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I. INTRODUCTION

Chairman Kucinich, Ranking Member Issa, Members of the Subcommittee, I very much appreciate your interest in the Office of National Drug Control Policy, and I welcome this opportunity to discuss both the Administration's 2008 National Drug Control Strategy, and the progress we've made as a nation toward stemming what once was a growing tide of illegal drug use and abuse in America.

As this Committee is well aware, my office recently issued the 2008 National Drug Control Strategy. Because this represents the last National Drug Control Strategy to be released by this Administration, this hearing provides an excellent opportunity to look back to 2002, take stock of the progress we've made, and put the intervening years in perspective.

When President Bush released his first national Drug Control Strategy in 2002, America was experiencing rates of drug use by youth that had increased sharply since the early 1990's. Of particular concern were troubling rates of drug use by our nation's youth. Between 1991 and 2001, the percentage of 8th graders who used marijuana in the past year doubled from approximately one in ten to one in five (2007 *Monitoring the Future Survey*). In 2001, about two-thirds (67%) of new marijuana users were under the age of 18. This proportion has generally increased since the 1960s, when less than half of initiates were under 18 (2002 *National Survey on Drug Use and Health*). In 2002, more than 50 percent of our high school seniors said they had used illegal drugs at least once prior to graduation, and a full 25 percent of high school seniors reported using illegal drugs in the past month.

With the help of Congress, President Bush implemented a well-rounded, comprehensive package of anti-drug policies designed to accomplish three important things: 1) To prevent young Americans from ever initiating illegal drug use; 2) To help those in the grips of addiction get the help and treatment they need; and 3) To disrupt the market for illegal drugs through domestic and international action.

When the Strategy was first designed and implemented some six years ago, the President set ambitious goals for progress – benchmarks that some found unrealistic at the time. The Strategy would pursue a 10 percent reduction in youth drug use in 2 years, and a 25 percent reduction in youth drug use over 5 years.

Distinguished Members, I am extremely fortunate to come before you today to tell you that this approach is working. Though the Strategy tells this story in great detail, I want to take a moment

to consider the profound impacts of the President's policies. Since 2001, overall youth drug use has declined 24 percent, with many specific drugs showing even more stunning declines. Methamphetamine use is down by 64 percent, LSD is down by 60 percent, Ecstasy is down by 54 percent, steroids are down by 33 percent, and marijuana is down by 25 percent. These reductions mean that, today, approximately 860,000 fewer young people are using drugs than in 2001.

Workplace testing also shows similar reductions: the percentage of workers testing positive for marijuana declined by 34 percent from January 2000 to December 2006, and methamphetamine use among workers is declining after a significant increase during the first half of the decade, falling by 45 percent between 2004 and 2006. Perhaps most remarkably, overall drug test positives, as measured by Quest Diagnostics' Drug Testing Index, show the lowest levels of drug use in the adult workforce since 1988.

But however stark these improvements may be, I'm sure we can all agree that this represents only a beginning. Research addressing the myriad factors that can influence the development and progression of drug abuse and addiction is critical to advancing the development of effective tailored prevention strategies as well as informing and improving treatment approaches to facilitate abstinence and prevent relapse. By promoting the use of evidence-based tools, we will seek to achieve a further 10 percent reduction in youth illegal drug use in 2008, using 2006 as the baseline.

II. STOPPING DRUG USE BEFORE IT STARTS – DETERRING DRUG USE BY CHANGING ATTITUDES

The goal of prevention is to stop substance use before it ever begins. Believing not only in this mission but in our ability to achieve it, this Administration outlined a strategy 6 years ago that called upon multiple sectors of society—parents, schools, employers, communities, and the media—to help Americans, and youth in particular, take a stand against drugs

Focusing on youth is effective and will yield results for decades to come. Prevention efforts involve many players and are most successful when messages from parents, schools, the community, and State and Federal partners are consistent: young people should not use drugs. In an age when most young people get their information and influences from friends, the media, or the Internet, scientifically accurate and credible information can help keep youth away from these dangerous substances and avoid the lasting consequences that drugs can have on their lives.

Random Student Drug Testing

One of the most important aspects of preventing America's youth from using illegal drugs is providing them a safe atmosphere where a culture of abstinence is pre-eminent. We believe we have found a tool which greatly assists us in establishing this social environment: Random Student Drug Testing.

The spread of drug use throughout a school often closely mirrors the way a disease is spread—from student-to-student contact, multiplying rapidly as more and more students are affected.

Random testing can provide young people with a reason never to start using drugs, protecting them during a time when they are the most vulnerable to peer influence and the adverse health effects of drug use.

Moreover, random student drug testing isn't punitive. Though its deterrent effect is important, random student drug testing was primarily designed to identify kids in trouble so that responsible adults can make a meaningful intervention in their lives. The testing is random and not for-cause, and students who test positive are discreetly referred for professional counseling and treatment.

Across America, hundreds of schools have implemented random testing programs. The Centers for Disease Control and Prevention's 2006 School Health Policies and Programs Study (SHPPS) found that nationwide, of the 25.5 percent of districts containing middle or high schools that had adopted a student drug testing policy, over half conducted random drug testing. The same survey reported that 72.2 percent of middle and high schools provided alcohol- or other drug-use treatment at school through health services or mental health and social services staff, and 34.9 percent made arrangements for treatment through organizations or professionals outside the school.

The United States Military's Experience With Drug Testing

In June 1971, responding to a report that approximately 42 percent of U.S. Military personnel in Vietnam had used illegal drugs at least once, the Department of Defense (DoD) began testing all service members for drug use. A DoD survey of behavior among military personnel about a decade later showed that nearly 28 percent of service members had used an illegal drug in the past 30 days and that the rate was greater than 38 percent in some units. The DoD drug testing program was revised and expanded in 1983, following an investigation that revealed illegal drug use might have been a contributing factor in a 1981 aircraft carrier accident that resulted in 14 fatalities and the damage or destruction of 18 planes.

In the more than 25 years since the military began random testing of service members for drug use, positive use rates have dropped from nearly 30 percent to less than 2 percent. Despite the recent demands of combat deployment, the Armed Services have maintained a high rate of drug testing in the combat theaters. Data from the DoD Defense Manpower Database Center shows that the drug positive rate in deployed military members is now below 0.5 percent

Community Partnerships to Protect Youth

While random testing programs protect people of all ages by discouraging illicit drug use and identifying those with substance abuse problems, community-based prevention activities such as the work of anti-drug coalitions complement the testing framework.

The Drug Free Communities Support Program

Recognizing that local problems require local solutions, ONDCP, in partnership with The Substance Abuse and Mental Health Services Administration (SAMHSA), administers the Drug

Free Communities Support Program (DFC), an innovative grant program to reduce youth substance abuse. Unique in its ability to provide Federal funding directly to local community organizations, DFC currently supports 736 grassroots community coalitions in 49 States, the District of Columbia, Puerto Rico, and the United States Virgin Islands with grants up to \$100,000 per year for up to 5 years. Since 1997, an estimated \$450 million has been awarded to prevent youth drug use. The DFC program involves more than 10,000 community volunteers, all working together to save young lives.

The Administration works with parents, youth, community leaders, clergy, educators, law enforcement, employers, and others to plan and implement an appropriate and sustainable response to local drug challenges, whether that's methamphetamine or prescription drug abuse. Because this isn't a "one-size-fits-all" approach, DFC promotes creative community solutions, and the dollar-for-dollar match requirement ensures that the community will be invested in the performance and success of the partnerships. Successful coalitions may qualify to "mentor" new and emerging community groups, allowing leaders in mentor communities to network with their counterparts in the target or "mentee" community, in order to create a new drug-free community coalition capable of effectively competing for a DFC grant award.

Among the 2007 DFC grantees, 38 percent represent communities in economically disadvantaged areas, 23 percent represent urban areas, 41 percent represent suburban areas, and 34 percent represent rural areas. In 2007, special outreach to Native American communities was conducted to assist Native American coalitions in combating substance abuse in their communities – nearly a doubling of grantees serving Native American communities. Now constituting 8 percent of the total grants, coalitions focusing on Native American communities represented the largest demographic increase in program participation in 2007.

Educating Youth About the Dangers of Drug Use

The National Youth Anti-Drug Media Campaign

Another feature integral to grassroots education and awareness is the work of the National Youth Anti-Drug Media Campaign (Media Campaign). The Media Campaign is a social marketing effort designed to prevent and reduce youth illicit drug use by increasing awareness of the consequences of drugs, changing youth attitudes and intentions toward drug use, and motivating adults to employ effective anti-drug strategies.

The Campaign targets the audience in the most danger of initiating drug use (12 – 17 year-olds [the key audience being tenth-graders]) by increasing their perception of risk and peer disapproval of drug use, while encouraging parental involvement and monitoring. Approximately 74 percent of the Campaign's funding is allocated to purchase advertising time and space in youth, adult, and ethnic media outlets, including national and cable TV, radio, newspapers and other publications, out-of-home media (such as movies), and the Internet.

The teen brand "Above the Influence" inspires teens to reject negative influences, specifically drug use, by appealing to their sense of individuality, independence, and aspirations. All television advertisements are subject to a rigorous process of qualitative and quantitative testing,

ensuring, before they are broadcast, that the advertisements are clear and credible and have the intended effect on awareness, attitudes, and behaviors. Then once the ads are on the air, monthly tracking surveys monitor their performance to help assure the right blend of messages and media outlets.

Since 2002, the Campaign's primary focus has been on marijuana—a policy decision driven by a public health goal: delay onset of use of the first drugs of abuse (marijuana, tobacco, and alcohol) to reduce drug problems of any kind during teen years and into adulthood.

Marijuana continues to be the most prevalent and widely used illicit drug among youth, representing 88 percent of all lifetime teen illicit drug use. By focusing on marijuana and on the negative social consequences of drug use, the Campaign has significantly contributed to the overall reduction of teen marijuana use by 25 percent since 2001.

Still, young people are vulnerable to other drug challenges. Against the overall backdrop of declining drug use, there is new evidence of a troubling trend regarding the abuse of prescription and over-the-counter medicines among young people. More teens are now using these products than methamphetamine, heroin, cocaine and ecstasy combined. In 2008, the Campaign is addressing this emerging drug threat by implementing a national campaign to inform parents about the risky and growing abuse of prescription drugs by young people. Because the most common reported source of abused prescription drugs is friends and family, the Media Campaign focuses on educating parents and making them aware of the threat in the home medicine cabinet. The Campaign is also reaching out to health care professionals including doctors, dentists, and pharmacists about what they can do to help stem the problem, and many of these professional associations have endorsed the Campaign's message to parents, adding further credibility and reach to the advertising.

The Media Campaign is also continuing its efforts to reduce the demand for methamphetamine, in response to the ONDCP Reauthorization, in at-risk regions of the country, with special focus on those populations at highest risk – rural communities and American Indians.

Fighting Pharmaceutical Diversion and Preventing Addiction

As was previously noted, prescription drug abuse has emerged as the fastest growing drug threat, requiring a concerted response from every sector of our society. In 2006, the latest year for which data are available, past-year initiation of prescription drugs exceeded that of marijuana. Abuse of prescription drugs among 12 and 13 year-olds now exceeds marijuana use, and among 18 to 25 year-olds, it has increased 17 percent over the past 3 years.

Admissions to treatment facilities for addiction to prescription drugs have risen steeply since the mid-1990s and now rank third among youth, behind marijuana and alcohol. Admissions to emergency departments for overdoses have also escalated in a similar timeframe. Abuse of opioid painkillers such as Vicodin, Percocet, and Oxycontin is of particular concern, because of the large number of users, the high addictive potential, and the potential to induce overdose or death. These substances pose particular risks because many mistakenly believe that prescription drugs are safer to abuse than illicit street drugs; prescription drugs are relatively easy to obtain

from friends and family; and many people are not aware of the potentially serious consequences of using prescription drugs nonmedically. And parents are talking to their teens about the risk of these products much less than about illegal drugs.

Existing prevention programs such as the National Youth Anti-Drug Media Campaign and random student drug testing are enhancing awareness of the dangers of abusing prescription drugs and helping to identify young abusers who need help. And other Federal partners are active in this area. SAMHSA has begun point-of-purchase messaging targeted to prescription drugs that have high abuse potentials. Information about a drug's potential for diversion and abuse is listed on the reverse side of the information patients receive when picking up their prescription. During fall 2007, this pilot program was tested through 6,300 pharmacies nationwide.

Internet Pharmacy Legislation

The Internet is another source of prescription drug diversion. Rogue online pharmacies provide controlled substances to individuals who either abuse the drugs themselves or sell them to others.

The Administration has worked closely with Members of the Senate on legislation to stem the flow of controlled substances without a proper prescription and advocates a commonsense approach for the sale of controlled substances online. Under the Feinstein/Sessions Substitute Amendment, unless certain exceptions apply, a face-to-face meeting is required in order for a licensed medical professional to dispense a controlled substance. The substitute bill defines a "valid prescription" as one that is issued: i) for a legitimate medical purpose; ii) in the usual course of professional practice; and iii) by either a practitioner who has conducted at least one in-person medical evaluation of the patient or a covering practitioner. Pharmacies are prohibited from filling unlawful prescriptions, online pharmacies will be subject to special registration and reporting requirements, and will have to provide detailed information on their Internet sites such as the location, identity, and licensure of the pharmacy, pharmacists and doctors with whom they are associated.

The substitute bill enhances penalties for unlawfully dispensing controlled substances in schedules III through V (applying equally to all unlawful distributors and dispensers of controlled substances -- not just those who do so by means of the Internet), and sets forth proper advertising of the sale of a controlled substance by means of the Internet. Finally, the substitute bill protects Americans in remote areas or other difficult circumstances by exempting certain qualifying Telemedicine providers.

I know that many Members of the House share our interest in this legislation, and I look forward to working with you as we move the Feinstein/Sessions substitute amendment forward through both the House and the Senate.

Prescription Drug Monitoring Programs (PDMPs)

Another important way to track the diversion and illegal use of controlled substances is through Prescription Drug Monitoring Programs (PDMPs). PDMPs track controlled substances through a variety of means and are implemented at the State level. At the end of 2007, 35 States had

enacted enabling legislation to create or had already created PDMPs. Federal assistance for PDMPs is also available. States may apply to the Department of Justice for Federal grant funding to set up PDMPs. In many cases, members of both the law enforcement and medical communities may access a State's database, providing important safeguards to pharmacists at the point of sale to prevent prescription fraud and doctor-shopping.

III. INTERVENING AND HEALING AMERICA'S DRUG USERS FROM SCREENING TO RECOVERY SUPPORT: A CONTINUUM OF CARE

Despite recent reductions in drug use, Americans continue to drink to excess, abuse prescription drugs, and use illegal drugs. Many Americans have some experience with substance abuse and its devastating effects on the individual, the family, and the community.

Recognizing that addiction to substances is a treatable disease and that recovery is possible, the Administration has supported innovative and effective programs designed to help expand treatment options, enhance treatment delivery, and improve treatment outcomes.

Today, there are approximately 23 million Americans who were classified with abuse or dependence on alcohol or illicit drugs. This means nearly 10 percent of the U.S. population over age 12 was dependent on or abused alcohol or illicit drugs. Of the 23 million, 21 million did not receive treatment from a specialty treatment facility. Yet the vast majority of these 21 million people— more than 95.5 percent—do not realize they need help and have not sought treatment or other professional care (2006 National Survey on Drug Use and Health). Most users fall into a much broader category of people whose use has not yet progressed to addiction. For many of these users, an accident or serious trauma may be just around the corner.

Screening and Brief Intervention

Approximately 180 million Americans age 18 or older see a healthcare provider at least once a year, providing a unique opportunity for drug and alcohol screening to increase awareness of substance abuse issues, and bring help to millions of Americans with drug and alcohol problems. With a few carefully worded questions using an evidence-based questionnaire, health-care providers can learn a great deal about whether a patient is at risk for problems related to substance abuse.

In 2003, the Federal Government began providing funding to support screening and brief intervention programs in States and tribal communities through Screening, Brief Intervention, and Referral to Treatment (SBIRT) cooperative agreements. Screening is a simple diagnostic questionnaire administered through personal interviews or self-reporting, which can be incorporated into routine practice in medical settings.

If the score on the screen test exceeds a certain value, suggesting a likely substance abuse problem, the provider decides the level of intensity for follow-up assistance. For a score showing moderate risk, a "brief intervention" may be the most appropriate response. Brief interventions are nonjudgmental motivational conversations between providers and patients. The purpose is to increase patients' insight into their substance abuse and its consequences, and to provide patients

with a workable strategy for reducing or stopping their drug use. Sometimes a meaningful discussion with a healthcare provider is all it takes to convince a patient to stop using drugs.

Other times, a brief intervention is the first in as many as six follow-up sessions aimed at modifying the patient's risky behavior. If a score falls in the range consistent with addiction, the patient is referred to specialty treatment for a more extensive and longer period of care.

As of December 2007, more than 577,436 clients in 11 States had been screened. Approximately 23 percent received a score that triggered the need for further assistance. Of this number, 15.9 percent received a brief intervention, 3.1 percent received brief drug treatment, and only 3.6 percent required referral to specialized drug treatment programs.

Screening and brief interventions can reduce emergency room and trauma center visits and deaths, increase the percentage of people who enter specialized treatment, and positively enhance other facets of overall health, including general and mental health, employment, housing, and a reduction in arrests. Federal program outcomes indicate that these results persist even 6 months after a brief intervention, and cost-benefit analyses of Federal programs have demonstrated net healthcare cost savings from screening and brief interventions (an analysis of SBIRT Grantee Government Performance and Results Act [GPRA] Measures, compiled by the Office of National Drug Control Policy, the National Institute on Drug Abuse [NIDA] and the Substance Abuse and Mental Health Services Administration [SAMHSA]).

Medical Education on Substance Abuse

Since 2004, ONDCP has hosted three separate Leadership Conferences on Medical Education in Substance Abuse, bringing together leaders of private sector organizations, Federal agencies, organized medicine, and licensure and certification bodies to discuss ways to enhance physician training in the prevention, diagnosis, and management of alcohol and drug use disorders. The conferences addressed such topics as how to increase the limited training physicians receive in the diagnosis, management, and underlying science of addiction; how to overcome physicians' attitudes about substance use disorders and the patients who have them; and the effectiveness of treatment protocols. Conference participants identified several evidence-based strategies to address these issues, including the development of educational programs and clinical protocols and guidelines.

The 2006 Conference reviewed progress made in reaching the objectives of the first Conference and focused attention on two key priorities: 1) engaging the medical community in screening and brief interventions; and 2) the prevalence of prescription drug abuse. This highly successful conference gave rise to a series of recommendations on the medical response needed to adopt screening and brief intervention as preventive medicine and to address prescription drug abuse.

The Third Conference in 2008 followed up on the 2007 recommendations, and addressed sustainability and institutionalization of screening and brief interventions and the promotion and adoption of new healthcare codes for these procedures.

In January 2007, the Centers for Medicare & Medicaid Services (CMS) adopted new Healthcare Common Procedure Coding System (HCPCS) procedural codes for screening and brief intervention (SBI) within Medicaid. These codes make it possible for State Medicaid plans to reimburse medical claims for these services if States choose to make SBI a covered benefit. ONDCP continues to work closely with the CMS, States, and medical societies to evaluate State participation, as well as educate States and clinicians about the SBI approach. Increasing support for screening and brief intervention within the medical community reflects a growing awareness of the importance of addressing substance use. In 2007, the Accreditation Council for Continuing Medical Education, the organization that accredits providers of continuing medical education (CME) courses in the United States, used the concept of screening and brief intervention to illustrate their new CME requirements. The Federation of State Medical Boards and the American Medical Association have also adopted policies aimed at educating medical professionals on screening and brief interventions and on prescription drug abuse. Finally, in January 2008, the American Medical Association Board adopted codes for screening and brief intervention

Screening is also an integral component of some Federal health care programs, including the U.S. Department of Veterans Affairs (VA) Health Administration and the Indian Health Service, which have initiated programs to instruct all its healthcare centers on screening and brief interventions.

Breaking the Cycle of Addiction: Maintaining Recovery

Individuals come to treatment through a variety of channels, including screening, involvement with the criminal justice system, or their own initiative, and the Administration has engaged in targeted efforts to provide a variety of services to underserved populations and to increase the number of treatment slots, providers, and modalities.

Concerned about treatment for Americans whose “fight against drugs is a fight for their own lives,” the President launched Access to Recovery (ATR) in his 2003 State of the Union address. Starting in 2004, Congress appropriated approximately \$98 million per year over 3 years for the first ATR grants in 14 States and 1 tribal organization.

ATR expands substance abuse treatment capacity, promotes choices in both recovery paths and services, increases the number and types of providers, uses voucher systems to allow clients to play a more significant role in the development of their treatment plans, and links clinical treatment with important recovery support services such as childcare, transportation, and mentoring.

As of late September 2007, more than 190,000 people with substance use disorders received clinical treatment and/or recovery support services through ATR, exceeding the 3-year target of 125,000. Approximately 65 percent of the clients for whom status and discharge data are available have received recovery support services, which, though critical for recovery, are not typically funded through the Substance Abuse Prevention and Treatment (SAPT) block grant.

The SAMHSA-administered grant program allows States and tribal organizations to tailor programs to meet their primary treatment needs. In Texas, ATR has been used to target the State's criminal justice population, which generally has been underserved in the area of drug treatment services. Tennessee targeted ATR funds on those whose primary addiction is methamphetamine. The voucher component of the program, which affords individuals an unprecedented degree of flexibility to choose among eligible clinical treatment and recovery support providers, empowers Americans to be active in their recovery and may contribute to higher treatment retention and completion rates.

As a result of ATR, States and tribal organizations have expanded the number of providers of treatment and recovery support services. Faith-based organizations, which generally do not receive funding from State governments for substance abuse treatment, have received approximately 32 percent of the ATR dollars. These organizations offer a unique and compassionate approach to people in need.

A Chance to Heal: Treating Substance Abusing Offenders

For many Americans, substance abuse can lead to involvement in the criminal justice system. With 32 percent of State prisoners and 26 percent of Federal prisoners reporting in 2004 that they had committed their crimes while under the influence of drugs, connecting offenders with substance abuse treatment through drug courts, during incarceration, or after release back into the community is an important component of the Nation's strategy to heal drug users.

For nonviolent drug offenders whose underlying problem is substance use, drug treatment courts combine the power of the justice system with effective treatment services to break the cycle of criminal behavior, alcohol and drug use, child abuse and neglect, and incarceration. A decade of drug court research indicates that drug courts reduce crime by lowering re-arrest and conviction rates, improving substance abuse treatment outcomes, and reuniting families, while also producing measurable cost benefits. A recent study in Suffolk County, Massachusetts, found that drug court participants were 13 percent less likely to be rearrested, 34 percent less likely to be re-convicted, and 24 percent less likely to be re-incarcerated compared to probationers. Concurrently, drug courts have proven cost-effective. One analysis in Washington State concluded that drug courts cost an average of \$4,333 per client, but save \$4,705 for taxpayers and \$4,395 for potential crime victims, thus yielding a net cost-benefit of \$4,767 per client. An analysis in California concluded that drug courts cost an average of about \$3,000 per client but save an average of \$11,000 per client.

Since 1995, the Office of Justice Programs at the U.S. Department of Justice has provided grants to fund the planning, implementation, and enhancement of juvenile, adult, family and tribal drug treatment courts across the country. There are currently more than 2,000 such courts in operation, with more in development. With the number of treatment drug courts sometimes outpacing treatment capacity, Federal resources provided through SAMHSA/CSAT Family, Adult and Juvenile Treatment Drug Courts grants help close the treatment gap by supporting the efforts of treatment drug courts to expand and/or enhance treatment services. The Family, Adult, and Juvenile Treatment Drug Courts program began in FY02 and continues today.

Recognizing the success of drug treatment courts in addressing the chronic, acute, and long-term effects of drug abuse, the Administration requested resources in FY08 for drug courts within overall funding for SAMHSA's criminal justice activities. The FY09 request for SAMHSA drug courts program funding is \$40 million, an increase of \$30 million over the 2008 enacted level. This funding would increase treatment capacity by supporting treatment and wrap-around services, case management, drug testing, and program coordination, which are vital for the recovering drug user.

The drug treatment court approach is being adopted by nations around the world. To date, 10 other countries have instituted drug courts, and several more plan to establish them. Every year, the number of international participants who attend the NADCP's Annual Training Conference increases. In 2006, the June meeting, held in Washington, D.C., included representatives from England, Ireland, Scotland, Chile, the British Virgin Islands, Canada, the Organization of American States/Inter-American Drug Abuse Control Commission (CICAD), and the United Nations Office on Drugs and Crime. ONDCP is working with partners around the world to further broaden international participation in 2008.

IV. The National Security Strategy: Tackling Transnational Threats

For more than 20 years, the United States has viewed the global drug trade as a serious threat to our national security because of its capacity to destabilize democratic and friendly governments, undermine U.S. foreign policy objectives, and generate violence and human suffering on a scale that constitutes a public security threat.

Over the years, the drug trade has grown more sophisticated and complex. It has evolved in such a way that its infrastructure—including its profits, alliances, organizations, and criminal methods—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. Further, the drug trade plays a critical destabilizing role in a number of regions of strategic importance to the United States.

In Colombia, all fronts of the Revolutionary Armed Forces of Colombia (FARC) are involved in the drug trade at some level, including controlling cocaine production, securing labs and airstrips, and at times cooperating with other organizations to transport multi-ton quantities of cocaine from Colombia through transit countries such as Venezuela to the United States and Europe.

In Afghanistan, the Taliban continues to leverage its role in that nation's \$3 billion opium trade in order to finance insurgent and terrorist activities. And in West Africa, weak governance and enforcement structures have permitted an explosion of drug trafficking, particularly in Guinea-Bissau, which could fuel wide regional instability.

Venezuela—due to government ineffectiveness, inattention, and corruption—has evolved into a major hub for cocaine trafficking, and also provides a dangerously permissive environment for narcotic, criminal, and terrorist activities by the FARC and the National Liberation Army.

Our international drug control efforts have evolved into a multi-pronged strategy focusing on: reducing the flow of illicit drugs into the United States; disrupting and dismantling major drug trafficking organizations; strengthening the democratic and law enforcement institutions of partner nations threatened by illegal drugs; and reducing the underlying financial and other support that drug trafficking provides to international terrorist organizations. In 2008, the United States will embark on a historic security partnership with Mexico and Central America seeking a safer and more secure hemisphere, breaking the power and impunity of the drug organizations and gangs that threaten the region, and preventing the spread of illicit drugs and transnational and terrorist threats toward the United States. The United States also maintains close partnerships with international organizations such as the UN Office on Drugs and Crime and the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS/CICAD), which focus on capacity building among member states to combat drug trafficking through legislation and enforcement. These organizations also foster an important concept of shared responsibility among friendly government in the fight against drugs.

The National Drug Control Strategy will complement and support the National Security Strategy of the United States by focusing on several key priorities, including: focusing on areas where the illicit drug trade has converged or may converge with other transnational threats; denying drug traffickers, narco-terrorists, and their criminal associates their illicit profits and access to the U.S. and international banking systems; strengthening U.S. capabilities to target links between drug trafficking and other national security threats; and disrupting the flow of drugs to the United States and other strategic areas by building new and stronger bilateral and multilateral partnerships.

Disrupting the Market for Illegal Drugs

In the 2002 National Drug Control Strategy, this Administration articulated a clear plan to reduce the supply of illegal drugs in America, based on the insight that “the drug trade is in fact a vast market, one that faces numerous and often overlooked obstacles that may be used as pressure points.” These pressure points exist all along the illegal drug supply chain, where traffickers undertake such challenging tasks as overseeing extensive drug crop cultivation operations, importing thousands of tons of essential and precursor chemicals, moving finished drugs over thousands of miles and numerous national borders, distributing the product in a foreign country, and covertly repatriating billions of dollars in illegal profit. This Administration has aggressively attacked these pressure points, and as a result we have seen that drug trafficking does indeed operate like a business, with traffickers and users alike clearly responding to market forces such as changes in price and purity, risk and reward.

For example, when domestic law enforcement efforts dismantled the world’s largest LSD production organization in 2000, LSD use by young people plummeted by nearly two-thirds from 2001 to 2006 (unpublished estimates from the 2007 *Monitoring the Future Survey*). Similarly, dedicated efforts to tighten controls on methamphetamine’s key ingredients contributed to a 70 percent decline in lab incidents, and a 59 percent decrease in past-year methamphetamine use among the Nation’s youth (unpublished estimates from the 2007 *Monitoring the Future Survey*).

Internationally, the disruption of several major MDMA (Ecstasy) trafficking organizations in Europe led to an 80 percent decline in U.S. seizures of MDMA tablets from abroad between 2001 and 2004, and a nearly 50 percent drop in use among young people between 2002 and 2006. Aggressive eradication reduced Colombian opium poppy cultivation by 68 percent from 2001 to 2004 and combined with increased seizures to yield a 22 percent decrease in the retail purity of Colombian heroin and a 33 percent increase in the retail price from 2003 to 2004. This progress continues, with eradication teams in Colombia now reporting difficulty in locating any significant concentrations of opium poppy and with poppy cultivation falling to the lowest levels since surveys began in 1996.

Most recently, domestic and international law enforcement efforts have combined to yield a historic cocaine shortage on U.S. streets. Law enforcement reporting and interagency analysis coordinated by the National Drug Intelligence Center (NDIC) indicate that 38 cities with large cocaine markets experienced sustained cocaine shortages between January and September 2007, a period in which Drug Enforcement Administration (DEA) reports indicated a 44 percent climb in the price per pure gram of cocaine. This cocaine shortage affected more areas of the United States for a longer period of time than any previously recorded disruption of the U.S. cocaine market.

Other data points reflect this same progress. Workplace drug test positives for cocaine were 21 percent lower during the second quarter of 2007 than the comparable period of 2006. Among the 30 cities for which more focused workplace drug testing data is available, 26 experienced significant decreases in the rates of positive workplace from 2006. SAMHSA's Drug Abuse Warning Network (DAWN) (which provides emergency room admissions data related to drugs), demonstrated that drug-related emergency department (ED) visits involving cocaine were declining.

The Vital Role of State and Local Law Enforcement

The success of the market disruption efforts described previously is due in large part to the tireless work of the 732,000 sworn State and local law enforcement officers throughout our Nation. However, with almost 18,000 distinct State and local law enforcement agencies operating throughout the country, effective coordination is often a challenge. Federally-supported task forces, such as those funded through the Office of National Drug Control Policy's (ONDCP's) High Intensity Drug Trafficking Areas (HIDTA) program and the Department of Justice's Organized Crime Drug Enforcement Task Force (OCDETF) Program have helped to close these gaps by facilitating cooperation among all law enforcement agencies. The Drug Enforcement Agency's (DEA) State and Local Task Forces have also helped facilitate cooperation and information sharing with State and local law enforcement agencies across the U.S.

The HIDTA program provides additional Federal resources to State and local law enforcement agencies in those areas of the country designated as exhibiting serious drug trafficking problems. Participating agencies, as a condition to joining the program, must agree to work together in multi-agency initiatives, share intelligence and information, and provide data to measure their

performance. Law enforcement organizations that participate in HIDTAs assess drug trafficking problems and design specific initiatives to combat drug crime and disrupt money laundering activities.

In total, there are 28 HIDTAs and five Southwest Border Regions. In 2006, the HIDTA program provided over \$224 million in support to law enforcement in 43 States, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia. The HIDTA program has recently been expanding its engagement with law enforcement on Native American lands. Over \$1 million has been provided to law enforcement agencies to use within tribal areas.

The OCDETF program, which is the centerpiece of the Department of Justice's long-term drug control strategy, plays a critical role in bringing Federal, State, and local law enforcement agencies together to conduct coordinated nationwide investigations and prosecutions, targeting the infrastructures of the most significant drug trafficking organizations and money laundering networks. Participation is broad, with a membership that includes DEA, U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the U.S. Marshals Service (USMS), the Internal Revenue Service (IRS), and the U.S. Coast Guard—working in cooperation with the Department of Justice's Criminal Division, the Tax Division, the 93 U.S. Attorney's Offices, as well as with State and local law enforcement.

In addition to increasing investigative resources through multi-agency taskforces, the Federal Government supports State and local law enforcement by expanding access to law enforcement information and intelligence. NDIC, in support of the HIDTA and OCDETF programs, produces detailed regional and market-based reports highlighting significant drug trafficking trends and challenges for use by Federal, State, and local law enforcement officials and policymakers. DEA, in cooperation with its Federal partners, is working to make the El Paso Intelligence Center (EPIC) more useful to State, local, and tribal police counterparts.

Targeting Marijuana Cultivation in the United States

Due to its high rate of use and low cost of production relative to other drugs, marijuana remains one of the most profitable products for drug trafficking organizations. While the bulk of the marijuana consumed in the United States is produced in Mexico, Mexican criminal organizations have recognized the increased profit potential of moving their production operations to the United States, reducing the expense of transportation and the threat of seizure during risky border crossings.

Outdoor marijuana cultivation in the United States is generally concentrated in the remote national parks and forests of seven states—California, Kentucky, Hawaii, Washington, Oregon, Tennessee, and West Virginia. Of the over 6.8 million marijuana plants eradicated in the United States in 2007, close to 4.7 million of them were eradicated outdoors in California, including 2.6 million plants eradicated from California's Federal lands. Ongoing criminal investigations indicate that drug trafficking organizations headquartered in Mexico continue to supply workers, many of whom are illegal aliens, to tend marijuana fields in California. Overall, in the past 3

years more than 80 percent of the marijuana eradicated from Federal and state lands has come from California and Kentucky.

Marijuana cultivation on public lands has created a litany of problems. An increasing number of unsuspecting campers, fishermen, hikers, hunters, and forest and park officials have been intimidated, threatened, or even physically harmed when they neared marijuana cultivation sites. To establish and maintain a marijuana field, traffickers must clear cut native plants and trees; poach and hunt wildlife; devastate the soil with insecticides, herbicides, pesticides, and fertilizers; and divert natural waterways like springs, streams, and creeks. According to the National Park Service, 10 acres of forest are damaged for every acre planted with marijuana, with an estimated cost of \$11,000 per acre to repair and restore land that has been contaminated with the toxic chemicals, fertilizers, irrigation tubing, and pipes associated with marijuana cultivation.

Federal, State, and local law enforcement agencies are adjusting strategies to disrupt these large-scale, outdoor marijuana cultivation operations. The Department of Justice is now working with ONDCP and Federal land management agencies to target the Mexican drug trafficking organizations that have grown to dominate marijuana cultivation on America's public lands. Based on the success in 2007 of Operation Alesia, led by the Shasta County Sheriff's Office in conjunction with the California National Guard's Counterdrug Task Force, and Operation Green Acres, led by DEA, the primary focus of enforcement operations is no longer just the number of plants eradicated. The new approach uses multi-agency task forces to identify areas of operations and then eradicate plants and arrest and prosecute those involved in the illicit business. Reclaiming and restoring marijuana cultivation sites is also part of the mission, with the ultimate goal being the elimination of this harmful illegal practice from America's private and public lands.

In response to interagency efforts targeting marijuana grown outdoors, law enforcement reporting indicates that many traffickers are shifting their cultivation efforts indoors, where the risk of detection is lower and the quality and quantity of harvests are higher. Several Asian drug trafficking organizations are setting up indoor marijuana grow operations in states near the Northern border, including Washington, Oregon, California, and New Hampshire, and in other states such as Colorado, Pennsylvania, and Texas. Cuban drug trafficking organizations also appear to be extending their indoor grow operations from Florida to Georgia and North Carolina. This surge in indoor marijuana cultivation is reflected in a 70 percent increase in indoor plant eradication between 2005 and 2006.

Methamphetamine and Synthetic Drugs

The disruption of the cocaine market discussed above is not the only indication that the drug supply chain has come under increasing pressure. According to DEA analysis, the price per pure gram of methamphetamine also increased during the first three quarters of 2007, rising from \$141 to \$244, or an increase of 73 percent. At the same time the average purity of methamphetamine in the U.S. market dropped by 31 percent, from 56.9 percent to 39.1 percent. These price and purity trends, along with consistent declines in methamphetamine lab seizure incidents, indicate that a significant disruption is occurring in the U.S. methamphetamine

market.

The Synthetic Drug Control Strategy, released by the Administration in 2006, established the goal of reducing methamphetamine abuse by 15 percent, reducing prescription drug abuse by 15 percent, and reducing domestic methamphetamine laboratory incidents (seizures of methamphetamine labs, lab equipment, or lab waste) by 25 percent, all by the end of 2008 using 2005 data as a baseline. Thanks to the enactment of chemical control laws at the State, then Federal, levels; the outstanding efforts of State, local, and tribal law enforcement; and initiatives in chemical source, transit, and producing countries, methamphetamine laboratory incidents recorded in EPIC's database declined by 48 percent by the end of 2006—almost twice the established goal and 2 years ahead of schedule.

The Combat Methamphetamine Epidemic Act (CMEA) of 2006 established stricter national controls for the sale of products containing ephedrine and pseudoephedrine. The Act's retail sales restrictions, stronger criminal penalties, and provisions for enhanced international enforcement have directly contributed to the sharp reduction in domestic methamphetamine production. The number of both small toxic labs (STLs) and domestic superlabs (defined as capable of producing 10 or more pounds of methamphetamine per production cycle) are now far less common.

Law enforcement efforts, the CMEA, and tightened precursor chemical restrictions in Canada contributed to a significant decline in methamphetamine production in the United States. However, this progress has caused production to shift to Mexico. Mexico has responded to this threat, however, by taking stringent steps to counter chemical precursor diversion. The Government of Mexico recently announced that as of January 2008, the importation of pseudoephedrine and ephedrine would be banned completely. Sellers of pseudoephedrine products must deplete their remaining supplies by 2009, after which use of these products will be illegal in Mexico. Until then, consumers will need a doctor's prescription to obtain these drug products. These new policies represent bold moves that promise to significantly disrupt the methamphetamine trade in the years ahead.

Taking the Fight Against Methamphetamine Global

The battle against methamphetamine includes a global campaign to prevent the diversion of precursor chemicals by all producing, transit, and consumer nations. Two international entities have played a crucial role in this effort: the United Nations (U.N.) Commission on Narcotic Drugs (CND) and the International Narcotics Control Board (INCB). The CND is the central policymaking body within the U.N. system dealing with drug-related matters. The INCB is a quasi-judicial independent body that monitors the implementation of the three U.N. international drug control conventions.

Building on the passage of a United States-sponsored 2006 CND resolution that requested governments to provide an annual estimate of licit precursor requirements and to track the export and import of such precursors, the United States in 2007 supported a resolution drafted by the European Union that asks countries to take measures to strengthen oversight over pseudoephedrine derivatives and other precursor alternatives. The INCB Secretariat's program to

monitor licit shipments of precursor chemicals through its Pre-Export Notification (PEN) online system allows the use of such estimates to evaluate whether a chemical shipment appears to exceed legitimate commercial needs, allowing the INCB can work with the relevant countries to block shipments of chemicals before diversion for meth production.

Additionally, the INCB Project Prism Task Force assists countries in developing and implementing operating procedures to more effectively control trade in precursors. In 2007, Project Prism initiated Operation Crystal Flow, which focused on the Americas, Africa, and West Asia, and identified 35 suspicious shipments, ultimately stopping the diversion of 53 tons of precursor chemicals. Current intelligence suggests that drug trafficking organizations are trying to establish contacts in Africa, the Middle East, and Asia to evade law enforcement.

Joint Interagency Task Force (JIATF) West, which supports counternarcotics efforts in the Pacific, is cooperatively addressing these challenges through a multifaceted campaign against transnational crime in the region. This campaign includes working with host nations to conduct operations to detect and disrupt criminal networks, developing host nation law enforcement capabilities to conduct organizational attacks, and enhancing regional cooperation.

Stemming the Flow of Drugs Across the Southwest Border

Over the years increasing pressure in western hemisphere coca and opium growing regions and on the high seas has made direct transportation of drugs from their source to the U.S. mainland far more difficult. As a result, traffickers have resorted to abbreviated transit zone movements, with drug loads making landfall in Central America or Mexico for subsequent overland entry to the United States via the Southwest Border. Today, the vast majority of the cocaine, heroin, methamphetamine, and marijuana available in the United States enters the country through the border with Mexico.

To respond to this threat, and to contribute to broader homeland security efforts, the Administration is continuing to pursue a coordinated National Southwest Border Counternarcotics Strategy. This Southwest Border Strategy aims to improve Federal counterdrug efforts in the following areas: intelligence collection and information sharing, interdiction at and between ports of entry, aerial surveillance and interdiction of smuggling aircraft, investigations and prosecutions, countering financial crime, and cooperation with Mexico. Significant progress has already been made in the implementation of the Strategy, including enhancements in information sharing, advanced targeting at ports of entry, interdiction between ports of entry, air capabilities, financial investigations, and continued support for Mexico's counternarcotics programs and policies.

Indeed, the declines in drug availability being reported by cities across the United States are likely attributable to the combined impact of the courageous actions taken by the Mexican Government, the pressure applied in the source and transit zones, and stronger border enforcement.

The Southwest Border Strategy is moving forward in coordination with broader homeland security initiatives that promise to reduce the availability of drugs in the United States. The

Department of Homeland Security's Secure Border Initiative is a comprehensive multiyear plan to secure America's borders. The enhancements to border security personnel, infrastructure, and surveillance technology being implemented under SBI are already yielding results. In FY07, the Border Patrol seized over 1.2 million pounds of marijuana in Arizona, where many of the first enhancements under the Secure Border Initiative are concentrated. This constitutes an increase of over 38 percent compared to FY06.

To improve our understanding of the organizations that facilitate trafficking across the border, The El Paso Intelligence Center (EPIC) has developed "Gatekeeper" assessments based on intelligence and debriefings from confidential sources. Gatekeepers are individuals who control geographically specific corridors, or "plazas," along the U.S.-Mexico border and utilize political, social, and family connections to facilitate smuggling of all kinds. The EPIC assessments provide a consolidated publication detailing the Gatekeepers and their organizations and provide a tactical tool for law enforcement entities involved in the investigation of cross-border smuggling activities along the entire border. OCDETF's Gatekeeper Strategic Initiative combines the statutory expertise and authorities of DEA, FBI, USMS, IRS, ICE, ATF and the Border Patrol in a coordinated, multi-agency attack on these facilitators, led by OCDETF's co-located Houston Strike Force and its satellite offices located in key cities along the Southwest Border. Over the past 2 years several major Gatekeepers have been arrested, significantly disrupting drug trafficking operations at key ports of entry. With this combination of enhanced border security and smart law enforcement, we can expect to see continued progress in the fight against drug trafficking and other threats to our border with Mexico.

Working With Mexico and Central America

Mexico is taking bold action against the drug threat. Mexican President Felipe Calderón made his intentions clear shortly after taking office in December 2006 with the unprecedented extradition of more than a dozen major drug traffickers and other criminals, including Consolidated Priority Organization Target (CPOT) Osiel Cárdenas Guillén, the notorious leader of the violent Gulf Cartel. This breakthrough in bilateral judicial cooperation continued throughout 2007, with a record 83 extraditions by year's end, far surpassing the previous record of 63 for the entire calendar year of 2006.

President Calderón's battle against drug trafficking has employed forces from seven government agencies, spending in excess of \$2.5 billion in 2007 (a 24 percent increase over spending levels in 2006) to improve security and reduce drug-related violence. Mexico has deployed more than 12,000 military troops to over a dozen Mexican States. Anticorruption initiatives and institutional reforms by the Mexican Government have enhanced the U.S. Law Enforcement's ability to share sensitive information and conduct joint investigations, including DEA, FBI, ATF, and ICE, contributing to an impressive string of law enforcement achievements, such as the arrest of leading figures in the Tijuana, Gulf, and Sinaloa Cartels.

The Merida Initiative, a multiyear security cooperation program, is designed to enhance U.S., Mexican, and Central American enforcement capabilities while also expanding regional cooperation. All countries in the region, including the United States, have a shared responsibility for combating the common problem of crime and violence.

The Merida Initiative is truly a regional effort, with support going to Mexico and its Central American neighbors in the form of hardware, inspection equipment, information technology, training, capacity building, institutional reform, and drug demand reduction initiatives. This support will complement ongoing efforts by entities such as the Organization of American States Inter-American Drug Abuse Control Commission (OAS/CICAD) to help countries in the hemisphere build their counterdrug capabilities and institutions. The Central America portion of the package seeks to address citizen insecurity by more effectively addressing criminal gangs, modernizing and professionalizing police forces, and reforming the judicial sector.

To address the proliferation of gangs and gang violence, the Central American portion of the Merida Initiative will employ all five elements of the U.S. Strategy to Combat Criminal Gangs from Central America and Mexico: diplomacy, repatriation, law enforcement, capacity enhancement, and prevention.

It is essential that the United States does all that it can to partner with Mexico as it aggressively counters the drug trafficking threat, including the role that weapons purchased in the United States often play in the narcoviolence that has been plaguing Mexico. In an effort to stem the flow of weapons being smuggled illegally to Mexico and used by drug trafficking organizations, ICE implemented Operation Lower Receiver. This initiative will utilize the investigative strengths of the Border Enforcement Security Task Forces (BESTs) and Mexican representatives to identify and prosecute those who attempt to illegally export weapons to Mexico. The ATF is working with Mexican authorities to enhance the use of ATF's eTrace program in Mexico, allowing investigators to electronically trace firearms recovered at crime scenes. Cooperation through eTrace greatly facilitates the interdiction of arms smuggled into Mexico and will strengthen investigations into the sources of illegal weapons.

Transit Zone Interdiction

Last year's National Drug Control Strategy set an aggressive 40 percent interdiction goal for calendar year 2007, as measured against the Consolidated Counterdrug Database (CCDB) estimate of all cocaine movement through the transit zone toward the United States during the prior fiscal year (October 1, 2005 through September 30, 2006). The FY06 CCDB total documented movement was 912 metric tons, making the 2007 interdiction target 365 metric tons. In aggregate, U.S. and allied interdictors removed a total of 299 metric tons of cocaine (preliminary data as of January 2008), or 82 percent of the 2007 calendar year target.

Going forward, to better align the annual transit zone interdiction goal with the Federal budget process, the goal will apply to the current fiscal year rather than the calendar year. Since the FY07 CCDB total documented movement through the transit zone to secondary transshipment countries (such as Mexico, Central American countries, and the Caribbean) was 1,265 metric tons, the 2008 fiscal year 40 percent interdiction goal would be 506 metric tons. However, acknowledging the 2-year gap between establishment of the national goal and any opportunity to request needed increases in capability and capacity through the federal budget process, the Administration is pursuing an incremental approach to the accomplishment of the goal.

Therefore, the national interdiction target for FY08 is 25 percent of the total movement documented in FY07: 316 metric tons.

In 2007, U.S. and allied counterdrug forces leveraged lessons-learned and continued to optimize the use of existing resources against an ever-evolving threat. U.S. Customs and Border Protection's P-3 fleet continued to provide yeoman service despite the demands of its service life extension program. Moreover, the Coast Guard realized yet another successive year of record removals, over 161 metric tons of cocaine, while also breaking its own all time single-event record by seizing 15.2 metric tons of cocaine from the Panamanian Motor Vessel GATUN in the Eastern Pacific in March 2007.

DEA also continued to work with its interagency and international partners to implement Operation All Inclusive, a series of maritime and land-based interdiction operations in the Caribbean, Eastern Pacific, Central America, and Mexico. Part of DEA's large-scale Drug Flow Attack Strategy, Operation All Inclusive utilizes intensive intelligence-based planning. In 2007 wire intercepts and other sources confirmed that the operation was vastly complicating trafficker operations. As smuggling routes and times changed, Operation All Inclusive partners adjusted accordingly, resulting in a significant increase in arrests and seizures compared to the two previous phases of the operation (2005 and 2006).

Due to the continued effectiveness of U.S. and allied interdiction efforts in the transit zone, drug traffickers are attempting to use new and innovative methods to transport drugs to the United States, including constantly changing trafficking routes; suspending cocaine in liquids such as diesel fuel; and the development and enhancement of low-profile and self-propelled semi-submersible vessels. The production quality and operational capabilities of these vessels steadily improved, allowing traffickers to move more product with greater stealth, and traffickers continue to move cocaine to the United States and to the growing markets in Europe. By pursuing the ultimate goal of a 40 percent removal rate, beginning with an incremental goal for 2008 of 25 percent (316 metric tons), U.S. forces in the transit zone will do their part to ensure that this disruption continues.

Attacking Trafficker Finances

U.S. efforts to seize or freeze the assets and proceeds of illicit drug traffickers directly target the core motive of their criminal activity. Revenues from drug transactions in the United States primarily depart the country through the smuggling of large sums of cash across our borders, with an estimated \$15–20 billion in bulk cash smuggled annually across the border with Mexico.

DEA has partnered with other Federal agencies on successful bulk seizure programs—including ICE, U.S. Customs and Border Protection (CBP), FBI, and the IRS Criminal Investigation Division. The United States also assists other governments in developing their capabilities to interdict cash couriers through training and technical assistance programs funded by the Department of State and implemented by international organizations such as OAS/CICAD.

Bulk cash discoveries often lead to fruitful follow-on investigations targeting associated drug trafficking organizations and their wider financial networks. One notable example is DEA's

Money Trail Initiative, which in addition to yielding more than \$157 million in currency and \$23 million in other assets since its inception in 2005, has also resulted in the seizure of over 15 metric tons of cocaine, 550 kilograms of methamphetamine, and 35 kilograms of heroin.

To combat the increasing use of bulk currency smuggling by criminal organizations, ICE and CBP developed a joint strategic initiative called Operation Firewall that began in August 2005. In FY07, Operation Firewall resulted in the seizure of over \$49 million in bulk currency. Since its inception Operation Firewall has led to the seizure of over \$106 million, of which over \$45 million were seized outside of the United States.

U.S. efforts to deny drug traffickers their illicit proceeds extend to domestic efforts by ICE and the Treasury Department's Office of Foreign Assets Control (OFAC) to block illicit access to the U.S. financial system and the financial services industry. In 2006, ICE launched an initiative to put unlicensed money services businesses out of business, which to date has resulted in the identification of over 420 unlicensed money services businesses and in the seizure of nearly \$1 million in currency and other assets.

Progress and Challenges in the Andean Ridge

Since Plan Colombia began in 2000, the United States has pursued a comprehensive strategy to attack the production and distribution of cocaine and heroin from Colombia. Eradication, interdiction, and organizational attack have facilitated progress in alternative development, judicial reform, and the establishment of democratic institutions, effectively expanding the State's authority into areas previously controlled by criminal narcoterrorist groups.

Aerial eradication remains central to the strategy for destroying coca before it can be turned into cocaine and marketed by traffickers or terrorists such as the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia, or FARC). As aerial eradication increased from 2001 to 2003, drug growers were placed on the defensive, shrinking the size of their plots, dispersing them, pruning and replanting seedlings, and, finally, moving further into the eastern regions of Colombia.

The Government of Colombia maintained pressure on the cultivators, adapting to their changing tactics, improving intelligence, protecting spray platforms, and staying in key cultivation areas for longer periods of time. Over this same period, the Government of Colombia also increased its capacity for manual eradication, from 1,700 hectares of coca in 2001 to over 65,000 hectares in 2007, with an announced goal of 100,000 hectares in 2008 in order to supplement reduced U.S. funding for aerial eradication in 2008. Colombia's ability to expand their manual eradication operations depends greatly on capacity to transport police and security forces to protect eradication teams in terrorist regions of high coca production. Air transport capacity is extensively financed by the United States, and may be reduced in coming years.

Interdiction efforts also continued to put pressure on the illicit drug industry in Colombia in 2007, with the seizure of near record amounts of cocaine and the dismantling of an increasing number of cocaine hydrochloride (HCl) laboratories (more than 240 compared to 205 in 2006, according to the Government of Colombia). Increased cooperation with Colombia and Ecuador

is improving the interdiction of illicit drugs moving via fishing vessels that venture far out into the Pacific Ocean before turning north toward Mexico. The increased cooperation has resulted in increased seizures inside Colombia and within its territorial waters—over 170 metric tons of coca base and cocaine HCl in 2007, according to the Government of Colombia's Directorate of Dangerous Drugs (DNE).

Initiatives targeting Colombian drug trafficking organizations proved exceptionally successful in 2007. Results included the extradition of over 164 traffickers from Colombia to the United States, including several CPOTs from the North Valley Cartel, such as Luis Hernando Gomez-Bustamante, a.k.a. Rasguño. Colombian authorities captured notorious drug trafficker and CPOT Diego León Montoya Sánchez (a.k.a. Don Diego), one of the FBI's 10 most wanted people in the world.

Significant gains were also made against the FARC in 2007 and early 2008. The most damaging blow struck against the FARC was the death March 1 of Secretariat member and strategist Luis Edgar Devia Silva (a.k.a. Raul Reyes) in a Colombian raid on a FARC camp just inside Ecuador. The FARC's 37th Front Commander, Gustavo Rueda Diaz (a.k.a. Martin Caballero) was killed in 2007, and Colombian security forces killed CPOT and FARC commander Tomás Molina Caracas (a.k.a. Negro Acacio) during a military raid near the border with Venezuela. Molina was one of 50 FARC commanders indicted by the U.S. Government in March 2006 for allegedly running Colombia's largest cocaine smuggling organization. A former high-level leader of the FARC, Juvenal Ovidio Ricardo Palmera Pineda (a.k.a. Simón Trinidad), was convicted in United States Federal court of a hostage-taking conspiracy and was sentenced to 60 years. Also, a former narcotics trafficker and finance officer of the FARC, Anayibe Royas-Valderrama (a.k.a. Sonia) was convicted of cocaine trafficking and sentenced to more than 16 years imprisonment. Desertions from the FARC are also up, with almost 2,500 deserting in 2007 compared to 1,558 in 2006.

The Government of Colombia increased its capacity to control national territory by standing up additional rural police forces (up to 65 companies of Carabineros), 2 more mobile brigades, and by purchasing more Blackhawk helicopters to provide additional mobility to its forces. The expanded government presence throughout the country has been instrumental in reclaiming key illicit cultivation areas from the FARC and other drug trafficking organizations. By moving into the Department of Meta, the historical birthplace of the FARC and the center of the old demilitarized zone, the Government of Colombia has made it more difficult to produce illegal drugs in a once highly productive coca cultivation zone. Additionally, once security was established, alternative development projects were able to operate to help the local population grow licit crops and allow the Colombian Government to provide basic social services.

Venezuela, on the other hand, is failing to take effective action against the increased flow of illicit drugs from eastern Colombia into Venezuela and then onward to Hispaniola, the United States, Africa, and Europe. Drug flights from Venezuela to Hispaniola increased from 27 in the first three quarters of 2004 to 82 during the same period of 2006, and numbered 81 during the first three quarters of 2007. The flow of drugs through Venezuela has increased almost fivefold, from 57 metric tons in 2004, to around 250 metric tons of cocaine in 2007. This flow of drugs is

increasing corruption and putting enormous pressure on the democratic institutions of Haiti and the Dominican Republic.

There also have been setbacks in Bolivia. The effects of the coca cultivation policies of Bolivian President Evo Morales are yet to be fully seen. The influence of coca growers over the government has contributed to falling eradication rates. The United States continues to seek ways to cooperate with the Bolivian Government in areas such as arresting drug traffickers, disrupting cocaine production, seizing illicit drugs and precursors, supporting alternative development, reducing demand, and training law enforcement and judicial officials.

Afghanistan: Counternarcotics and Counterinsurgency

Combating the production and trafficking of narcotics in Afghanistan is essential to defeating narcoterrorism and to fostering the development of a budding democracy. The drug trade undermines every aspect of the Government of Afghanistan's drive to build political stability, economic growth, and establish security and the rule of law.

The resolute efforts of the Afghan people, combined with international assistance, have produced substantial counternarcotics progress in vast areas of Afghanistan, but significant challenges remain. In 2007, the number of poppy-free provinces increased from 12 to 15, and opium poppy cultivation decreased significantly in another 8 provinces. However, progress in these areas was more than offset by increased opium poppy cultivation in the southwest region, resulting in the production of 8,000 tons of opium in 2007, 42 percent more than in 2006. Approximately 86 percent of Afghanistan's opium poppy cultivation occurred in just 6 provinces with approximately half taking place in a single province, Helmand.

In August 2007, the U.S. Government released the 2007 U.S. Counternarcotics Strategy for Afghanistan to enhance the multinational strategy adopted in 2004, focusing on the five pillars of public information, alternative development, poppy elimination and eradication, interdiction, and justice reform.

The revised strategy—developed in coordination with the Governments of Afghanistan and the United Kingdom—involves three main elements: (1) Dramatically increasing development assistance to incentivize cultivation of legitimate agricultural crops while simultaneously amplifying the scope and intensity of interdiction and eradication operations; (2) Coordinating counternarcotics and counterinsurgency planning and operations more fully, with an emphasis on integrating drug interdiction into the counterinsurgency mission; and (3) Encouraging consistent, sustained support for the counternarcotics effort among the Afghan Government, our allies, and international civilian and military organizations.

Improvements are also being implemented to dramatically expand the impact of eradication and interdiction efforts in Afghanistan. Eradication efforts led by the Government of Afghanistan will target the fields of the wealthiest and most powerful poppy-growers. Interdiction operations in Afghanistan that target the highest-level traffickers will be increasingly integrated into the counterinsurgency campaign, with the direct support of DEA agents embedded in U.S. and coalition forces. In addition, DEA has expanded its Foreign-deployed Advisory Support Team

(FAST) initiatives, continued its support for the Afghan Counter-Narcotics Police and is developing and mentoring several newly formed Afghan counternarcotics investigative units.

Despite the significant increases in opium production in Afghanistan, the availability of Afghan heroin in the United States remains low. However, Afghanistan is by far the largest producer of illegal opiates, and proceeds from narcotrafficking are fueling the insurgency while drug-related corruption undercuts international reconstruction efforts. Attacking the nexus between terrorism and the drug trade in Afghanistan remains vital to U.S. national security.

Conclusion

As with other serious societal problems—crime, disease, hunger—we must continue to directly confront all aspects of the drug problem. We know that traffickers will react and respond to our successes, and that there is always another generation of American youth that must be educated about the terrible risks of drug abuse and addiction. It is with them in mind that we have set the new goals described in the introduction to this Strategy: an additional 10 percent reduction in youth drug use, the continuation of random student drug testing as a prevention tool, greater access to screening and brief intervention services, the reduced diversion of prescription drugs and methamphetamine precursors, declines in Andean cocaine production and Afghan opium poppy cultivation, an aggressive interdiction goal in the maritime transit zone, a reduction in the flow of illegal drugs across the Southwest Border, and declines in the domestic production and use of marijuana.

Achieving these goals will require a continuing partnership with all those throughout the Nation whose hard work has produced such meaningful progress for the American people over the past six years.

We greatly appreciate the Committee's interest in drug policy, and we look forward to working with Congress to accelerate and make permanent the hard-fought gains we've made over the last six years.