe without question that improvement in human rights most often comes when countries have the opportunity to work directly with Americans. Human rights improvements in this region have largely come as a direct result of close and continuous dialogue and engagement by the United States government. Additionally, because of partner nation interaction with brave and dedicated U.S. law enforcement personnel like the FBI, Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), the U.S. Coast Guard and particularly DEA, we have seen a concrete and I believe long-term positive effect on the professionalism of law enforcement institutions in the region. It is what our partners learn in our military and law enforcement training, by the example we show and the attitudes they absorb from us—when they attend our courses, exercises, and in senior officer conferences and seminars, but most powerfully by simply working shoulder-to-shoulder with young American professionals that do human rights, do their duties entirely without thought of corruption, who do not preach while they wave their fingers in the faces of their counterparts, but treat them like equal partners in activities that are in the national security interests of both their nations—that are, together, making a difference.

For our part, U.S. Southern Command's commitment to promoting respect for human rights can be seen in many activities we carry out with our partners in the region, and I am proud to lead the only Combatant Command with a dedicated Human Rights Office. This office also has a long history of providing support and expertise to our partner nation militaries in

strengthening their human rights programs and improving their human rights performance. In 2014, U.S. Southern Command sponsored a series of civil-military dialogues in Guatemala and Honduras, two countries facing a ruthless onslaught of transnational criminal activity. These dialogues brought together influential human rights NGOs and key military leaders to discuss shared concerns, including the deployment of military forces in citizen safety missions. I thank the Congress for recognizing the enduring value of this mission, and we deeply appreciate the flexibility to soon provide human rights training to units that might not have been previously eligible to receive it.

Spotlight: 2014 Human Rights Officers Workshop

- *The 2014 Workshop brought together military, government, and civil society representatives from 14 countries in the hemisphere to discuss the duty of military and security forces in protecting human rights.*

Planning for Contingencies. Finally, planning and preparing for crisis and contingency response are essential elements of U.S. Southern Command's mission. Contingency planning and preparation, including exercises like PANAMAX, FUSED RESPONSE, and INTEGRATED ADVANCE, prepares our organization to respond to various scenarios such as an attack on critical infrastructure, Caribbean mass migration, humanitarian crises, natural disasters, or the evacuation of U.S. citizens in the region. We work closely with the Office of U.S. Foreign Disaster Assistance (USAID/OFDA) and other interagency and regional partners to monitor events like the increase in Haitian and Cuban migrant flows, the potential spread of infectious diseases like Ebola, and the devastating drought in Central America, all of which could trigger a crisis event. While we stand ready to support U.S.

Spotlight: Partnering to Promote Ebola Preparedness

- *In coordination with the Pan American Health Organizations, the Department of Health and Human Services, and the Defense Institute for Medical Operations, U.S. Southern Command is providing Ebola preparedness assessments, training, and equipment for partner nations*
- *We are also working with Ministries of Defense in the region to develop protocols for peacekeepers deploying to Ebola-affected regions in West Africa.*

government response efforts should the need arise, mandated budget and workforce reductions limit our ability to rapidly respond to any significant contingency without substantial headquarters augmentation.

Critical Needs and Concerns

Budget Cuts. U.S. Southern Command is grappling with the cumulative effect of the various budget cuts enacted over the past few years. Force allocation cuts by the Services—including troops, ships, planes, Coast Guard cutters, and ISR platforms—are having the greatest impact on our operations, exercises, and security cooperation activities. I fully expect reductions to affect all aspects of our operations and engagements with our partner nations, including capacity-building activities, multinational exercises, information operations, interagency support, and our ability to respond to crises or contingencies.

We are already feeling the impact at our headquarters, where we have implemented a 13% reduction in civilian billets and an 11% reduction in military ones. As an economy of force Combatant Command, these cuts have a disproportionate effect on our daily operations. During last year's capstone exercise PANAMAX, it became clear that resource constraints and manpower reductions are compromising our training and readiness. Fortunately, these limitations were revealed in an exercise scenario and not during a real-world contingency, and we are taking steps to mitigate some of these shortfalls. To that end, we are instituting a Strategic Human Capital Management Plan and have realigned personnel to support our most critical missions. We are also improving our business practices to gain greater efficiencies in our management of mission requirements and application of resources. I want to stress, however,

that if sequestration returns in FY16, our ability to support national security objectives, including conducting many of our essential missions, will be significantly undermined.

Intelligence, Surveillance, and Reconnaissance (ISR) Shortfalls. We deeply appreciate Congressional assistance to mitigating some of our chronic ISR shortfalls. Thanks to the support of Congress, we have increased maritime patrol capacity in support of counterdrug operations in the region. We are also thankful to the Congress for recognizing the urgency of the challenges we face in the region and the importance of adequately sourcing our missions. I continue to be concerned, however, by the long-term consequences of our limited awareness and lack of insight into security challenges in the region. The longer these shortfalls persist, the more difficult it is to track and monitor potential threats to our nation's security, including the growing influence of extra-regional actors, the overlap between criminal and terrorist networks, and signs of potential regional instability. While we recognize that global defense priorities must be adequately sourced, limited tactical ISR allocation and national technical focus is impairing virtually every one of our assigned missions and exposing the southern approaches to the United States to significant risk. Sequestration will compound this challenge; when it comes to sourcing, we are already the lowest priority Geographic Combatant Command, and sequestration will likely eviscerate our already limited ISR capacity.

To mitigate some of these shortfalls, we have successfully employed non-traditional assets in support of our Title 10 detection and monitoring obligations. The Air Force's JSTARS is especially important, providing a detailed maritime surveillance capability that is unsurpassed and increasing the efficiency of wide area surveillance and long-range maritime patrol aircraft. A single JSTARS sortie can cover the same search area as 10 maritime patrol aircraft sorties. The use of these types of assets is a 'win-win' for U.S. Southern Command and the Services; we

receive much-needed assets while the Services receive pre-deployment training opportunities in a 'target-rich' environment.

Military Construction. In support of our nationally-directed contingency response mission, we are also seeking $28 million in funding to construct basic horizontal infrastructure that would be needed to operate migrant camps at Guantanamo in the event of a maritime mass migration. These projects would include the shaping of terrain and installation of drainage and utilities infrastructure. Without this funding, we will not be able to quickly house the required number of migrants without compromising United Nations' standards and placing severe constraints on current operations at the Naval Station. I look forward to working with the Congress to find a solution to these and other requirements.

Quality of Life and Military Housing. Mr. Chairman, the men and women assigned to U.S. Southern Command are at a huge financial and benefits disadvantage, working and living in one of the most expensive cities in the world and receiving little in the way of adequate compensation. Access to commissary and PX facilities are an integral part of the benefits package guaranteed by law, yet we lack both at our installation. Our assigned personnel receive minimal Cost of Living Allowances for South Florida, even though non-housing expenditures like car insurance are high.[14] This is particularly hard on our junior enlisted personnel. An E-3 receives a mere $29 for a monthly Cost of Living Allowance, while an E-9 receives $44; neither amount covers monthly tolls on South Florida's roads.

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[14] According to the Economic Policy Institute, it takes nearly three times the federal poverty line to cover basic living expenses in Miami.

Given current housing allowances, many of our families cannot afford to live near the Command, and government housing acquired through domestic leasing is both expensive and extremely competitive. The housing situation will become even more challenging for our officer-grade personnel, who will see, on average, approximately 9% reduction in their BAH. I would like to go on record and note that I have serious concerns over the validity of the process used to calculate BAH for our assigned troops. A permanent military housing solution in Doral would allow us to bring our service members and their families into a secure and affordable community close to our facility. We are working with U.S. Army Installation Management Command to find a long-term housing solution for our Service members and their families.

Conclusion

I would like to conclude my testimony with a note of warning and a sign of hope. Two decades ago, U.S. policy makers and the defense and intelligence communities failed to anticipate the collapse of the Soviet Union or the rise of international terrorism. Today, another challenge is in plain sight: transnational organized crime threatens not only our own security, but the stability and prosperity of our Latin American neighbors. As the Congress knows, the United States and our partners worked hard to ensure the Western Hemisphere is a beacon of freedom, democracy, and peace. In the face of the corrosive spread of criminal networks and other threats, we must work even harder to ensure it remains that way.

The good news is we know how to win this fight. Colombia taught us that the key to defeating insurgents is the same as defeating criminal networks: a strong, accountable government that protects its citizens, upholds the rule of law, and expands economic opportunity for all. It taught us that countering illicit trafficking and countering terrorism often go hand in hand. It taught us that U.S. interagency cooperation, coupled with a committed partner, can help

bring a country back from the brink—and for a fraction of the cost of operations in Iraq and Afghanistan. And above all, Colombia taught us that sustained engagement by the United States can make a real and lasting difference. We have learned these lessons. Now is the time to apply them to the region as a whole. Thank you, and I look forward to your questions.

Annex: 2014 Component Accomplishments

U.S. Army South (ARSOUTH)
Headquarters: San Antonio, Texas

- **Security Cooperation:** ARSOUTH conducted 174 security cooperation events with 18 countries in U.S. Southern Command's (USSOUTHCOM's) area of responsibility. These events included: Army-to-Army Staff Talks with key countries, Foreign Liaison Officers assigned to ARSOUTH, Conference of American Armies activities, professional development exchanges on multiple topics, Army commander and distinguished visitor program, and Joint/Combined/Multinational Exercises and Operations. These events represent engagements aimed at building partner nation capabilities with other militaries in the region.
- **Countering Transnational Organized Crime (CTOC):** ARSOUTH conducted numerous CTOC training sessions with the El Salvador Army Intelligence Battalion, the two new Guatemalan Interagency Task Forces (IATF), and two Honduran Brigades associated with border security. These efforts have greatly improved the individual country's capability to disrupt TOC operations and has set the stage for the next training phase in FY15.
- **Intelligence Security Cooperation:** In addition to the El Salvador effort, the ARSOUTH Intelligence Team conducted engagement activities enabling military intelligence capacity building in support of countering transnational threats in Brazil, Colombia, Guatemala, Honduras, Chile, and Peru.
- **Counter Terrorism:** ARSOUTH conducted 20 Subject Matter Expert Exchanges (SMEEs) in ten countries that included over 750 host nation soldiers. The engagements included: Medical, Search and Rescue, Logistics, Force Protection, and Communications.
- **Civil Military Relations:** ARSOUTH conducted Civil Military Relations Professional Development Exchanges in Brazil, Colombia, Chile, Guatemala, Honduras and El Salvador, improving the ability of these countries to conduct inter-organizational coordination during humanitarian assistance/disaster relief operations, and to counter transnational criminal organizations. These exchanges provide a forum for bilateral executive-level information.
- **Humanitarian Assistance Program (HAP):** HAP conducts activities to build partner nation capacity in providing essential services to its civilian population including: responding to disaster and other crises; reinforcing security; and sustaining stability in a host nation or region. ARSOUTH, USSOUTHCOM's HAP construction program manager, completed 19 projects in Belize, Guatemala, Honduras, Panama and Peru, and initiated the planning for nine new construction projects in Belize, Guatemala, Honduras, El Salvador, and Peru.
- **Global Peace Operations Initiative (GPOI):** GPOI is a U.S. government-funded security assistance program to enhance international capacity to effectively conduct United Nations and regional peace support operations. ARSOUTH, as USSOUTHCOM's GPOI construction program manager, completed four projects in Guatemala, Paraguay and Peru, with four ongoing construction projects in El Salvador and Guatemala.
- **Reintegration:** ARSOUTH executed a Reintegration operation for the surviving crew members of aircraft BAT 02 following their crash in Colombia, a Post Isolation Support

Activity in support of the FBI for an American Citizen held hostage by the FARC in Colombia, and for a repatriated POW from Afghanistan.

- **Conference of the American Armies (CAA):** The Conference of American Armies (20 member nations, 5 observer nations and two International Military Organizations) strengthens relationships and improves interoperability in peacekeeping and disaster relief operations through the creation and implementation of practical initiatives approved by the commanders of the member Armies. ARSOUTH delegations represented the U.S. Army Chief of Staff at the Transfer Ceremony to Colombia, a 1st Communications Exercise and a Specialized Conference on IEDs in Colombia, a Geospatial Terrain data base Ad-Hoc Committee in Peru, and a Disaster Relief Field Training Exercise in Argentina.
- **Beyond the Horizon (BTH):** The Humanitarian and Civic Assistance Field Training Exercise, BTH Dominican Republic (APR-JUN 14), consisted of five engineer projects, two general medical and one dental exercises (MEDRETEs and DENTRETE), treating over 12,917 patients. 1,468 U.S. troops participated in the exercise and the Dominican military provided 107 personnel. BTH Guatemala (MAR-JUL 14) consisted of five engineer projects, and three general MEDRETEs, treating over 21,000 residents. 1,242 U.S. troops participated and the Guatemalan military provided over 120 personnel.
- **Fuerzas Aliadas Humanitarias (FAHUM):** The Humanitarian Assistance and Disaster Relief Command Post Exercise was hosted by El Salvador to build Partner Nation capacity to respond to a major disaster and strengthen military/security force collaboration and cooperation in the region. Participants included 300 from El Salvador, 66 U.S. and 33 from other Partner Nations.
- **PANAMAX 2014:** This year's Joint/Combined operational exercise focused on the defense of the Panama Canal designated ARSOUTH as HQ, Multi-National Forces-South with a total of 380 participants (65 participants coming from 17 Partner Nations). ARSOUTH also hosted the CFLCC with Brazil as the lead country which included 91 participants with 61 of them coming from 12 partner nations (PNs). In addition, ARSOUTH participated in a bilateral exercise with the Government of Panama called PANAMAX – Alpha. Forty U.S. personnel worked with the Panamanians coordinating U.S. forces assistance during a simulated national disaster.

U.S. Naval Forces Southern Command (COMUSNAVSO)
Headquarters: Mayport, Florida

- U.S. Naval Forces Southern Command/ U.S. FOURTH Fleet (USNAVSO/FOURTHFLT) employs maritime forces in cooperative maritime security operations in order to maintain access, enhance interoperability, and build enduring partnerships that foster regional security in the USSOUTHCOM Area of Responsibility (AOR).
- **"AMERICA visits The Americas" 2014:** USS AMERICA, lead ship of a new class of amphibious ships for the U.S. Navy, completed an historic transit of the USSOUTHCOM AOR. AMERICA conducted Theater Security Cooperation (TSC) events and completed basic maritime operations while circumnavigating South America. "AMERICA Visits the Americas" served as our best Key Leader Engagement (KLE) opportunity in years, as AMERICA conducted TSC port visits to Cartagena, Colombia; Rio de Janeiro, Brazil; Valparaiso, Chile; and Callao, Peru. AMERICA also flew out distinguished visitors from

Trinidad and Tobago, Uruguay, and El Salvador to visit the U.S. Navy's newest ship while she sailed in the vicinity of those three Partner Nations.

- **Southern Partnership Station (SPS):** SPS is a series of Navy/Marine Corps engagements focused on TSC, specifically Building Partner Capacity (BPC), through Subject Matter Expert Exchanges (SMEEs) with partner nation militaries and civilian security forces. SPS engagements include Community Relations Projects that focus on our partnerships, shared interests, and shared values. 2014 SPS Deployments:

  - **SPS Joint High Speed Vessel 2014 (SPS JHSV 14):** USNS SPEARHEAD, lead ship of a new class of ships for the U.S. Navy, built partner capacity while conducting TSC engagements through the use of Adaptive Force Packages (AFPs) ashore in Belize, Guatemala, Colombia, and Honduras. At sea, SPEARHEAD conducted Detection and Monitoring (D&M) Operations at sea in support of Operation MARTILLO. The success of the Sailors, Marines, Soldiers, Airmen, NCIS Agents, and Civilian Mariners making up the SPEARHEAD Team set a firm foundation for future JHSV and AFP deployments to the USSOUTHCOM AOR. Detailed planning is in progress for SPS JHSV-15.

  - **SPS Oceanographic 2014 (SPS OCEANO 14):** In support of USSOUTHCOM's priority Oceanographic, Hydrographic, and Bathymetric requirements, there were multiple engagements with Partner Nation counterparts. With the support of the Naval Oceanographic Office, survey ship USNS PATHFINDER conducted hydrographic surveys in the Western Caribbean, shore-based Fleet Survey Teams conducted hydrographic surveys in coastal waters of Peru and Honduras, and a Light Detection and Ranging aircraft and crew conducted hydrographic surveys in the coastal waters of Honduras. All SPS OCEANO surveys are conducted with the assistance of Partner Nation personnel and equipment, and the hydrographic survey and environmental assessment data is shared to enable safe and effective maritime navigation.

- **Operation MARTILLO:** Seven frigates, JHSV USNS SPEARHEAD, four fixed-wing Maritime Patrol aircraft and two Scientific Development Squadron ONE detachments deployed to support Operation MARTILLO, conducting D&M Operations under the tactical control of Joint Interagency Task Force South, targeting illicit trafficking routes in the waters off Central America.
- **PANAMAX 2014:** Colombia served as Combined Forces Maritime Component Commander (CFMCC) for the annual PANAMAX Exercise, which exercises defense of the approaches to the Panama Canal. The Colombian Navy led a multinational staff of more than 300 military and civilian personnel from 15 Partner Nations (including the U.S.), all based at USNAVSO/FOURTHFLT Headquarters in Mayport. Now in its 12th year, PANAMAX is designed to train U.S. and partner nation personnel in the execution of stability operations under the auspices of United Nations' Security Council resolutions; provide interoperability training for the participating multinational staffs; and build participating nation capability to plan and execute complex multinational operations.
- **UNITAS 2014:** UNITAS, Latin for "Unity", is the longest-running multinational maritime exercise in the world. Peru hosted the 55th iteration, featuring 14 Partner Nations (including

the U.S.), 20 ships, patrol boats, two submarines, seven helicopters, four maritime patrol aircraft, 10 fixed-wing tactical aircraft, and several thousand Sailors. The two-week exercise consisted of a multi-threat, multi-day scenario where participants operated as a multinational force working under a United Nations Security Council Resolution.

- **SIFOREX 2014:** "Silent Forces Exercise," or SIFOREX, is a biennial exercise hosted by Peru that focuses on Anti-Submarine Warfare proficiency against diesel submarines. U.S. participation included USS INGRAHAM, P-8 Poseidon and P-3 Orion Aircraft, and Commander Destroyer Squadron 40 Staff. For the first time, Naval Forces from Brazil and Colombia joined Peru and the U.S. for SIFOREX.

12th Air Force (Air Forces Southern)
Headquarters: Davis-Monthan AFB, Tucson, Arizona

- **Security Cooperation:** Air Forces Southern (AFSOUTH) led 41 security cooperation events in 11 USSOUTHCOM Partner Nations. Engagements focused on communications, aircraft operations and maintenance, ISR, air patrol operations, NVG, aerial port, maintenance, space, cyber, mishap investigation, command and control, space capabilities, close air support, legal, public affairs, flight medicine capabilities, and a Contingency Airfield Pavements Evaluation. The 571st Mobility Support Advisory Squadron completed 17 air adviser events to Peru, Guatemala, Honduras, Colombia, Chile, and El Salvador, training 241 partner nation military members.
- **Legal:** The AFSOUTH Staff Judge Advocate promoted Law of Armed Conflict adherence and Human Rights Law in 12 legal engagement activities with Colombia, Honduras, El Salvador, Guatemala, Peru, Brazil, Chile, Ecuador, Uruguay, and the Dominican Republic.
- **NEW HORIZONS 2014 (Belize):** AFSOUTH trained 444 US military personnel in joint/combined/interagency environments, in addition to 8 Canadian medical personnel, 25 Belize Defense Force (BDF) engineers, and over 40 BDF personnel. Personnel built five classrooms, which will accommodate 390 additional students, and one hospital addition. US and Canadian medical personnel treated over 19,000 patients during five medical, surgical, & dental events. SMEEs covered maternal & child health, public health, and biomedical equipment topics. Veterinarian services provided 500+ animal vaccinations.
- **ISR Missions:** AFSOUTH provided command and control for ISR missions in support of USSOUTHCOM priorities. AFSOUTH executed 897 ISR missions and 5,004 flight hours, resulting in over 27,841 images and nearly 13,497 minutes of video. This information assisted in numerous drug trafficking seizures in the SOUTHCOM AOR by the United States and its Partner nations in FY14. AFSOUTH is assisting critical partner nations in CD/CNT efforts and is currently working to enable Air Force operational and ISR capability in both Guatemala and Honduras. AFSOUTH continues to assist both Colombia and Peru in maintaining the strategic initiative against illegally-armed combatants who previously threatened the very existence of those nations.
- **Airlift Missions:** AFSOUTH executed 80 theater airlift missions, moving more than 3,900 passengers and 280 tons of cargo throughout USSOUTHCOM's area of responsibility.
- **Medical Deployments:** AFSOUTH International Health Specialists had 25 global health engagements with partner nations, including aerospace physiology programs in safety, human factors, and hypobaric chambers; also focusing on standards for aeromedical

evacuation/patient movement/critical care air transport teams. The AFSOUTH Command Surgeon's directorate hosted nine priority nations for an Aerospace Medicine Symposium.

Marine Corps Forces South (MARFORSOUTH)
Headquarters: Doral, Florida

- **Theater Security Cooperation**: In 2014, MARFORSOUTH completed over 88 Security Cooperation events in 27 countries. This resulted in over 750 Partner Nation Marine Corps and Defense Force personnel trained. While continuing to foster long-term relationships based on mutual respect and common values, MARFORSOUTH conducted a variety of key leader engagements throughout the USSOUTHCOM area of responsibility that reinforced our commitment to partner nation leadership. To meet shared security objectives in combatting transnational organized crime, MARFORSOUTH delivered tailor-made training to our partners by establishing persistent presence security cooperation teams in Belize, Guatemala, and Honduras. This was often hand-in-hand with our Colombian Marine Corps partners through the U.S./Colombia Action Plan.
- **Special purpose Marine Air/Ground Task Force – South (SPMAGTF-S)**: Demonstrating the strength of the U.S. Navy and Marine Corps Team, MARFORSOUTH embarked a SPMAGTF aboard the USS AMERICA during its transit through the USSOUTHCOM area of responsibility. This transit featured MV-22 Ospreys that conducted basic maritime operations at sea and supported strategic-level diplomatic engagements in Colombia, Brazil, Chile, and Peru, Trinidad and Tobago, Uruguay and El Salvador. Marines, alongside the U.S. Navy, partnered with other Nation's Sailors and Marines in a variety of theater security cooperation events that included passage-at-sea exercises, SMEEs, tours for partner nation military and civilian personnel, community relations projects, and sporting events.
- **SPS-JHSV 14 – Marine Detachment (MARDET)**: In support of U.S. Naval Forces Southern Command/U.S. Fourth Fleet's SPS-JHSV, MARFORSOUTH deployed 45 Marines and Sailors to Belize, Guatemala, and Honduras to provide training in small-unit tactics, and support with engineering, civil affairs, and information operations activities. The MARDET enhanced the SPS-JHSV mission by building partner capacity in riverine infantry integration for 100 partner nation forces, conducting 14 humanitarian assistance and military construction projects and 175 civil-military engagements, and promoting a nation-wide civilian reporting system in Belize.
- **TRADEWINDS Phase II Ground**: The Dominican Republic hosted this JCS-directed exercise for over 250 participants, spanning 15 countries. In partnership with the Dominican Republic Marine Corps and the Canadian Army, U.S. Marines provided logistics, casualty evacuation and medical support while leading classroom instruction and field training. Exercise participants collaborated on countering illicit traffic activity, humanitarian assistance/disaster relief, small arms weapons handling, basic infantry skills, civil affairs, human rights and law enforcement tactics, techniques and procedures.
- **Partnership of the Americas (POA):** MARFORSOUTH, in conjunction with USNAVSO and regional (PNs), conducted a multinational exercise incorporating amphibious ships from Mexico and Chile and eight other partner nation naval infantries. A combined task force executed a simulated humanitarian assistance/disaster relief operation, successfully demonstrating interoperability and security cooperation while focusing on amphibious staff

planning, training and equipping for future peace support operations and humanitarian assistance missions.

- **Security Augmentation Force (SAF)**: The SAF is MARFORSOUTH's designated company of Marines that reinforces Diplomatic Missions in the AOR, as required. In close coordination with Department of State, the SAF is postured in CONUS should an Ambassador decide that the local guard force is unwilling, unable, or insufficient to provide security to his mission. While there are currently no high threat posts in the AOR, the potential for a natural disaster or popular unrest are likely for many Embassy locations. MARFORSOUTH deploys its Marine Liaison Element to visit each Embassy, solidifies plans of action with the Country Team, and captures relevant information that will enable SAF in rapidly responding to crisis.

Special Operations Command South (SOCSOUTH)
Headquarters: Homestead, Florida

- **Building Partner Capacity:** In 2014, SOCSOUTH maintained small elements in Belize, Colombia, the Dominican Republic, El Salvador, Honduras, Guatemala, Guyana, Panama, and Peru working with key units to improve ground and maritime interdiction, civil affairs, Military Information Support Operations (MISO), and intelligence capacities. SOCSOUTH used episodic engagements – including 36 Joint Combined Exchange Training (JCET) events – with multiple Central American, South American, and Caribbean partners to develop U.S. forces' skills and expand partner nation capacity. In Honduras, SOCSOUTH teams and Colombian counterparts helped train over 200 Honduran National Police officers for the new Tigres special response unit as part of expanded U.S. support to Honduran authorities as they confront sources of insecurity in urban and remote rural areas. In the Andean Ridge, SOCSOUTH continued to partner with Colombia and Peru to confront narco-terrorist insurgencies whose illicit trafficking operations extend throughout the hemisphere.
- **Civil Affairs:** In 2014, 14 civil affairs teams and civil-military support elements engaged nine partner nations to reduce the vulnerability of key populations influenced by transnational organized crime or violent extremism. The teams assisted with counter-recruitment programs and, in many cases, supported partner nations in building civil affairs capacities.
- **Military Information Support Operations:** SOCSOUTH maintained military information support teams in six key partner nations supporting Colombia's Demobilization and Counter-Recruitment Programs, Guatemalan Interagency Task Forces, Panamanian security services' outreach programs in the Darien border region, the DoD Rewards Program, U.S. Government Anti-Trafficking in Persons efforts, and expanded active tip lines to under-governed spaces. These activities supported a broad range of efforts against transnational organized criminal and violent extremist organizations.
- **Intelligence Analytical Support to US Country Teams:** SOCSOUTH provides intelligence and counter-threat financing support to U.S. Country Teams focusing on terrorism, human smuggling networks, and transnational organized crime. In Belize, the Dominican Republic, and Honduras, SOCSOUTH helped develop host nation capabilities

and country team support through a number of subject matter exchanges, and mentored them in institutionalizing intelligence pipelines.

- **Building Intellectual Capital:** SOCSOUTH, in conjunction with the Colombian Joint Staff College, conducted five Counter-Terrorism Fellowship Program-funded seminars in Bogota, Colombia during 2014. Approximately 70 subject-matter expert presenters from the U.S., Colombia, and other nations collaborated with over 700 participants from 18 Western Hemisphere and NATO countries
- **FUERZAS COMANDO 2014:** FUERZAS COMANDO is a USSOUTHCOM-sponsored, SOCSOUTH-executed multinational exercise encompassing a Special Operations skills competition and a Senior Leader Seminar designed to foster relations and improve cooperation throughout the theater. The 2014 edition of FUERZAS COMANDO was held at Fort Tolemaida, Colombia with 17 Partner Nations participating. Colombia placed first overall, the U.S. placed second, and third place went to El Salvador.
- **FUSED RESPONSE 2014:** SOCSOUTH executes an annual CJCS-directed exercise to validate time sensitive crisis action planning, as well as training, readiness, interoperability and capability of Special Operations Forces in support of regional crises and contingencies. FUSED RESPONSE 2014 was a Joint and Combined exercise held in Belize in conjunction with the Belize Defence Force and featured guest observers from Brazil and Canada to foster stronger relationships and greater interoperability with these fellow Western Hemisphere nations. Involving SOCSOUTH staff and personnel from each of its components, the exercise focused on improving the capabilities of the participant forces and increasing their capacity to confront common threats such as illicit traffic, organized crime, and terrorism.

Joint Task Force Guantanamo (JTF-GTMO)
Guantanamo Bay, Cuba

- **Safe and Humane Custody and Control:** JTF-GTMO conducted safe, humane, legal, and transparent custody and control of detainees, including those convicted by military commission. Detainees maintained family contact via mail, telephone calls and, in areas which support this service, videophone conferences coordinated by the International Committee of the Red Cross (ICRC). High quality care, to include routine and urgent medical care, was provided to detainees on a 24-hour basis. General surgical care, dental care, preventative medicine, optometry and mental health services were provided, or arranged, as was targeted specialty care on a recurring basis.
- **Legal and Transparent Operations:** Assessments of detention conditions by the ICRC continued with four visits in 2014. The ICRC verifies compliance with international standards associated with law of war detention (as specified in the Geneva Conventions and other international conventions) and provides confidential advice for suggested improvements to the United States via the Joint Task Force Commander and U.S. Southern Command. Additionally, detainees are granted access to legal representation, and received more than 847 Military Commissions and 273 Habeas attorney visits in fiscal year 2014. Committed to transparency, JTF-GTMO hosted 100 media representatives from 73 domestic and international news organizations and answered hundreds of media queries during the past year. Similarly, JTF-GTMO also hosted numerous Distinguished Visitor visits, including

U.S. Senators, Representatives, Service Chiefs and senior DoD, DHS, DOJ and DoS policy makers.

- **Military Commissions:** Support for the Military Commissions process is a priority of JTF-GTMO. These proceedings are open to observation by the media, victim family members, non-governmental organizations and other visitors. In fiscal year 2014, JTF-GTMO supported 14 days of hearings which addressed pre-trial motions in the case of *U.S. v. Mohammad, et al.*, the five individuals accused of coordinating the September 11, 2001 attacks on the U.S. (referred to in the press as "the 9/11 Five") and 16 days of hearings to address pre-trial motions in the case of *U.S. v. Al Nashiri*, the alleged USS COLE bomber. Additionally, the Court arraigned and conducted two days of hearings to address pre-trial motions in the case of *U.S. v. Al Iraqi*, an alleged Al Qaeda commander charged with law of war offenses.

Joint Interagency Task Force South (JIATF-S)
Key West, Florida

- **In FY 2014, Joint Interagency Task Force South** contributed to the disruption of 158 metric tons of cocaine worth nearly $3.2 billion wholesale. This represents 76 percent of the estimated cocaine flow directed towards the U.S. market. JIATF-S executed an integrated defense forward strategy that complimented the ongoing efforts at the U.S. Southwest Border. JIATF-S exercised tactical control (TACON) of U.S. and allied ships and Maritime Patrol Aircraft, along with the Forces Surveillance Support Center's re-locatable over-the-horizon radar (ROTHR) to detect, monitor and support interdiction of illicit traffic.
- **Operation (OP) MARTILLO** led to the majority of JIATF-S interdictions. Begun in January, 2012, OP MARTILLO has resulted in the disruption of 400 metric tons of cocaine, and the seizure of $14.4 million in bulk cash and 325 vessels and aircraft. This multi-national operation is intended to deny the Central American littoral routes to illicit traffickers. Approaching its third anniversary, OP MARTILLO is achieving its desired effects of decreased trafficking in the Western Caribbean and Eastern Pacific littorals. This has driven increased activity in the Eastern Pacific non-littoral route, which, as a result of longer distances, provides additional time for U.S., allied and Partner Nation forces to respond once an illicit trafficking event is detected.
- **Operational Results and Impact:** The bilateral Air Bridge Denial Program with Colombia contributed to a significant reduction in illicit air traffic. JIATF-S documented a 68 percent decrease in illicit air tracks from South America to Central America (primarily Honduras) and detected only two flights into Haiti. In the maritime domain, JIATF-S assessed reductions of 73 percent and 42 percent, respectively, in activity along the Western Caribbean littoral and non-littoral trafficking vectors. JIATF-S also documented a significant decrease in trafficking via "go fast" boats using the littoral routes, which is consistent with the intent of OP MARTILLO. Eastern Pacific trafficking showed similar trends, with a 48% decrease in the littorals and a 38% increase in the non-littorals, including a recent increase in the use of routes south of the Galapagos.
- **Operation UNIFIED RESOLVE**, the counter illicit trafficking operation supporting Puerto Rico, has improved interoperability between JIATF-S, Coast Guard District 7, Coast Guard Sector San Juan, and the Customs and Border Protection (CBP) Office of Air and Marine's

Caribbean Air and Marine Branch in Counter-Illicit Trafficking operations. Real-time information sharing improved OP UNIFIED RESOLVE effectiveness against movements of cocaine to Puerto Rico from the primary Hispaniola vector. This collaborative effort enhanced the effective sharing of resources in today's austere operating environment and resulted in interdiction of 15,342 kg of cocaine destined for Puerto Rico in FY14.

- **Role of Partner Nations:** Fifty six percent of JIATF-S disruptions happened as a result of Latin American partner nation participation. Additionally, 75 of the 204 (37 percent) illicit trafficking events disrupted by JIATF-S were a direct result of the participation of our international allies. The maritime contributions by the U.K., France, the Netherlands, and Canada continued to be significant and will be critical to future operations as U.S. Navy resources continue to be limited.
- **Counter-Transnational Organized Crime/Counter Network Operations:** While focused on its primary mission of detection and monitoring of illicit traffic, JIATFS established counter network and counter threat finance analysis cells to assist law enforcement agencies in dismantling the Transnational Criminal Organizations responsible for the production and shipment of narcotics and for undermining the stability and security of the region.

Joint Task Force-Bravo
Soto Cano Air Base, Honduras

- **Joint Task Force-Bravo Summary:** Joint Task Force-Bravo (JTF-Bravo) is a forward-based, expeditionary joint task force operating in the USSOUTHCOM AOR. Stationed at the Honduran Soto Cano Air Base, JTF-Bravo manages the only strategic, all-weather day/night C-5 Galaxy-capable airfield in Central America. The JTF, in cooperation with our partner nations, executes operations and enables multilateral exercises in support of the USSOUTHCOM priorities of countering transnational organized crime (CTOC), humanitarian assistance/disaster relief (HA/DR), and building partner capacity (BPC) to promote regional cooperation and security in Central America. JTF-Bravo supports the USSOUTHCOM Commander's objectives in Honduras by executing assigned tasks within OPERATION ESCUDO UNIDO.
- **CTOC Operations:** At the request of the Government of Belize, JTF-Bravo provided aerial reconnaissance and air movement support for Belizean Defense Forces during two separate operations to eradicate 110,000 marijuana plants, 2000 lbs of processed marijuana and 35 lbs of seeds; destroying over 56 million dollars of profits. JTF-Bravo also participated in detection and monitoring operations off the Northeastern coast of Honduras to develop and train Fuerzas Especial Naval (FEN) boat crews, familiarizing them with communication and reporting fundamentals, illicit drug trafficking tactics, and vessel interception techniques. Finally, JTF-Bravo supported the Honduran Army's destruction of 10 illicit airfields in the Gracias a Dios Department by transporting almost 400 troops and 8,500 pounds of demolitions to damage airfields used by drug trafficking organizations.
- **HA/DR Response Operations:** At the request of the President of Honduras, and directed by USSOUTHCOM, JTF-Bravo delivered over 37,000 lbs of immediate lifesaving rations to isolated locations in GaD, which were devastated by severe flooding and heavy winds associated with Tropical Storm Hanna. JTF-Bravo executed 10 medical readiness training exercises, four mobile surgical team exercises, and weekly medical training missions in local

municipalities to improve expeditionary readiness and simultaneously provide medical care to CENTAM countries. Over the past year, the JTF treated 15,886 medical patients, 2,407 dental patients, and 779 surgical patients. JTF-Bravo routinely integrates its SOUTHCOM Situational Assessment Team (S-SAT) with regional partners to participate in natural disaster exercises. The JTF deployed its small response package to El Salvador as a part of Fuerzas Aliadas Humanitarias 2014 (FA-HUM 14), validating tactics, techniques, and procedures for response to natural disasters in the region.

- **BPC and Supporting Partner Nations:** JTF-Bravo conducted numerous BPC and PN supporting events. This included: deploying a Downed Aircraft Recovery Team (DART) to Guatemala to assist in recovering the wreckage from a helicopter crash on 20 August 2014; providing subject matter expertise leading to revision of the Guatemalan aviation safety and standards program; and facilitating the Department of Homeland Security (DHS) and Government of Honduras (GoH) repatriation of 85 Honduran families from the U.S. to locations throughout Honduras, by providing limited airfield support to DHS contracted aircraft. Additionally, JTF-Bravo firefighters conducted expertise exchanges with fire departments from Central America. The exchanges reinforced firefighting tactics, techniques, and procedures, enhancing the partner nation's ability to respond and control fire emergencies. The JTF also hosted 54 firefighters from the El Salvador Port Authority at Soto Cano Air Base to conduct annual firefighting certification. Finally, JTF-Bravo coordinated and hosted a Pediatric Disaster Management Course at Soto Cano Airbase, as well as the first ever Advanced Trauma Life Support course in Honduras. Both courses certified Honduran instructors in the respective specialty areas and helped improve Honduran medical capacity.

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

"Western Hemisphere Drug Interdiction Efforts"

Subcommittee on Coast Guard and Maritime Transportation
Committee on Transportation and Infrastructure
United States House of Representatives

Tuesday, June 16, 2015
2:00 p.m.
2253 Rayburn House Office Building

Statement for the Record
of
Michael P. Botticelli
Director
Office of National Drug Control Policy

INTRODUCTION

Mr. Chairman and Members of the Subcommittee, I am pleased to submit this statement on behalf of the Office of National Drug Control Policy (ONDCP), a component of the Executive Office of the President. ONDCP was established in 1988 by Congress with the principal purpose of reducing illicit drug use, manufacturing, and trafficking; drug-related crime and violence; and drug-related health consequences. Our office establishes policies, priorities, and objectives for the Nation's drug control programs and ensures that adequate resources are provided to implement them. We also develop, evaluate, coordinate, and oversee the international and domestic implementation of the National Drug Control Policy by Executive Branch agencies to ensure such efforts sustain and complement state and local drug policy activities.

At ONDCP, we are charged with producing the *National Drug Control Strategy* (*Strategy*), the Administration's primary blueprint for drug policy, along with a national drug control budget. The *Strategy* outlines a series of evidence-based reforms that treat our Nation's drug problem as a public health challenge, not just a criminal justice issue. It moves beyond an outdated "war on drugs" approach, and is guided by what science, experience, and compassion demonstrate about the true nature of drug use in America. As a nation, we have realized that we cannot arrest our way out of the problems we face, and we have modified our approach accordingly. We are focusing on preventing drug use before it begins, increasing access to evidence-based treatment for substance use disorders, and promoting alternatives to incarceration and other criminal justice reforms.

The *Strategy* also addresses the need to disrupt domestic drug trafficking and production and reduce the availability of foreign-produced drugs in the United States. Interdicting drugs and dismantling the domestic and transnational criminal organizations that profit from producing and trafficking them not only improves the public health and safety of our communities, but also contributes to the stability and security of the countries in which these organizations are based.

Our *Strategy* is comprehensive in order to address the variety of drug use challenges that are facing our Nation. For example, we are in the midst of an opioid drug abuse epidemic. In 2013, over 4.5 million Americans ages 12 and older reported using prescription pain relievers non-medically within the past month.[1] This makes nonmedical prescription pain reliever use more common than use of any category of illicit drug in the United States except for marijuana. In

[1] Substance Abuse and Mental Health Services Administration. *Results from the 2013 National Survey on Drug Use and Health: Detailed Tables*. Department of Health and Human Services. [November 2014]. Available: http://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabsPDFWHTML2013/Web/HTML/NSDUH-DetTabsSect7peTabs1to45-2013.htm#tab7.3b

addition, approximately 289,000 Americans reported past month use of heroin.[2] There has been a troubling increase in the number of people using heroin in recent years – from 373,000 past year users in 2007 to 681,000 in 2013.[3] The increase in heroin use is fueled in part by the availability in the United States of low-cost heroin from elsewhere in the Western Hemisphere, and also fueled by the number of people in the United States misusing prescription pain relievers and moving on to cheaper and stronger alternatives.

Methamphetamine and new psychoactive substances, including synthetic cannabinoids like "spice" and synthetic cathinones like "bath salts", are rising threats, and recently released U.S. Government coca crop estimates indicate that coca cultivation in Colombia increased 39 percent from 2013 to 2014.[4]

Marijuana remains the most commonly used illicit substance, and we remain concerned about its use and the public health and safety impact of state marijuana laws that increase the availability of the drug in our communities.

INTERDICTION

Drug interdiction is an essential element of preventing illicit drug use. We must make every possible effort to prevent dangerous substances and precursor chemicals from entering our country and from disrupting social systems throughout our hemisphere. The global trade in illicit drugs has emerged as a well-developed, asymmetric, transnational threat to international security and stability. The *Strategy* recognizes that the infrastructure of transnational criminal organizations – including profits, alliances, and criminal methods – all help facilitate and reinforce other systemic transnational threats such as arms and human trafficking, money laundering and illicit financial flows, and gangs. The drug trade also serves as a critical source of revenue for some terrorist groups and insurgencies and plays a critical destabilizing role in a number of regions of strategic importance to the United States. This is particularly so in our own hemisphere, and the *Strategy* calls for new, stronger bilateral and multilateral partnerships to disrupt the flow of illicit drugs to the United States and through other strategic areas.

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[2] Substance Abuse and Mental Health Services Administration. *Results from the 2013 National Survey on Drug Use and Health: Detailed Tables*. Department of Health and Human Services. [November 2014]. Available: http://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabsPDFWHTML2013/Web/HTML/NSDUH-DetTabsSect7peTabs1to45-2013.htm#tab7.3A

[3] Substance Abuse and Mental Health Services Administration. *Results from the 2013 National Survey on Drug Use and Health: Detailed Tables*. Department of Health and Human Services. [November 2014]. Available: http://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabsPDFWHTML2013/Web/HTML/NSDUH-DetTabsSect7peTabs1to45-2013.htm#tab7.2A

[4] Unpublished U.S. Government estimates.

Transnational criminal organizations, already exerting corrupting influences on governance and social systems, are aggressively expanding their global markets, and the global reach of transnational criminal organizations has transformed the interdiction process into a worldwide, cooperative effort. The Western Hemisphere remains the most critical region for the United States. The violence that characterizes the current situation in the democratic nations of Central America is spreading rapidly throughout our hemisphere. The global drug trade is also impacting the less developed and highly vulnerable nations of Africa. Many of these small nations face a significant threat to their ability to maintain the basic rule of law. They are confronted with a similar situation faced by Colombia 10 to 15 years ago, when the influence of the drug cartels threatened to overwhelm that nation's democratic institutions. .

Transit Zone interdiction operations remain a critical element of our national security, as it relieves pressure on partner nations in the hemisphere, many of which are affected by the flow of illicit drugs, precursor chemicals for the creation of methamphetamine and new psychoactive compounds, and the illicit profits of illicit trafficking. Many of the smaller nations in our hemisphere simply do not have the resources to confront the capability, capacity, and corrupting influence of the transnational criminal organizations. The United States – and our European partners – can provide the detection and monitoring capability and resources, such as long-range maritime patrol aircraft and flight deck equipped ships that can operate for extended periods far from shore. Through this partnership in the Transit Zone, the United States and our partner nations not only remove drugs from the supply chain but can also get important information to disrupt and dismantle the transnational criminal organizations. We are working hard to develop the appropriate relationships with law enforcement, other interdiction experts, and partner nations to determine how best to disseminate the intelligence information gleaned from interdictions to best disrupt and dismantle drug trafficking and transnational criminal organizations.

Production estimates in the hemisphere and the termination of aerial eradication efforts portend a significant risk of increased flow of cocaine through this fragile region. Transit Zone interdiction removes bulk quantities before they reach our Central American and Caribbean neighbors, including Puerto Rico and the U.S. Virgin Islands. To address these concerns, the U.S. Southern Command has coordinated an increased level of effort employing additional resources which have been committed by the U.S. Coast Guard (long-range ships and aircraft) and U.S. Customs and Border Protection (long-range aircraft). As a result, we have seen a significant increase in the number and total volume of interdictions, most of which have decreased the flow into Central America ultimately destined for the United States.

Additionally, because cases are often prosecuted in the United States, Transit Zone interdiction can also result in the development of sources of significant information that can be used to target and dismantle transnational criminal organizations. The Department of Justice's Organized

Crime Drug Enforcement Task Force program includes the Panama Express Strike Force and the Caribbean Corridor Initiative, both of which specialize in investigations of this nature, and both quite often provide real-time, tactically actionable information to support additional interdictions. Criminal justice systems in many nations currently cannot achieve the same impact. The United States is attempting to forge relationships in partner nations that will ensure that intelligence leads to better investigations and prosecutions of criminals at home and abroad.

Interdiction efforts are an essential element of a multi-layered strategy to counter the impact of transnational criminal organizations within the United States. To dismantle organizations that operate across international borders, we must ensure that law enforcement efforts are seamlessly coordinated through the full spectrum of transportation. The United States Interdiction Coordinator (USIC), currently ONDCP's Acting Director for Supply Reduction, is developing an update to the National Interdiction Command and Control Plan (NICCP) – a plan to coordinate seamless interdiction operations along three lines of effort: beyond the Border; the Border region; and within the Border. Similarly, the Department of Homeland Security (DHS) has developed a Southern Border and Approaches Campaign Plan to coordinate DHS efforts along the border and the approaches thereto, including the Transit Zone. Both the NICCP and the DHS Campaign Plan recognize the reality that Transit Zone interdiction can provide information that supports a local investigation in the United States, and conversely, local investigations can provide information that can be followed back along the supply chain to support subsequent interdictions.

CONCLUSION

Interdiction reduces the availability of drugs in the United States, including low-cost heroin, methamphetamine, new psychoactive substances, and cocaine, and is an important part of our *National Drug Control Strategy* to address the health consequences of drug use in our Nation.

I thank the Subcommittee for the opportunity to provide this input.

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