U.S. SECURITY ASSISTANCE TO MEXICO

HEARING

BEFORE THE

SUBCOMMITTEE ON
THE WESTERN HEMISPHERE

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

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U.S. SECURITY ASSISTANCE TO MEXICO

THURSDAY, OCTOBER 25, 2007

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

The subcommittee met, pursuant to notice, at 2:40 p.m. in room 2172, Rayburn House Office Building, Hon. Eliot L. Engel (chairman of the subcommittee) presiding.

Mr. SIRES [presiding]. Good afternoon.

Chairman Engel had some business on the floor, so I will start the hearing.

It is my pleasure to welcome you today to today's hearing on U.S. Security Assistance to Mexico.

On Monday, the Bush administration asked Congress to approve $1.4 billion over the next 3 years to help the Mexican Government fight drug traffickers. The President has asked for the quick appropriation of $500 million for Mexico and an additional $50 million for Central America.

I look forward to reviewing his proposal, but let me be clear from the start. Congress was in no way consulted as this counternarcotics package was developed. This is not a good way to kick off such an important bilateral effort to combat drug trafficking and drug-related violence in Mexico. Since my colleagues and I had no opportunity to be briefed on this aid package before it was released, we will have to carefully comb over every detail of the President's request in the coming weeks and months.

At this time, I will turn it over to Mr. Burton.

Mr. Burton, do you have opening remarks?

Mr. BURTON. Yes, Mr. Chairman.

Briefly, I would like to make a couple of comments, and it is nice to see you in the chairman's position. It is nice to be working with you.

Mr. SIRES. There is nothing like being surprised when you are working.

Mr. BURTON. I wish you were Republican, but other than that—you are a good looking guy, though, don't you think?

Well, Mr. Chairman, thank you very much for this hearing today.

We are all concerned about the problems we face in dealing with counternarcotics with our neighbor Mexico. We are in a new era of relationship with Mexico, at least on our mutual concerns of national interests as it relates to the illicit drug front. The days of finger-pointing and the blame game are finally over, and the debate about drug use on our side of the border and drug trafficking on theirs has, fortunately, turned to more constructive efforts in recent years.

Both of our Governments realize they must cooperate and tackle the problem of illicit narcotics and the resulting corruption together. We recognize that our mutual national interests are at stake whether from the violence and corruption on both sides of the border or from overdoses and related crime that flow from the trafficking and from the use of drugs like cocaine, heroin, meth, and marijuana that pass through or originate in Mexico. Together with our friends in Colombia and Central America, along with the stepped up and courageous efforts of the Fox and Calderon governments in Mexico, we are making great progress, but we still have a long way to go, and there is a lot more to be done.

Our staff asked the GAO prior to this hearing to meet with the DEA and to get this new and very encouraging data that they gave to us the other day on cocaine entering our Nation from abroad and how the increase in price and decrease in purity from major shortages of cocaine in many cities today is good news for our young people.

The Director of the National Drug Control Policy recently told Congress of major shortages of cocaine in 37 U.S. cities and price increases of 24 percent and falling purity levels, which means fewer young people can afford cocaine or, if they use it, they are less likely to overdose or to become addicted.

The Colombians, our Central America friends, along with our Mexican partners were starting to have an impact, and we can do much more together. I applaud President Bush and the Calderon government and Mexico's efforts to expand that counternarcotics cooperation and success that is totally consistent with Mexican sovereignty and rights. I am happy to see that the counternarcotics aid package is built on cooperation from both sides of the border to strengthen the institutional capacity in order to better address violence and illegal activity. I hope we will be able to move forward swiftly with productivity in building upon the new Mexico-United States friendship.

I would like to thank our highly qualified panelists for being here today, and I look forward to hearing their views.

I would just like to add one additional thing, and that is that in the past there have been problems with the Mexican Government's not being aggressive enough in dealing with cross border activity involving illegal aliens as well as drug trafficking, and I am very encouraged by what I have heard recently. I hope the Calderon government not only is committed to what we are talking about today but in also making absolutely sure that the police, the drug enforcement people, and the military over there do everything they can to stop the cross-border trafficking and the illegal immigration.

With that, I yield back the balance of my time.

Mr. SIRES. Thank you, Mr. Burton.

Mr. Cuellar, do you have any opening remarks?

Mr. CUELLAR. Thank you, Mr. Chairman. Thank you for the consent to allow me to sit here with you. I am not a member of this committee, but I appreciate this opportunity.

I certainly support the proposal that the President has, that the administration has, because I feel that this type of security strategy for Mexico and for Central America is extremely important. I am from Laredo, Texas, on the border, and I have seen the violence across the river for many years. I have seen the drug cartels and what they have done to the lives of many people across the river.

We have had over 60 missing Americans. Those are Americans who have gone to Mexico and who are gone. Some have been found dead, and some are still missing. We saw what happened when one of the Nuevo Laredo police chiefs tried to do the right thing. Within 6 hours of the time he assumed the position, he got killed. We have seen what happened to other folks there.

I think if you have the Republic of Mexico—and in my opinion, it is a historic shift, because if you look historically, Mexico has not wanted the assistance from the United States, and I think we now have a sort of shift where now they want to work with us, and certainly the Calderon administration has taken some very bold steps. So I understand what is happening in Mexico. I think they have had 2,100 people already killed in the drug wars in Mexico since the beginning of this year. That equals the death totals that we had in 2006. In 2005, we had a little bit over 1,500.

This partnership is different because Mexico has pledged to also put in $2.5 billion into this initiative. So it is a true partnership, and I think there are some of us who would like to make some adjustments, as you know. I do not know if you are one of the ones who signed onto the legislation that we followed at the beginning, but we had a lot of the border legislators sign onto an initiative which is similar to this except we have economic assistance and some other assistance; it is a little bit more comprehensive, but I think this is a very good step.

Mr. Chairman and members of the committee, as a member, at least, of Homeland Security on the border, I feel that this is a very good step. We might have to do some adjustments, but I think this is a very good step. I would also like to increase the dollars to Central America, but I think this is a very good step that I think we need to support.

Thank you, Mr. Chairman.

Mr. SIRES. Thank you, Mr. Cuellar.

Congressman Delahunt, I know your Boston Red Sox won last night, so you are a happy man.

Mr. DELAHUNT. I am in a very good mood. The Red Sox Nation is doing well.

I know the chair of the committee, Mr. Engel, had made some observations that were reported in the *Washington Post*. I have not had an opportunity to review this proposal, this package, but what concerns me or what I find disappointing is that it is my understanding that we are asked to consider this in light of a supplemental; is that accurate?

Maybe Mr. Burton can educate me.

I would have thought that a more preferable course of action would have been working within a genuinely consultive fashion——

Mr. BURTON. If the gentleman would yield——

Mr. DELAHUNT. I will yield.

Mr. BURTON.—I can give him an answer to that question. It is being added onto the Iraq supplemental.

Mr. DELAHUNT. Well, again, we are asked to consider in an emergency supplemental a significant proposal regarding policy issues that I think need a lot of discussion, debate and discourse. Where is the consultation?

Maybe, Dan, you can inform me that the administration reached out to you during the course of their developing this particular plan, but——

Mr. BURTON. If the gentleman would yield.

Mr. DELAHUNT. I yield.

Mr. BURTON. They call me almost every day, but they did not call me about this one.

Mr. DELAHUNT. Well, that is my point.

Mr. BURTON. Let me just say that, as I understand it, if we delay on this, it will be delayed another year, and that is why I think this has been added to it, so——

Mr. DELAHUNT. Well, again, it must have required months in terms of its planning and its shaping in the way that it is. It would have, again from my vantage point, been much more preferable to work with both sides of the aisle in a generally consultative way as opposed to "this is it." It might have obviated the need for an extensive review if the administration had deemed it appropriate to take Congress as an institution and had brought the key members—Chairman Engel and the ranking member, Mr. Burton—to the table and other key appropriators and had come to Congress with a package that had the imprimatur of key Members of this institution.

I am going to listen to the testimony. I am going to have discussions with my colleagues like Mr. Cuellar, who I know has worked on this issue for a considerable period of time, who is familiar with it, but this is not a good process. There is a lot of money involved. There are some very serious considerations that have to be taken into account. If this is the way the administration continues to do business, you will find Members are going to resist and will say, "No more."

So I hope that that sends a message. I believe that we can work in a way that is respectful, collegial and that would have prepared Members to take the kind of action on an emergency basis rather than saying, "We need it now. We are going to put it on Iraq because we know that that is a 'must pass' piece of legislation." Well, I have got to tell you that I think those days are waning considerably.

Mr. BURTON. Would the gentleman yield?

Mr. DELAHUNT. I yield to my friend from Indiana.

Mr. BURTON. Let me state to my very good friend from Massachusetts that this is something that the Democrat majority, as well as many in the Republican Party, wanted to happen for some time, and although I agree with you that we should get more notice on these issues on both sides of the aisle, I think this is something that both sides really think should be done as quickly as possible. So I will agree with you on the point that we ought to get more notification about these things ahead of time, but I think this is something that both sides think needs to be done right away.

Mr. DELAHUNT. Well, I am reclaiming my time.

I respect the gentleman's observation. It probably is very valid. I will, obviously, be influenced by him and, like I said, by the gentleman from Texas who is sitting here to my right, but you know, No mas, No mas.

I think I probably should end there, but I did want to note that the comments of the gentleman who chairs this committee, I thought, were very appropriate, and the administration should be put on notice that this is not a good practice, and it could very well delay the passage of this particular proposal, which, on the merits and after careful review, might be something that could be embraced by everyone.

With that, I yield to the gentleman from Texas, Mr. Cuellar.

Mr. CUELLAR. I understand what Mr. Delahunt—in fact, I had been in conversations with Ambassador Garza for a while on this issue. Homeland Security had gone down to Mexico in April, and we had gone over some of these processes, and we talked about this.

I think Mr. Delahunt is correct on this because one piece of advice I kept giving to the administration over and over again is—I said, "I assume you are going to find a lot of support from Democrats and Republicans, but the process might get you because there is a new majority in town, and if they feel——" and I am one of them also, and if we feel that we have been left out of the process, then the process might take over the substantive part of what we are trying to do.

So I agree with the Congressman from Massachusetts, and I understand what he is saying, and he is right, that we have asked the administration, and I, personally, told the administration and the Ambassador over and over. I said, "You have got to include Members. You have got to include Members, because once you make the presentation, they are going to be left out, and you might get a pushback, maybe not on the substance but maybe more on the process itself."

So thank you.

Mr. DELAHUNT. I am reclaiming my time.

Obviously, it is a day late for the administration, but I know that I will be soliciting the views of the gentleman from Texas and others who I know, by dint of their proximity to Mexico, have a knowledge about what is transpiring on the border and who have relationships with our friends from Mexico, and I think it is very positive that the relationship between the Mexican Government and the administration, in terms of this area, seems to be heading in the right direction, but if there is a problem here it is the administration's approach.

I yield back.

Mr. ENGEL [presiding]. I thank Congressman Delahunt or, because of "No mas," should I say Congressman Roberto Duran? But those are always catchy statements.

I heard Mr. Delahunt and Mr. Cuellar, and I certainly agree with everything that they are both saying about the process here, and I want to thank Mr. Sires for opening the hearing for me as my vice chair. I was on the floor of the House debating SCHIP, the children's health insurance bill. In my other committee, Energy and Commerce, I am on the Health Subcommittee, and I was debating that bill. So I do apologize.

I want to welcome everybody to today's hearing on U.S. Security Assistance to Mexico.

As we all know and as we had said on Monday, the Bush administration asked Congress to approve $1.4 billion over the next 3 years to help the Mexican Government fight drug traffickers. The President has asked for the quick appropriation of $500 million for Mexico and an additional $50 million for Central America. I certainly look forward to reviewing his proposal, and I think the proposal is probably, by and large, a good one, but let me be clear from the start. As my colleagues have said and as I have said and as my comments were written in a number of newspapers in the past couple of days, Congress was in no way consulted as this counternarcotics package was developed. It is obviously not a good way to kick off such an important bilateral effort to combat drug trafficking and drug-related violence in Mexico.

I have just spoken to Congressman Reyes, also from Texas, who is the chairman of the Intelligence Subcommittee, and he goes down to Mexico frequently, engaging in parliamentary dialogue between Mexican and United States legislators. Mr. Reyes, besides being the distinguished chairman of our Intelligence Subcommittee, is also a Mexican American who lives on the border in El Paso, Texas, and so this is something that is very, very important to him, and he expressed the same kind of frustration to me in that he was not consulted at all as well.

So, in a way, misery loves company. I had assumed that perhaps they would consult with him, but I guess the administration did not see fit to consult with any Members of Congress. Sometimes I think we are just a mere annoyance for them, and frankly, it is really, very annoying from our point of view.

Since my colleagues and I had no opportunity to be briefed on this aid package before it was released, we will obviously have to carefully comb over every detail of the President's request in the coming weeks and months.

The U.S. Interagency Counternarcotics Community estimates that 90 percent of the cocaine that went from South America to the United States transited through Mexico in 2004 and in 2005, and drug-related violence has left more than 4,000 Mexicans dead in the last 2 years. No one can deny the severity of this problem. Something, obviously, needs to be done. As the country that consumes most of the drugs coming from Mexico, unfortunately, the United States has a moral responsibility to play a constructive role.

In considering foreign assistance to Mexico, we must first think carefully about our goals. Is our goal to curb the amount of drugs entering the United States or is it to help Mexico and communities on the United States-Mexican border to improve their security? I believe both are noble goals, but if our goal is to curb drugs entering the U.S., I hope we have learned by now that supply-side drug reduction strategies when executed alone are not enough.

Mexico increased its transit capacity when the major drug cartels in Medellin and Cali, Colombia shut down. The closure of cocaine trafficking routes through Florida also pushed greater drug flows to Mexico. We should not be so naive as to think that the defeat of Mexico's drug cartels alone will significantly reduce drug consumption in the United States drug traffickers can easily pick up once again and move on to new routes.

Even if we are successful in Mexico and in Central America, experience tells us that this will not end drug consumption or trafficking. It will merely go elsewhere. The logical place seems to be to the Caribbean. Will the Merida Initiative merely steer the drug flows to the Caribbean and particularly to Haiti, the poorest country in the hemisphere with the smallest capacity to handle the problem?

Colombia can serve as a helpful example. I believe that Plan Colombia has had a major impact in reducing homicides, kidnappings and massacres in Colombia. I just returned from Colombia where I saw the impressive results of President Alvaro Uribe's efforts to reduce violence throughout his country, but if we are to judge Plan Colombia on its originally intended purpose of curbing the illegal flow of drugs into the United States, it would not receive very high marks. If we are very serious about reducing the amount of drugs on the streets and in the hands of our Nation's children, then I believe we must develop as well a nationwide drug demand reduction strategy to complement our efforts on the supply side.

I was pleased that the joint United States-Mexico statement on our security cooperation efforts noted "the U.S. will intensify its efforts to address all aspects of drug trafficking, including demand-related portions." That is a quote. My staff saw the foreign assistance portion of the plan yesterday and asked what additional steps were proposed for demand reduction, but they did not receive a clear answer. I want to know from the administration how they intend to meet this commitment to intensify demand reduction efforts in the U.S.

In addition to reducing the demand for drugs here at home, one of the most important things we can do to help our neighbor to the south is to stop the flow of arms from the United States into Mexico. Mexican authorities estimate that more than 90 percent of the weapons that they confiscate are originally purchased in the United States. While United States-Mexican cooperation on arms sales has improved, gun laws in border States like Arizona, New Mexico and Texas are very, very lax, and they do not limit the amount of handguns and assault weapons one can purchase, and they make it easy for weapons to flow south of our border. The State Department tells us that the U.S. has signed and is in compliance with the Inter-American Convention against Arms Trafficking. I would like to know if that is true and, if so, why the Senate has not ratified the treaty.

Let me say now that I do believe it is critical for the United States to assist Mexico in combating its drug cartels, which are responsible for far too much violence in Mexico and along the United States-Mexican border. As Maureen Meyer from the Washington Office on Latin America recently reported, the most alarming characteristic in the surge of drug-related violence in Mexico is not the sheer numbers of killings but the brutal tactics adopted by drug traffickers. In recent years, this has included torture, execution and the burning of rivals, severed heads being set on stakes in front of public buildings and, in one instance, being rolled across a dance floor in a nightclub.

I am also concerned about the harsh impact that drug violence has had on journalists in Mexico. Because of the risks associated with reporting on narcotrafficking, Mexico was recently ranked as the second most dangerous country in the world for journalists only after Iraq. For instance, I am aware of the killing of Brad Will, the United States journalist and documentary filmmaker who was shot on October 27th, 2006 in Mexico. I would like an update from United States and Mexican authorities on the investigation into his death.

I am pleased that our counternarcotics program for Mexico includes technical and anti-corruption assistance for the justice system and for the vetting of Mexico's police. In the past, fear of corrupt Mexico security personnel has impeded the cooperation between our countries. In that vein, I hope that we do not simply provide short-term assistance for a few elite police or military units. There are 24,000 Federal police and over 425,000 state and local law enforcement officers in Mexico. Any police professionalization or anti-corruption training must be widespread—I believe that sincerely—and the focus should be on the long-term improvement of their entire police force.

I would be remiss not to discuss the $50 million in assistance requested for Central America. This subcommittee has focused intensively on violence in Central America, and I am pleased to see that Central America is included in the President's request. I am also pleased to have learned that the assistance for Central America will include investments in youth gang prevention programs and the justice system, two areas that I believe are fundamental.

Finally, as I mentioned earlier, we must learn from the lessons of Colombia as we embark on this new campaign. Will the Merida Initiative be a multi-year, seemingly never-ending flow of hundreds of millions of dollars per year or is there an exit strategy? Is this only a security program or will we and the Mexicans follow security operations immediately with social assistance as the mayor of Medellin, Colombia did so successfully when he demobilized the Escobar cartel in his city? Again, I was there, and I spoke with the mayor, and I was amazed at Medellin. The change, the transformation, was unbelievable. While we fight the drug trade in Colombia and now in Mexico and in Central America, we must think about where the traffickers will go next so that in the future we will be better prepared.

[The prepared statement of Mr. Engel follows:]

PREPARED STATEMENT OF THE HONORABLE ELIOT L. ENGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

A quorum being present, the Subcommittee on the Western Hemisphere will come to order.

It is my pleasure to welcome you to today's hearing on U.S. security assistance to Mexico. On Monday, the Bush Administration asked Congress to approve $1.4 billion over the next three years to help the Mexican government fight drug traffickers. The President has asked for the quick appropriation of $500 million for Mexico and an additional $50 million for Central America. I look forward to reviewing his proposal but let me be clear from the start: Congress was in no way consulted as this counter-narcotics package was developed. This is not a good way to kick off such an important bilateral effort to combat drug trafficking and drug-related violence in Mexico. Since my colleagues and I had no opportunity to be briefed on this aid package before it was released, we will have to carefully comb over every detail of the President's request in the coming weeks and months.

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But in considering foreign assistance to Mexico, we must first think carefully about our goals. Is our goal to curb the amount of drugs entering the United States or is it to help Mexico and communities on the U.S.-Mexico border to improve their security? I believe both are noble goals. But if our goal is to curb drugs entering the United States, I hope we have learned by now that supply-side drug reduction strategies when executed alone are not enough. Mexico increased its transit capacity when the major drug cartels in Medellin and Cali, Colombia shut down. The closure of cocaine trafficking routes through Florida also pushed greater drug flows to Mexico. We should not be so naïve as to think that the defeat of Mexico's drug cartels alone will significantly reduce drug consumption in the United States. Drug traffickers can easily pick up once again and move on to new routes.

Even if we are successful in Mexico and Central America, experience tells us that this will not end drug production or trafficking. It will merely go elsewhere, and the logical place seems to be the Caribbean. Will the Merida Initiative merely steer the drug flows to the Caribbean, and particularly to Haiti, the poorest country in the hemisphere with the smallest capacity to handle the problem?

Colombia can serve as a helpful example. I believe that Plan Colombia has had a major impact in reducing homicides, kidnappings and massacres in Colombia. I just returned from Colombia where I saw the impressive results of President Alvaro Uribe's efforts to reduce violence throughout his country. But if we are to judge Plan Colombia on its originally intended purpose—to curb the illegal flow of drugs into the United States—it would not receive very high marks.

If we are really serious about reducing the amount of drugs on the streets and in the hands of our nation's children, then I believe we must develop a nationwide drug demand reduction strategy to complement our efforts on the supply side. I was pleased that the joint U.S.—Mexico statement on our security cooperation efforts noted that "the U.S. will intensify its efforts to address all aspects of drug trafficking, including demand-related portions." My staff saw the foreign assistance portion of the plan yesterday and asked what additional steps were proposed for demand reduction, but they did not receive a clear answer. I want to know from the Administration how they intend to meet this commitment to "intensify" demand reduction efforts in the United States.

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I am pleased that our counternarcotics program for Mexico includes technical and anti-corruption assistance for the justice system and vetting of Mexico's police. In the past, fear of corrupt Mexico security personnel has impeded cooperation between our countries. In that vein, I hope that we do not simply provide short-term assistance for a few elite police or military units. There are 24,000 federal police and over 425,000 state and local law enforcement officers in Mexico. Any police professionalization or anti-corruption training must be widespread, and the focus should be on long-term improvement of the entire police force.

I would be remiss not to discuss the $50 million in assistance requested for Central America. This Subcommittee has focused intensively on violence in Central America, and I am pleased to see that Central America is included in the President's request. I am also pleased to have learned that the assistance for Central America will include investments in youth gang prevention programs and the justice system, two areas that I believe are fundamental.

Finally, as I mentioned earlier, we must learn from the lessons of Colombia as we embark on this new campaign. Will the Merida Initiative be a multi-year, seemingly never-ending flow of hundreds of millions of dollars per year or is there an exit strategy? Is this only a security program or will we and the Mexicans follow security operations immediately with social assistance as the Mayor of Medellin, Colombia did so successfully when he demobilized the Escobar cartel is his city? And while we fight the drug trade in Colombia, and now Mexico and Central America, we must think about where the traffickers will go next, so that in the future we'll be better prepared.

I am honored to now introduce our distinguished witnesses who are joining us here today. On our first panel, Jess Ford, the Director for International Affairs and Trade at the Government Accountability Office (GAO) will discuss his August 2007 report on U.S. counter-narcotics assistance to Mexico.

On the second panel, we are particularly pleased to be joined by a former colleague. Jim Jones represented Oklahoma here in Congress from 1973 to 1987 and also served as U.S. Ambassador to Mexico from 1993 to 1997. He is currently Co-Chairman and CEO of Manatt Jones Global Strategies. Joy Olson is the Executive Director of the Washington Office on Latin America (WOLA) and we are pleased to welcome her back to the subcommittee. John Bailey is a Professor of Government at Georgetown University. And finally, Armand Peschard-Sverdrup is the Chief Executive Officer of Peschard-Sverdrup and Associates and a Senior Associate at the Center for Strategic and International Studies. We are delighted to have such a distinguished group with us here today.

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

Mr. ENGEL. I am honored now to introduce our distinguished witnesses who are joining us here today. On the first panel is Jess Ford, the Director for International Affairs and Trade Team at the Government Accountability Office. He will discuss his August 2007 report on United States counternarcotics assistance to Mexico.

On the second panel, we are particularly pleased to be joined by a former colleague. Jim Jones represented Oklahoma here in Congress from 1973 to 1987. When Jim left, I came in 1988. He also served as the United States Ambassador to Mexico from 1993 to 1997. He is currently co-chairman and CEO of Manatt Jones Global Strategies.

Joy Olson is the executive director of the Washington Office on Latin America, and we are pleased to welcome her back to the subcommittee.

John Bailey is a professor of Government at Georgetown University.

Finally, Armand Peschard-Sverdrup—I hope I did not butcher that—is the chief executive officer of Peschard-Sverdrup & Associates, and he is the senior associate at the Center for Strategic and International Studies.

We are delighted to have such a group, a distinguished group, here with us today.

Now I am honored to call upon our first panelist, Jess Ford, the Director for International Affairs at the GAO.

Mr. Ford.

STATEMENT OF MR. JESS T. FORD, DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE TEAM, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. FORD. Thank you, Mr. Chairman and members of the subcommittee. I am pleased to be here today to discuss United States drug control assistance to Mexico.

My statement today is based on our August 2000 report conducted at the request of Senator Grassley in the Senate Drug Caucus. We covered two major issues in the report. First, we talked about the illicit drug threat posed by the Mexican drug production and trafficking to the United States since 2000. Secondly, we discussed United States agencies' programs and efforts in Mexico to combat drug trafficking since the year 2000.

The goal of the U.S. National Drug Control Strategy is to reduce illicit drug use in the United States. One of the strategy's priorities is to disrupt the illicit drug market and the flow of drugs into the U.S. According to the U.S. Interagency Counternarcotics Community, most of the cocaine destined for the United States comes through Mexico, and Mexico is a major supplier of heroin as well as the principal foreign source of marijuana and methamphetamines.

Over the years, the United States counternarcotics policy has sought the support and strength and the institutional capability of the Mexican Government to combat the production and trafficking of illicit drugs. Since fiscal year 2000, the United States has provided about $435 million to support this effort.

In October 2007, the Director of the White House Office of National Drug Control Policy released a summary of a Southwest border strategy aimed at disrupting the flow of illegal drugs into the United States and cited “recent cooperation with the Government of Mexico as leading to a substantial disruption in illegal drug flow into the United States.”

This past Monday, the administration announced a major new package of counternarcotics assistance to Mexico, but the details of this package have not yet been released, and they came after our work. So, later when we have the Q and A, if you ask me about the package in terms of our work, I will have to put it in some context.

The 2,000-mile border between the United States and Mexico presents numerous challenges in trying to stop the illicit flow of drugs into the United States. The U.S. Interagency Counternarcotics Community reports that hundreds of tons of illicit drugs have flowed into the United States from Mexico. In fact, the amount of illicit drugs from Mexico has grown since 2000 while seizures in Mexico and along the United States border have been relatively small during the same time frame. A couple of examples.

The estimated amount of cocaine that is arriving into Mexico for transshipment into the United States averages about 290 metric tons per year. Reported seizures in Mexico and along the border were reported at about 36 tons a year. That is a little over 10 percent. The same types of statistics are shown for marijuana, heroin and methamphetamines.

Mexican drug trafficking organizations have gotten stronger since 2000. According to the U.S. Interagency Counternarcotics Community, they operate with relative impunity in certain regions of Mexico, including areas along the United States-Mexican border. They have also expanded their illicit drug business into most every region in the United States and have become increasingly sophisticated and violent in their activities. In 2006, the State Department reported over 2,000 drug-related killings in Mexico.

Corruption is a major challenge for the Mexican Government. A study by the National Drug Intelligence Center estimated that illicit drug proceeds from the United States ranged between $8 billion and $25 billion in 2005. With this level of resources, Mexican drug trafficking organizations can subvert government institutions, especially at the state and local levels. Mexican officials have recognized this increasing threat. The President of Mexico has indicated that combating the illicit drug threat will become a priority for his administration and has signaled an interest in greater cooperation with the United States.

Against this backdrop, the United States has provided assistance to assist the Mexican Government in four areas—first, the apprehension and extradition of drug traffickers; secondly, to counter money laundering and seize assets from drug traffickers; third, to strengthen the rule of law; and fourth, to interdict the production and trafficking of illegal drugs.

We reported that United States assistance to Mexico since 2000 has produced some positive results. In our August report, we noted that the United States counternarcotics assistance to Mexico has made progress in helping the Mexican Government strengthen its law enforcement institutions and its capacity to combat illegal drug production. A couple of examples: Extraditions have increased over the 7-year period, and some major drug kingpins were recently sent to the United States just this year.

U.S. assistance has helped increase and strengthen money laundering efforts. Thousands of Mexican counter drug law enforcement personnel have been trained and vetted and work closely with their United States counterparts, and efforts to establish a stronger rule of law are starting to take hold in some parts of Mexico. Mexico has begun limiting the import of precursor chemicals for the manufacture of methamphetamines.

However, we also concluded that greater cooperation and coordination between the two governments is needed in some areas. Specifically, these areas relate to maritime boarding agreements, which are needed to try to interdict maritime shipments, and I might add that many of the drugs that get into Mexico come through maritime means.

Secondly, the aerial surveillance program between the United States and the Mexican border was suspended last year because the United States and Mexico could not reach agreement on certain personal liability issues. Without such a program, our efforts to try to interdict air shipments are limited.

Thirdly, Vietnam era Huey helicopters provided to the Mexican Attorney General's Office have proved to be expensive to maintain, and they have extremely low readiness rates, so we are not getting the value for the money for those particular pieces of equipment.

Lastly, the border surveillance helicopters that we provided in the last 2 years have not met the needs of the Attorney General's Office.

To address these issues, we made a recommendation to the Director of the National Drug Control Office to work closely with the Mexican Government to address each of these areas that we felt needed further attention. Specifically, we suggested that these efforts address the need to have greater cooperation between the Defense Department and the Mexican military.

Secondly, we suggested that they agree on a new maritime cooperation agreement.

Thirdly, we recommended that they resolve personnel status issues related to the aerial patrols along the border.

Finally, we recommended that they review the Mexicans' overall aviation requirements to ensure that we give them the right equipment to carry out their interdiction efforts.

Mr. Chairman, that concludes my comments and my statement. I would be happy to answer any of your questions.

[The prepared statement of Mr. Ford follows:]

United States Government Accountability Office

GAO

Testimony
Before the Subcommittee on the Western Hemisphere, Committee on Foreign Affairs
House of Representatives

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DRUG CONTROL

U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but the Flow of Illicit Drugs into the United States Remains High

Statement of Jess T. Ford, Director
International Affairs and Trade

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Accountability-Integrity-Reliability

Highlights

Highlights of GAO-08-215T, a testimony before the Subcommittee on the Western Hemisphere, Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

The overall goal of the U.S. National Drug Control Strategy, which is prepared by the White House Office of National Drug Control Policy (ONDCP), is to reduce illicit drug use in the United States. One of the strategy's priorities is to disrupt the illicit drug marketplace. To this end, since fiscal year 2000, the United States has provided about $397 million to support Mexican counternarcotics efforts. According to the Department of State (State), much of the illicit drugs consumed in the United States flows through or is produced in Mexico. GAO examined (1) trends in Mexican drug production and trafficking since calendar year 2000 and (2) U.S. counternarcotics support for Mexico since fiscal year 2000. This testimony is based on a recently issued report (GAO-07-1018) that addresses these issues.

What GAO Recommends

In the recent report, GAO recommended that ONDCP and the U.S. counternarcotics community coordinate with Mexico before completing the Southwest Border Strategy's implementation plan to (1) help ensure Mexico's cooperation with any initiatives that require it and (2) address the cooperation issues GAO identified. ONDCP concurred with the recommendation and has since assured GAO that the interagency community is engaged with its Mexican counterparts.

To view the full product, including the scope and methodology, click on GAO-08-215T. For more information, contact Jess T. Ford at (202) 512-4268 or fordj@gao.gov.

October 2007

DRUG CONTROL

U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but the Flow of Illicit Drugs into the United States Remains High

What GAO Found

According to the U.S. interagency counternarcotics community, hundreds of tons of illicit drugs flow from Mexico into the United States each year, and seizures in Mexico and along the U.S. border have been relatively small in recent years. The following illustrates some trends since 2000:

- The estimated amount of cocaine arriving in Mexico for transshipment to the United States averaged about 290 metric tons per year. Reported seizures averaged about 36 metric tons a year.
- The estimated amount of export quality heroin and marijuana produced in Mexico averaged almost 19 metric tons and 9,400 metric tons per year, respectively. Reported heroin seizures averaged less than 1 metric ton and reported marijuana seizures averaged about 2,900 metric tons a year.
- Although an estimate of the amount of methamphetamine manufactured in Mexico is not prepared, reported seizures along the U.S. border rose from about 500 kilograms in 2000 to highs of about 2,800 kilograms in 2005 and about 2,700 kilograms in 2006. According to U.S. officials, this more than fivefold increase indicated a dramatic rise in supply.

In addition, according to State, corruption persists within the Mexican government and challenges Mexico's efforts to curb drug production and trafficking. Moreover, Mexican drug trafficking organizations operate with relative impunity along the U.S. border and in other parts of Mexico, and have expanded their illicit business to almost every region of the United States.

U.S. assistance since fiscal year 2000 has helped Mexico strengthen its capacity to combat illicit drug production and trafficking. Among other things, extraditions of criminals to the United States increased; thousands of Mexican law enforcement personnel were trained; and controls over chemicals to produce methamphetamine were strengthened. Nevertheless, cooperation with Mexico can be improved. The two countries do not have an agreement permitting U.S. law enforcement officers to board Mexican-flagged vessels suspected of transporting illicit drugs on the high seas; an aerial monitoring program along the U.S. border was suspended because certain personnel status issues could not be agreed on; State-provided Vietnam-era helicopters have proved expensive and difficult to maintain and many are not available for operations; and a State-supported border surveillance program was cut short due to limited funding and changed priorities.

In 2006, in response to a congressional mandate, ONDCP and other agencies involved in U.S. counternarcotics efforts developed a strategy to help reduce the illicit drugs entering the United States from Mexico. An implementation plan was prepared but is being revised to address certain initiatives recently undertaken by Mexico. Based on our review of the plan, some proposals require the cooperation of Mexico; but, according to ONDCP, they had not been addressed with Mexican authorities at the time of our review.

October 25, 2007

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss GAO's recent report on U.S. drug control assistance to Mexico since 2000.[1] Today, I will discuss (1) the illicit drug threat posed by Mexican drug production and trafficking to the United States since 2000 and (2) U.S. agencies' programs to support Mexico's counternarcotics efforts since fiscal year 2000.

The overall goal of the U.S. National Drug Control Strategy is to reduce illicit drug use in the United States. One of the strategy's priorities is to disrupt the illicit drug marketplace. According to the U.S. interagency counternarcotics community,[2] most of the cocaine destined for the United States comes through Mexico, and Mexico is a major supplier of heroin as well as the principal foreign source of marijuana and methamphetamine. Over the years, U.S. counternarcotics policy has sought to support and strengthen the institutional capability of the Mexican government to combat the production and trafficking of illicit drugs. Since fiscal year 2000, the United States has provided about $397 million to support Mexican counternarcotics efforts. In October 2007, the Director of the White House Office of National Drug Control Policy (ONDCP) released a summary of a Southwest Border Strategy aimed at disrupting the flow of illegal drugs into the United States, and cited recent cooperation with the government of Mexico as leading to a substantial disruption of illegal drug flow into the United States.

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[1] GAO, *Drug Control: U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but Tons of Illicit Drugs Continue to Flow into the United States*, GAO-07-1018 (Washington, D.C.: Aug. 17, 2007).

[2] The U.S. interagency counternarcotics community includes the Central Intelligence Agency's Crime and Narcotics Center; the Department of Defense Intelligence Agency's Counternarcotics Trafficking Office, Defense's Joint Staff, and the Deputy Assistant Secretary of Defense for Counternarcotics; various Department of Homeland Security entities, including Customs and Border Protection, the U.S. Coast Guard, Office of Intelligence and Analysis, Office of Counternarcotics and Enforcement, and the U.S. Interdiction Coordinator; the Department of Justice's Drug Enforcement Administration, Federal Bureau of Investigation, Narcotic and Dangerous Drug Section, National Drug Intelligence Center, and the Organized Crime and Drug Enforcement Task Force; the National Security Agency; the White House Office of National Drug Control Policy; the Department of State's Bureau for International Narcotics and Law Enforcement Affairs; and the Department of Treasury's Internal Revenue Service and Office of Foreign Assets Control.

My statement today is based on our August 2007 report on U.S. counternarcotics assistance to Mexico. Over the course of that work, we reviewed and analyzed congressional budget presentations, and other reports and related information, and met with officials from the Departments of Defense, Homeland Security, Justice, State, and Treasury, as well as the U.S. Agency for International Development (USAID) and ONDCP. In addition, we traveled to Mexico to meet with U.S. embassy officials responsible for implementing U.S. programs and activities in Mexico and with government of Mexico officials at the federal, state, and local levels. To address trends in the drug threat, we reviewed various estimates of illicit drug production and seizures and disruptions prepared by the interagency counternarcotics community.[3] We determined that, despite shortcomings outlined in prior work,[4] the data were sufficiently reliable to provide an overall indication of the illicit drug trade. We conducted our work for the Mexico report from May 2006 through July 2007, and for purposes of this statement, we updated certain data in accordance with generally accepted government auditing standards.

Summary

The U.S. interagency counternarcotics community reports that each year hundreds of tons of cocaine, heroin, marijuana, and methamphetamine flow into the United States from Mexico, while seizures in Mexico and along the U.S.-Mexico border have been relatively small in recent years. The following illustrates some trends since 2000:

- The interagency counternarcotics community estimated that about two-thirds of the cocaine that departed South America toward the United States was destined for transshipment through Mexico in 2000; this estimate rose to 90 percent in 2006. Accounting for seizures along the way, an estimated 220 metric tons of cocaine arrived in Mexico in 2000, and between about 300 and 460 metric tons arrived in 2006. The estimated amount of cocaine arriving in Mexico for transshipment to the United

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[3] Seizures are defined as taking physical possession of the illicit drug. Disruptions are defined as forcing individuals suspected of transporting the drugs to jettison or abandon their cargo. For purposes of this testimony, we refer to both events as seizures.

[4] GAO, *Drug Control: Agencies Need to Plan for Likely Declines in Drug Interdiction Assets, and Develop Better Performance Measures for Transit Zone Operations*, GAO-06-200 (Washington, D.C.: Nov. 15, 2005).

States averaged about 290 metric tons per year.[5] Reported seizures in Mexico and along the U.S.-Mexico border averaged about 36 metric tons a year—with a low of 28 metric tons in 2003, and a high of 44 metric tons in 2005.

- The estimated amount of export quality heroin produced in Mexico ranged from a low of 9 metric tons in 2000 to a high of 30 metric tons in 2003—averaging almost 19 metric tons a year. Reported seizures in Mexico and along the U.S.-Mexico border averaged less than 1 metric ton a year, or less than 5 percent of the export quality heroin produced in Mexico since 2000.
- The estimated amount of marijuana produced in Mexico ranged from a low of 7,000 metric tons in 2000 to a high of 13,500 metric tons in 2003—averaging about 9,400 metric tons a year. Reported seizures averaged less than 2,900 metric tons, or about 30 percent a year.
- Reported seizures of methamphetamine produced in Mexico and along the U.S.-Mexican border rose from a low of 500 kilograms in 2000 to highs of almost 2,900 kilograms in 2005 and about 2,700 kilograms in 2006. Although the U.S. interagency counternarcotics community has not estimated the amount of methamphetamine manufactured in Mexico, it noted that the more than fivefold increase in seizures indicated a dramatic rise in supply.

In addition, although Mexico has undertaken various initiatives to deal with corruption, including reorganizing its federal police and conducting aggressive investigations, according to State, corruption persists within the Mexican government and challenges Mexico's efforts to fight organized crime and curb drug trafficking. Moreover, according to the U.S. interagency counternarcotics community, Mexican drug trafficking organizations (DTO) operate with relative impunity in certain regions of Mexico, including areas along the U.S.-Mexican border; expanded their illicit drug business to almost every region of the United States; and become increasingly sophisticated and violent in their activities.

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[5] In response to certain methodological issues, the interagency counternarcotics community reported low and high ranges of cocaine flowing toward the United States for 2004, 2005, and 2006. To calculate the average for the period 2000-2006, we used the midpoints of the ranges.

Although the United States did not accomplish its goal of stemming the flow and production of illicit drugs destined for the United States, assistance to Mexico since fiscal year 2000 has produced some positive results. For instance,

- The United States and Mexico are collaborating more to extradite drug traffickers. In 2006, Mexico extradited 63 criminals to the United States and, as of mid-October 2007, has extradited 68, including several major drug traffickers.
- The two countries are also cooperating more to counter money laundering, although Justice officials report that Mexico lacks a legal framework to allow aggressive seizure of drug traffickers' assets.
- With U.S. technical support, Mexican states are implementing more transparent and open criminal trial systems to strengthen the rule of law, and Mexico has strengthened controls over imports and marketing of chemicals used in the production of methamphetamine.
- U.S. infrastructure support and training are strengthening the capacity of Mexican law enforcement entities to interdict illicit drugs.

While U.S.-supported programs have strengthened some Mexican counternarcotics efforts, cooperation and coordination between the two countries can be improved. For example,

- Although the Mexican Navy has acted on U.S.-provided information regarding maritime vessels suspected of carrying illicit drugs, it is limited in its ability to act on some suspected vessels because it cannot go more than 200 nautical miles from shore without special authorization. In many cases, the United States cannot take action before evidence is destroyed or the vessel is scuttled because the existing requirement that Mexico authorize boarding on a case-by-case basis is too time consuming.
- An aerial surveillance program along the U.S.-Mexico border was suspended because the United States and Mexico could not reach agreement on certain personnel status issues. In the absence of this program, U.S. law enforcement officials have reported indications of increased drug trafficking.

- Vietnam-era helicopters provided to the Mexican Attorney General's Office have proved expensive and difficult to maintain.[6] Furthermore, Defense is phasing out support for this aircraft. As a result, the Attorney General's Office will increasingly have difficulty transporting law enforcement officers to interdiction sites.

- A helicopter border surveillance program apparently did not meet the needs of the Mexican Attorney General's Office. State halted the program after the delivery of 12 out of 28 planned aircraft.

In March 2006, ONDCP and the interagency counternarcotics community developed a Southwest Border Strategy,[7] which we reviewed in June 2007. In July 2007, we also reviewed a classified implementation plan, which was being revised to respond to recent Mexican government initiatives. Our review highlighted a number of initiatives requiring Mexican government cooperation, but ONDCP told us that the strategy and plan had not yet been addressed with Mexican authorities at the time of our review. Therefore, we recommended that the Director of ONDCP, as the lead agency for U.S. drug policy, and the departments and agencies in the U.S. counternarcotics interagency community, coordinate with the appropriate Mexican officials before completing the strategy's implementation plan to (1) help ensure Mexico's cooperation with any efforts that require it and (2) address the cooperation issues we identified. ONDCP assures us that these efforts have begun.

Background

According to ONDCP and other officials in the interagency counternarcotics community, the 2,000-mile U.S.-Mexico land border presents numerous challenges to preventing illicit drugs from reaching the United States. With 43 legitimate crossing points, the rest of the border consists of hundreds of miles of open desert, rugged mountains, the Rio

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[6] We note that this is not a new issue. In 1998, we reported that similar helicopters provided to the Mexican Army were not being properly maintained, and they eventually were returned to the United States. See GAO, *Drug Control: U.S.-Mexican Counternarcotics Efforts Face Difficult Challenges*, GAO/NSIAD-98-154 (Washington, D.C.: June 30, 1998).

[7] The Office of National Drug Control Policy Reauthorization Act of 2006, enacted in December 2006, states that not later than 120 days after the act's enactment and every 2 years thereafter, ONDCP will submit to the Congress a Southwest Border Strategy that, among other things, identifies specific resources required to implement the strategy. According to ONDCP, the strategy—although not its implementation plan—was completed in March 2006, 9 months prior to the enactment of this legislation.

Grande, and other physical impediments to surveillance, making it easy to smuggle illegal drugs into the United States.[8]

Since the 1970s, the United States has collaborated with and provided assistance to Mexico for counternarcotics programs and activities. The goal over the years has been to disrupt the market for illegal drugs, making it more difficult for traffickers to produce and transport illicit drugs to the United States. Specifically, the United States has provided Mexico with assistance for a range of projects, including interdicting cocaine shipments from South America; stemming the production and trafficking of opium poppy,[9] as well as marijuana; and, more recently, controlling precursor chemicals used to manufacture methamphetamine.

In the past, Mexico has chosen to combat drug trafficking with reduced assistance from the United States, and Mexican sensitivity about its national sovereignty has made it difficult for the two countries to coordinate counternarcotics activities. However, beginning in the mid-1990s, cooperation began to improve, culminating in 1998 in the signing of a Bi-National Drug Control Strategy. Since then, the two countries have continued to cooperate through meetings of a U.S.-Mexico Senior Law Enforcement Plenary, among other contacts.

Illicit Drug Production and Trafficking by Mexican Drug Organizations Have Continued Virtually Unabated

Mexico is the conduit for most of the cocaine reaching the United States, the source for much of the heroin consumed in the United States, and the largest foreign supplier of marijuana and methamphetamine to the U.S. market. According to U.S. and Mexican estimates, which vary from year to year, more cocaine flowed toward the United States through Mexico during 2006 than in 2000, and more heroin, marijuana, and methamphetamine were produced in Mexico during 2005 than in 2000. In addition, although reported seizures of these drugs within Mexico and along the U.S. southwest border generally increased, according to the U.S. interagency counternarcotics community, seizures have been a relatively small percentage of the estimated supply.

As we have reported previously, acknowledged shortcomings in the illicit drug production and seizure data collected and reported by various U.S.

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[8] GAO, *Border Security: Security Vulnerabilities at Unmanned and Unmonitored U.S. Border Locations*, GAO-07-884T (Washington, D.C.: Sept. 27, 2007).

[9] Opium poppy is used to make heroin.

government agencies mean that the data cannot be considered precise.[10] However, they can provide an overall indication of the magnitude and nature of the illicit drug trade. Based on the available data, the following describes the trends since 2000 on the amount of cocaine arriving in Mexico for transshipment to the United States; the amounts of heroin and marijuana produced in Mexico; and reported seizures of these illicit drugs and methamphetamine in Mexico and along the U.S.-Mexico border. (See app. I for a more detailed table of the data.)

Cocaine: Virtually all the cocaine consumed in the United States is produced along the South American Andean ridge—primarily, in Colombia. The U.S. interagency counternarcotics community prepares an annual assessment (the *Interagency Assessment of Cocaine Movement* [IACM]) that, among other things, estimates the amount of cocaine departing South America toward the United States. From 2000 to 2006, the IACM reported an increase in the estimated amount of cocaine flowing through Mexico to the United States—from 66 percent in 2000 to 77 percent in 2003 and 90 percent in 2006.

- Between 2000 and 2002, the cocaine estimated arriving in Mexico rose about 23 percent—from 220 to 270 metric tons. In 2003, it declined over 60 metric tons, or about 22 percent. For 2004-2006, the IACM did not provide "point" estimates for cocaine flow because of certain methodological concerns; rather, a range was provided for each year. The midpoint of the IACM range of cocaine estimated arriving in Mexico during 2006 (about 380 metric tons) was about 160 metric tons more than the estimate for 2000. Using the midpoint of the IACM ranges, the amount of cocaine estimated arriving in Mexico during 2000-2006 averaged about 290 metric tons per year.

- Despite the apparent increases in cocaine arriving in Mexico, the amount of cocaine reported seized in Mexico and along the U.S.-Mexico border for 2000-2006 did not increase proportionately, with 43 metric tons reported seized in 2000, a low of 28 metric tons seized in 2003, and a high of 44 metric tons in 2005. Reported seizures for 2000-2006 averaged about 36 metric tons a year, or about 13 percent of the estimated amount of cocaine arriving in Mexico.[11]

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[10] See GAO-06-200.

[11] The 13 percent figure is based on using the midpoint of the IACM ranges for the years 2004-2006.

Heroin: During 2000-2005, the estimated amount of heroin produced for export in Mexico averaged almost 19 metric tons a year—ranging from a low of 9 metric tons in 2000 to a high of 30 metric tons in 2003. Although the estimated amount of heroin produced declined in 2004 and 2005, the 2005 estimate (17 metric tons) was nearly double the estimated amount produced in 2000. Reported heroin seizures in Mexico and along the U.S.-Mexico border averaged less than 1 metric ton or less than 5 percent a year of the estimated export quality heroin produced in Mexico between 2000 and 2005.

Marijuana: During 2000-2005, the estimated amount of marijuana produced in Mexico each year averaged about 9,400 metric tons—ranging from a low of 7,000 metric tons in 2000 to a high of 13,500 metric tons in 2003. Although estimated production declined to 10,100 metric tons in 2005, this was over 3,000 metric tons more than the estimated production in 2000. Reported seizures of marijuana in Mexico and along the U.S.-Mexico border ranged from about 2,150 metric tons in 2000 to nearly 3,500 in 2003—averaging less than 2,900 metric tons a year, or about 30 percent of the annual production estimates.

Methamphetamine: Neither the United States nor the government of Mexico prepares estimates of the amount of methamphetamine produced in Mexico. However, U.S. officials told us that the large increases in reported methamphetamine seizures from 2000 through 2006 point to significantly greater amounts being manufactured. On the basis of the reported data, seizures along the U.S.-Mexico border rose more than five times—from an estimated 500 kilograms in 2000 to almost 2,900 metric tons in 2004 and over 2,700 kilograms in 2006.

Corruption Persists within the Mexican Government

In 2001, State reported that pervasive corruption within the government of Mexico was the greatest challenge facing Mexico's efforts to curb drug trafficking. Since then State has reported on the Mexican government's efforts to reduce corruption. Nevertheless, increasing illicit drug proceeds from the United States—estimated by the National Drug Intelligence Center at between $8 billion and $23 billion in 2005[12]—has afforded

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[12] According to the National Drug Intelligence Center, drug proceeds in Mexico in 2005 ranged from: $2.9 billion to $6.2 billion for cocaine (including Central America), $324 million to $736 million for heroin, $3.9 billion to $14.3 billion for marijuana, and $794 million to $1.9 billion for methamphetamine. Mexican drug traffickers also grow marijuana in the United States; therefore, the amount of proceeds returned to Mexico is likely greater than the reported estimates.

Mexican DTOs considerable resources to subvert government institutions, particularly at the state and local level. U.S. and Mexican government officials and various other observers, including academics, investigative journalists, and nongovernmental organizations that study drug trafficking trends in Mexico, told us that profits of such magnitude enable drug traffickers to bribe law enforcement and judicial officials.

Since 2000, Mexico has undertaken several initiatives to address corruption. For instance, in 2001, when Mexican authorities created the Federal Investigative Agency (AFI)[13] in the Mexican Attorney General's Office, they disbanded the Federal Judicial Police, which was widely considered corrupt. Mexico also conducted aggressive investigations into public corruption, resulting in the arrest and prosecution of officials, as well as the dismissal and suspension of others.

Despite these actions, corruption remains a major factor complicating efforts to fight organized crime and combat drug trafficking. U.S. and some Mexican law enforcement agents told us that in certain parts of the country, they do not have vetted counterparts to work with. Moreover, AFI represents only about one-third of Mexico's estimated 24,000 federal law enforcement officials. According to U.S. officials, the majority—about 17,000—belong to the Federal Preventive Police,[14] whose personnel are not subject to the same requirements as those of AFI for professional selection, polygraph and drug testing, and training.

Partly to address the problem of corruption, Mexican President Felipe Calderón's government has begun to consolidate various federal civilian law enforcement entities into one agency and triple the number of trained, professional federal law enforcement officers subject to drug, polygraph, and other testing.[15] This initiative will combine AFI and the Federal Preventive Police, along with officers from other agencies, into one agency known as the Federal Police Corps, which would operate in cities and towns of more than 15,000 people.[16] However, this initiative will not affect the vast majority of Mexico's law enforcement officials, most of whom are state and local employees and who, according to one source, number approximately 425,000.

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[13] AFI is the Spanish acronym for Agencia Federal de Investigación.

[14] The Federal Preventive Police itself was the result of a reorganization to reduce, prevent, and combat crime in 1999.

[15] Felipe Calderón was elected President of Mexico in July 2006 and inaugurated in December 2006.

Mexican DTOs Control Drug Trafficking in Mexico and Have Extended Their Reach into the United States

According to the Drug Enforcement Administration (DEA), four main DTOs control the illicit drug production and trafficking in Mexico and operate with relative impunity in certain parts of the country:

- The Federation, which operates from the Mexican state of Sinaloa, is an alliance of drug traffickers that U.S. and Mexican officials told us may have the most extensive geographic reach in Mexico.
- The Tijuana Cartel, also known as the Arellano Felix Organization after its founder, operates from the border city of Tijuana in the Mexican state of Baja California. Its activities center in the northwestern part of Mexico, where, according to local investigative journalists and U.S. officials, it exerts considerable influence over local law enforcement and municipal officials.
- The Juarez Cartel is based in Ciudad Juarez, in the border state of Chihuahua. According to DEA officials, the Juarez Cartel has extensive ties to state and local law enforcement officials.
- The Gulf Cartel operates out of Matamoros on the Gulf of Mexico, in the border state of Tamaulipas. According to DEA officials, the Gulf Cartel has infiltrated the law enforcement community throughout Tamaulipas, including the border city of Nuevo Laredo, which is a principal transit point for commercial traffic to the United States. The Gulf Cartel has also employed a criminal gang referred to as the Zetas, which is primarily composed of rogue former Mexican military commandos that are known for their violent methods.

According to DEA and other U.S. officials, in recent years Mexican DTOs have taken over the transportation of cocaine shipments from South America previously managed by Colombians. In addition, according to the *National Drug Threat Assessment*, Mexican DTOs have expanded their presence in drug markets throughout the United States, moving into cities east of the Mississippi River previously dominated by Colombian and Dominican drug traffickers. According to National Drug Intelligence Center officials, Mexican DTOs tend to be less structured in the United States than in Mexico, but have regional managers throughout the country, relying on Mexican gangs to distribute illicit drugs. Further, DTOs are becoming more sophisticated and violent.

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[16] The plan would also create two other police forces: one consisting principally of former military police, whose role would be one of policing rural communities with less than 15,000 people, and a Coast Guard.

- With significant resources at their disposal, Mexican DTOs are developing more sophisticated drug trafficking methods and to evade U.S. maritime detection and interdiction efforts, such as using elaborate networks of go-fast boats and refueling vessels.[17] According to Justice officials and documents, Mexican drug traffickers are also taking advantage of advances in cell phone and satellite communications technology, which have allowed them to quickly communicate and change routes once they suspect their plans have been compromised. In addition, the traffickers have also begun making more use of tunnels under the U.S.-Mexico border—another indication of the increasing sophistication of DTO operations. From 2000 to 2006, U.S. border officials found 45 tunnels—several built primarily for narcotics smuggling. According to U.S. officials, tunnels found in the last 6 years are longer and deeper than in prior years.
- Drug-related violence in Mexico has continued to increase in recent years. President Calderón highlighted the importance of improving public security by punishing crime, and the administration of former President Vicente Fox (2000-2006) actively targeted major drug kingpins. While this strategy does not appear to have significantly reduced drug trafficking in Mexico, it disrupted the cartels' organizational structure, presenting opportunities to gain control of important transit corridors leading to the United States, such as Nuevo Laredo. Such struggles led to increased violence throughout Mexico, with drug-related deaths estimated at over 2,000 in 2006. This trend has continued in 2007, with drug-related deaths estimated at over 1,100 as of June 2007. In addition, an increasing number of drug-related incidents targeting law enforcement officers and government officials have been documented in Mexico. For example, in May 2007, the newly appointed head of Mexico's drug intelligence unit in the Attorney General's office was shot and killed in a street ambush in Mexico City.

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[17] Go-fast boats are capable of traveling over 40 knots and are difficult to detect in open water. Even when detected, go-fast boats can often outrun conventional ships. Some go-fast boats are capable of carrying up to 8 metric tons of cocaine or other cargo.

Journalists have also been targeted as a result of investigative articles written about DTO activities. Due to the risks associated with reporting on narco-trafficking, Mexico was recently ranked as the second most dangerous country in the world for journalists, after Iraq.

U.S. Assistance Helped Mexico Improve Its Counternarcotics Efforts, but Coordination Can Be Improved

Table 1 depicts U.S. assistance to support counternarcotics-related programs and activities in Mexico during fiscal years 2000 through 2006. Other U.S. agencies also supported Mexican counternarcotics activities, but did not provide funding.

Table 1: U.S. Agencies' Support for Mexican Counternarcotics Activities, Fiscal Years 2000-2006

Dollars in millions	
State	$168.9
Justice	140.0
Defense[a]	57.8
USAID	29.9
Total	**$396.6**

Source: GAO analysis of Defense, Justice, State, and USAID data.

[a] Defense does not track obligations by country; thus these figures reflect estimated expenditures in Mexico from fiscal years 2000 to 2006.

State's Bureau for International Narcotics and Law Enforcement Affairs (INL) funds supported the purchase of a wide range of items and activities, including scanning machinery for security purposes at ports and border crossings; vehicles, computers, software, and other equipment used to improve Mexico's law enforcement infrastructure; interdiction and eradication initiatives; aircraft and related equipment and maintenance; training for Mexican law enforcement and judicial officials; and other programs designed to promote U.S. counternarcotics goals. DEA's funding primarily supported field offices throughout Mexico, from which DEA agents coordinated bilateral cooperation with Mexican federal, state, and local law enforcement officials, allowing both countries to collect drug intelligence, conduct investigations, prosecute drug traffickers, and seize assets. Defense supported programs designed to detect, track, and interdict aircraft and maritime vessels suspected of transporting illicit drugs—primarily cocaine from South America. Last, USAID's funding for Mexico promoted reform of Mexico's judicial system at the state level, as well as government transparency, which broadly supports U.S. counternarcotics objectives.

According to the U.S. embassy in Mexico, one of its primary goals is to help the Mexican government combat transnational crimes, particularly drug trafficking. Over the years, U.S. assistance has supported four key strategies: (1) to apprehend and extradite drug traffickers, (2) to counter money laundering by seizing the assets of DTOs, (3) to strengthen the application of the rule of law, and (4) to interdict or disrupt the production and trafficking of illicit drugs. Since 2000, U.S. assistance has made some progress in each of these areas but has not significantly cut into drug trafficking, and Mexico and the United States can improve cooperation and coordination in some areas.

Extraditions of Mexican Drug Traffickers Have Increased

In January 2007, the administration of President Calderón extradited several high-level drug kingpins, such as Osiel Cardenas, the head of the Gulf Cartel, whose extradition long had been sought by U.S. authorities. U.S. officials cited Mexico's decision to extradite Cardenas and other drug kingpins as a major step forward in cooperation between the two countries and expressed optimism about the prospects for future extraditions. As shown in table 2, U.S. extradition efforts have progressed gradually through 2005, but increased more than 50 percent in 2006 and through mid-October, 2007.

Table 2: Number of Individuals Extradited from Mexico to the United States, 2000 through mid-October, 2007

Year	2000	2001	2002	2003	2004	2005	2006	2007 (through mid-Oct.)
Extraditions	12	17	25	31	34	41	63	68

Source: State's International Narcotics Control Strategy Report,, 2000-2006, and State, 2007.

Efforts to Counter Money Laundering Are Progressing

In 2002, Immigration and Customs Enforcement (ICE) and DEA supported Mexican authorities who established a vetted unit within AFI for investigating money laundering, consisting of about 40 investigators and prosecutors. These AFI officials collaborated with ICE on money laundering and other financial crime investigations and developed leads. With funding provided by the Narcotics Affairs Section (NAS),[18] ICE developed several training initiatives for Mexican law enforcement personnel targeting bulk cash smuggling via commercial flights to other

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[18] NAS is in the U.S. embassy in Mexico City and supports State/INL counternarcotics initiatives in Mexico and funds several programs and activities.

Latin American countries. From 2002 to 2006, in collaboration with ICE, Mexican Customs and AFI's money laundering unit seized close to $56 million in illicit cash, primarily at Mexico City's international airport.

In 2004, the Mexican Congress passed financial reform legislation as part of a comprehensive strategy to prevent and combat money laundering and terrorist financing. In May of that year, the Financial Intelligence Unit under Mexico's Treasury Secretariat brought together various functions previously undertaken by different Treasury Secretariat divisions with the goal of detecting and preventing money laundering and terrorist financing. To support these efforts, NAS provided over $876,000 for equipment and to refurbish office space for the Financial Intelligence Unit. Since 2004, the Financial Intelligence Unit has established closer monitoring of money service businesses and financial transactions. According to Financial Intelligence Unit officials, this resulted in the seizure of millions of dollars.

U.S. Treasury officials noted improvements in the level of cooperation with Mexican authorities under the Fox administration. For example, they highlighted how the Financial Intelligence Unit began issuing accusations against individuals named on Treasury's Office of Foreign Assets Control's (OFAC) Specially Designated Nationals and Blocked Persons list of drug kingpins and suspected money launderers.[19] These accusations were forwarded to the Mexican Attorney General's Office for possible legal action. Treasury officials also expressed optimism that continued collaboration with Mexican authorities under the Calderón administration would lead to more aggressive action on asset forfeitures.

DEA also works closely with AFI to identify the assets of Mexican DTOs. In March and April 2007, DEA conducted asset forfeiture and financial investigative training to the newly formed Ad Hoc Financial Investigative Task Force in Mexico's Attorney General's Office. In March 2007, DEA efforts in an investigation of chemical control violations resulted in the seizure of $207 million in currency at a residence in Mexico City.[20] In another investigation, DEA assistance led Mexican authorities to seize in excess of $30 million in assets from a designated kingpin and his DTO. DEA officials share Treasury's optimism that continued collaboration with Mexican authorities will lead to significant seizures of drug trafficking assets.

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[19] The Specially Designated Nationals and Blocked Persons list is maintained by OFAC. It lists individuals and organizations whose assets are blocked by various sanctions programs administered by OFAC, primarily for suspected involvement in terrorist or criminal activities, such as drug trafficking. Pursuant to the Foreign Narcotics Kingpin Designation Act, as of June 2007, 25 of the 54 individuals designated as drug kingpins were Mexican nationals.

USAID, DEA, INL, and Other U.S. Agencies Support Mexico's Rule-of-Law Efforts

As part of its rule-of-law portfolio in Mexico, USAID has promoted criminal justice reforms at the state level since 2003. The criminal procedures system that prevails in Mexico today is based on the Napoleonic inquisitorial written model, with judges working independently using evidence submitted in writing by the prosecution and defense to arrive at a ruling. According to U.S. officials, this system has been vulnerable to the corrupting influence of powerful interests, particularly criminal organizations. To promote greater transparency in judicial proceedings, USAID has supported initiatives to introduce adversarial trials in Mexico. Such trials entail oral presentation of prosecution and defense arguments before a judge in a public courtroom. Since this system is open to public scrutiny, USAID officials explained that it should be less vulnerable to corruption. To date, USAID has provided technical assistance to 14 Mexican states to implement criminal justice reforms, including oral trials.

U.S. agencies have also pursued legal and regulatory reforms related to precursor chemicals used in the production of methamphetamine in Mexico. Specifically, the United States has encouraged the government of Mexico to implement import restrictions on methamphetamine precursor chemicals and impose stricter controls on the way these substances are marketed and sold once in Mexico. In 2004, the Mexican Federal Commission for the Protection against Sanitary Risk (COFEPRIS)[21] conducted a study that revealed an excess of imports of pseudoephedrine products into Mexico. Subsequently, Mexico implemented several controls on pseudoephedrine. In 2005, COFEPRIS officials reduced legal imports of pseudoephedrine by over 40 percent—from 216 metric tons in 2004 to about 132. In 2006, pseudoephedrine imports were further reduced to 70 metric tons. According to ONDCP, as of mid-October, 2007 Mexico had reduced its imports of pseudoephedrine to 12 metric tons.

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[20] DEA also noted that during 2006 and 2007, besides the record high drug cash seizure, Mexican law enforcement authorities seized over 30 clandestine laboratories, over 20 tons of chemicals, and approximately 6.4 million dosage units of pseudoephedrine and ephedrine used in the manufacture of methamphetamine.

[21] COFEPRIS is the Spanish acronym for Comisión Federal para la Proteccion contra Riesgos Sanitarios.

U.S. Support for Mexican Interdiction Efforts Has Helped, but Improvements Are Needed

The fourth strategy under the embassy's counternarcotics goal is to support Mexican efforts to interdict illicit drugs. U.S. assistance has provided for (1) infrastructure upgrades for law enforcement entities; (2) professional training for law enforcement and judicial personnel; (3) military coordination, particularly for maritime interdiction and surveillance; and (4) aviation support for interdiction and surveillance. Overall, these U.S.-supported programs have strengthened Mexican counternarcotics efforts, but areas for improvement remain, particularly regarding cooperation and coordination with Mexican counternarcotics agencies and the provision of U.S. aviation support.

Infrastructure Upgrades and Equipment

From 2000 to 2006, a significant share of INL's assistance to Mexico—about $101 million of nearly $169 million—supported the embassy's interdiction strategy for Mexico through the purchase of equipment to enhance border security measures and upgrade the infrastructure of various Mexican law enforcement entities. In October 2001, when the Fox administration created AFI under the jurisdiction of the Attorney General's Office, NAS provided infrastructure and equipment for counternarcotics operations, including computer servers, telecommunications data processing hardware and software, systems for encrypting telecommunications, telephone systems, motorcycles, and a decontamination vehicle for dismantling methamphetamine processing labs. In addition, NAS funded the renovation of a building where AFI staff were located, as well as the construction of a state-of-the-art network for tracking and interdicting drug trafficking aircraft. According to State reports, since 2001, AFI has figured prominently in investigations, resulting in the arrests of numerous drug traffickers and corrupt officials, becoming the centerpiece of Fox administration efforts to transform Mexican federal law enforcement entities into effective institutions.

In July 2003, the Mexican Attorney General's Office reorganized its drug control planning capacity under the National Center for Analysis, Planning and Intelligence (CENAPI).[22] According to INL, NAS also equipped CENAPI with a state-of-the-art computer network for collecting, storing, and analyzing crime-related information. CENAPI analysts noted that software provided by NAS allowed them to process large volumes of data—including background files on more than 30,000 criminals—and make considerable progress in investigations of unsolved crimes.

In 2005, NAS provided computer equipment for COFEPRIS to monitor imports of methamphetamine precursor chemicals at major international points of entry into Mexico. This complemented efforts by the United Nations Office on Drugs and Crime to enhance COFEPRIS's capabilities to track shipments and imports of precursor chemicals and controlled medicines through a National Drug Control System database.

NAS also funded the procurement of nonintrusive inspection equipment for Mexican customs officials to scan container trucks, railroad cars, and other cargo containers for illicit contraband at Mexican ports and the border. Such border security measures also support counternarcotics efforts, since drug traffickers are known to exploit opportunities provided by legitimate U.S.-Mexico cross-border trade to smuggle illicit drugs. Border security funding was also used to enhance "secure rapid inspection lanes" at six U.S.-Mexico border crossings.

In addition to support provided by NAS, Justice's DEA provided specialized equipment to the Attorney General's Office and other Mexican law enforcement entities to allow them to detect and properly handle hazardous materials at clandestine methamphetamine laboratories. This included safety suits required for clandestine lab cleanups, evidence containers, and drug-testing chemical kits. DEA also donated eight specially designed vehicles to handle toxic chemicals typically found at facilities where methamphetamine is produced. These trucks were recently refurbished and will be based at locations throughout Mexico where a large number of methamphetamine labs are suspected of operating.

Law Enforcement and Judicial Personnel Training

U.S. agencies have sought to strengthen Mexico's interdiction capabilities through training for Mexican law enforcement, judicial, and military personnel. According to State, the overall purpose of this training is to help Mexican police personnel and prosecutors combat more effectively all transnational crimes affecting U.S. interests, including drug trafficking and money laundering. NAS has taken the lead in funding such training, and courses are typically taught by U.S. law enforcement agencies and various contractors in Mexico and the United States. From 2000 through 2006, NAS provided approximately $15 million for such training. DEA has also funded some training for members of its vetted units, and Defense has provided training for Mexican military officials.

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[22] This unit assumed a broad mandate to gather and analyze strategic intelligence on organized criminal organizations in Mexico, including drug trafficking and money laundering. CENAPI is the Spanish acronym for Centro Nacional de Planeación, Análisis e Información para el Combate a la Delincuencia.

According to U.S. and Mexican officials, this training was an integral part of the Mexican Attorney General's efforts to develop a professional cadre of investigative agents within AFI, and it also supported more general efforts by the Fox administration to upgrade the capabilities and ethical awareness of Mexican law enforcement officials at the federal, state, and local levels. By 2006, the United States had supported training for over 2,000 federal, state, and local law enforcement officials, with a goal of training 2,000 more in 2007.

Interdiction Cooperation and Coordination Can Be Improved

From 2000 to 2006, Defense has spent a total of about $58 million for equipment and training for the Mexican military, particularly to help the Mexican Navy interdict aircraft and vessels suspected of transporting illicit drugs. From 2000 to 2006, Defense provided training for about 2,500 Mexican military personnel in the use of certain kinds of equipment, as well as training to enable them to coordinate with U.S. aircraft and vessels. The training provided was designed to strengthen the Mexican military's ability to detect, monitor, and interdict suspected drug trafficking aircraft and vessels, as well as help professionalize Mexico's military and improve relations between the U.S. and Mexican militaries.

Defense initiatives have facilitated coincidental maritime operations between the United States and Mexico that have resulted in greater cooperation between the two countries, particularly with respect to boarding, searching, and seizing suspected vessels transiting Mexican waters. In recent years, the Mexican Navy has regularly responded to U.S. information on suspect vessels transiting Mexican waters—46 times in 2006, for example. In addition, the Mexican Navy agreed on several occasions to temporarily place Mexican liaison officers aboard U.S. Coast Guard vessels, as well as placing U.S. Coast Guard officers aboard Mexican vessels. The Mexican Navy also permitted U.S. law enforcement personnel to participate in some dockside searches and post-seizure analyses.

However, the United States and Mexico have not agreed to a bilateral maritime cooperation agreement that would allow U.S. law enforcement personnel to board and search Mexican-flagged vessels on the high seas suspected of trafficking illicit drugs without asking the government of Mexico for authority to board on a case-by-case basis.[23] According to Defense officials, a request to board and search a suspicious Mexican-flagged vessel—or one whose captain reports it as Mexican-registered—can be complex and time-consuming, involving, at a minimum, the Foreign Affairs Secretariat as well as the Mexican Navy. Waiting for approval or the arrival of the Mexican Navy typically creates delays, which can result in the loss of evidence as the illicit drugs are thrown overboard or the vessel is scuttled or escapes. In addition, while the Mexican Navy has proved willing to respond to U.S. information on suspicious vessels transiting Mexican waters, according to Defense officials, the Mexican Navy does not normally conduct patrols more than 200 nautical miles from shore.[24]

In addition, according to embassy and Defense officials, Defense has little contact with Mexico's Defense Secretariat (SEDENA),[25] which oversees the Mexican Army and Air Force. According to these officials, the Mexican Army has conducted counternarcotics operations throughout Mexico, including in Acapulco, Nuevo Laredo, and Tijuana, to reduce the violence caused by drug trafficking, and it manually eradicates opium poppy and marijuana. But, according to Defense officials, none of these efforts took advantage of U.S. expertise or intelligence. In the past, some eradication efforts were also done by the Mexican Attorney General's Office, which worked with its U.S. counterparts. Now, however, the Calderón administration plans to consolidate all eradication efforts under SEDENA, which makes greater cooperation with SEDENA all the more important.

In addition, from 2001 until late 2006, Customs and Border Protection (CBP) provided eight Citation jets for detection and monitoring of suspected drug trafficking aircraft along the U.S.-Mexican border under a program known as Operation Halcon in cooperation with AFI.[26] According to CBP officials, in recent years Operation Halcon was a successful interdiction effort that helped prevent drug traffickers from flying aircraft near the U.S.-Mexico border, which made it more difficult to transport illicit drugs to the United States. They also noted that CBP and AFI personnel worked very closely and one CBP official worked full time at the AFI Command Center. Moreover, CBP officials maintained that the embassy infrastructure, operational staffing, and relationships developed under Halcon provided critical daily interface with the Mexican authorities, facilitating quick responses to operational needs along the border and the sharing of intelligence. Overall, in 2005, between 15 and 25 percent of the 294 suspect aircraft identified by Operation Halcon resulted in seizures of aircraft and other vehicles or arrests.

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[23] The United States has bilateral maritime cooperation agreements with more than 20 other countries in the Caribbean Sea and Central and South America.

[24] The Mexican constitution prohibits the deployment of forces more than 200 nautical miles from Mexican territory during peacetime unless the deployment is requested by the President and authorized by Congress.

[25] SEDENA is the Spanish acronym for Secretaría de la Defensa Nacional.

In March 2006, the United States sought to formalize Operation Halcon to limit liability for U.S. pilots involved in the patrols in the event of an accident. However, the Mexican government did not respond with terms acceptable to CBP, and in November 2006, the government of Mexico suspended the program. As a result, U.S. embassy officials said that fewer suspect flights are being identified and interdicted. According to CBP officials, since the suspension, seizures of illicit drugs along the U.S.-Mexico border have increased, and this, according to DEA, CBP, and other officials, is an indication that more drugs are finding their way to northern Mexico.

U.S. Aviation Support for Interdiction Can Be Better Coordinated

From 2000 to 2006, NAS provided about $22 million, or 13 percent of INL's obligations for Mexico, to support aviation programs for counternarcotics efforts by the Attorney General's Office and one program for the Mexican Air Force. Since 1990, NAS has provided 41 Vietnam-era UH-1H helicopters, of which 28 remain in service, to the Mexican Attorney General's Office to transport law enforcement personnel interdicting drug trafficking aircraft landing in Mexico.[27] Since 2000, NAS has expended $4.5 million to refurbish 8 of the aircraft.[28] According to State, the aircraft have served as the transportation workhorse for the Attorney General's air services section, flying a total of approximately 14,000 hours from 2001 to 2006. However, according to the embassy, the UH-1H program did not meet its target of interdicting 15 percent of all aircraft detected in the transport of illicit drugs and crops—in 2005, 4 percent were interdicted. In addition, the helicopters' readiness rates have progressively declined from about 90 percent in January 2000 to 33 percent in January 2007. NAS and Mexican officials attributed the reduced readiness rates to a lack of funding and a lack of spare parts for these aging aircraft, which Defense will stop supporting in 2008. In January 2007, NAS officials told us that State/INL does not intend to provide any further support for the UH-1Hs.

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[26] When in Mexico, all activity was coordinated with the Air Interception Director of AFI and an AFI pilot was aboard the aircraft. The Citations would track the suspect aircraft, and U.S.-provided transport would transport law enforcement officers to the landing site.

[27] In addition, prior to 2000, NAS provided 39 other aircraft, including helicopters and fixed-wing aircraft, to the Attorney General's Office.

[28] The remaining UH-1H helicopters were refurbished before 2000.

Beginning in 2004, NAS provided the Attorney General's Office 12 Schweizer 333 helicopters, of which 11 remain operational.[29] The total expended for these helicopters was $14.2 million, which included a 2-year support package. Equipped with forward-looking infrared sensors for nighttime operations as well as television cameras, the Schweizers are designed to provide the Attorney General's Office with a reconnaissance, surveillance, and command and control platform. According to State officials, the Schweizers were used in Nuevo Laredo and other locations, providing support for surveillance operations, flying a total of approximately 1,750 hours from September 2004 to February 2007.

Originally, NAS had planned to provide 28 Schweizers, deploying them to various points throughout Mexico. However, according to State officials, due to funding limitations and changed priorities, NAS capped the number at 12. In addition, Mexican Attorney General officials told us that they would have preferred a helicopter with both a surveillance capability and troop transport capacity.[30]

From 2000 to 2006, NAS also expended about $4.2 million to repair, maintain, and operate four C-26 aircraft provided by the United States to Mexico in 1997. The aircraft did not originally come equipped with a surveillance capability, and the Mexican Air Force had indicated it had no plans to invest in the necessary equipment. In 1998, we reported that the Mexican Air Force was not using the aircraft for any purpose.[31] After

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[29] One Schweizer crashed in June 2006.

[30] The Schweizer 333 normally carries a three-person crew—a pilot, a copilot, and an observer to operate the forward-looking infrared sensor and television camera and communicate to commanders on the ground.

[31] GAO/NSIAD-98-154.

Mexico upgraded these aircraft with forward-looking infrared radar in 2002, NAS funded maintenance of the aircraft and sensors, as well as training for sensor operators and imagery analysts. Part of the NAS funding was also used to provide contractor logistical support, including spare parts.

Southwest Border Strategy's Implementation Plan

In March 2006, ONDCP, in conjunction with the National Security Council and other agencies involved in the U.S. interagency counternarcotics community, developed a Southwest Border Strategy to help reduce the flow of illicit drugs entering the United States across the southwest border with Mexico. The stated objectives of the strategy, which we reviewed in June 2007, were to

- enhance and better coordinate the collection of intelligence;
- effectively share information, when appropriate, with Mexican officials;
- investigate, disrupt, and dismantle Mexican DTOs;
- interdict drugs and other illicit cargo by denying entry by land, air, and sea routes;
- deny drug traffickers their profits by interdicting bulk currency movements and electronic currency transfers;
- enhance Mexico's counterdrug capabilities; and
- reduce the corruption that facilitates illicit activity along and across the border.

In addition, a plan was developed to implement the strategy. As of August 2007, ONDCP officials told us that the implementation plan was being revised to respond to the Calderón administration's new initiatives. On October 2, 2007, the Director of ONDCP released a summary of the strategy that referred to the implementation plan. According to the summary, the implementation plan lays out the desired end state, estimated resource requirements, action plan, and metrics for each of the seven objectives in the strategy.

Conclusions

U.S. counternarcotics assistance to Mexico since 2000 has helped Mexico strengthen its law enforcement institutions and capacity to combat illicit drug production and trafficking. However, overall, the flow of illicit drugs to the United States has not abated, and U.S. and Mexican authorities have seized only a relatively small percentage of the illicit drugs estimated transiting through or produced in Mexico. Moreover, reducing drug-related corruption remains a challenge for the Mexican government, and Mexican DTOs have increasingly become a threat in both Mexico and the United States. Mexican officials have recognized the increasing threat and indicated that combating the illicit drug threat in cooperation with the United States is a priority.

As we noted in our recent report, the Calderón administration has signaled an interest in working with the United States to reduce drug production and trafficking.[32] At the time, to respond to the Calderon administration's initiatives, ONDCP and the U.S. counternarcotics community was revising the Southwest Border Strategy's implementation plan to emphasize greater cooperation with Mexico. We recommended that the Director of ONDCP, as the lead agency for U.S. drug policy, in conjunction with the cognizant departments and agencies in the U.S. counternarcotics interagency community, coordinate with the appropriate Mexican officials before completing the Southwest Border Strategy's implementation plan to help ensure Mexico's cooperation with any efforts that require it and address the cooperation issues we identified.

ONDCP concurred with the recommendation and it has since assured us that the interagency counternarcotics community is actively engaged with their Mexican counterparts. In commenting on our report, ONDCP emphasized that the Southwest Border Strategy's implementation plan must be a living document with the flexibility to adjust as resources become available.

Mr. Chairman and members of the subcommittee, this concludes my prepared statement. I will be happy to answer any questions you may have.

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[32] GAO-07-1018.

Contact and Staff Acknowledgements

For questions regarding this testimony, please contact Jess T. Ford at (202) 512-4268 or fordj@gao.gov. Albert H. Huntington, III, Assistant Director; Joe Carney; and José M. Peña, III made key contributions in preparing this statement.

Appendix I: Estimated Amounts of Illicit Drugs Transiting or Produced in Mexico and Seized, Calendar Years 2000-2006

	Calendar year						
Illicit drugs	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
Cocaine (metric tons)							
Arriving in Mexico for transshipment to the United States[a]	220	270	270	210	220 to 440[b]	260 to 460[b]	300 to 460[b]
Seized in Mexico	20	10	8	12	19	21	10
U.S. border seizures[c]	23	20	23	16	22	23	27
Heroin (metric tons)							
Produced[d]	9	21	13	30	23	17	N/A
Seized in Mexico	.27	.27	.28	.31	.30	.46	.40
U.S. border seizures[c]	.07	.35	.30	.35	.29	.32	.47
Marijuana (metric tons)							
Produced	7,000	7,400	7,900	13,500	10,400	10,100	N/A
Seized in Mexico	1,619	1,839	1,633	2,248	2,208	1,786	1,849
U.S. border seizures[c]	533	1,083	1,072	1,221	1,173	974	1,015
Methamphetamine (kilograms)							
Seized in Mexico	560	400	460	750	950	980	600
U.S. border seizures[c]	500	1,150	1,320	1,750	2,210	2,870	2,710

Sources: The *Interagency Assessment of Cocaine Movement*, the *International Narcotics Control Strategy Report*, National Drug Intelligence Center, the Central Intelligence Agency's Crime and Narcotics Center, ONDCP, and the El Paso Intelligence Center.

[a] The Interagency Assessment of Cocaine Movement (IACM) estimates the metric tons of cocaine departing South America and flowing toward the United States. It also estimates what percentage of this amount is flowing towards Mexico for transshipment to the United States and reports seizures of cocaine. To estimate the amount of cocaine available in Mexico for transshipment to the United States, we multiplied the IACM's total estimate of cocaine flowing toward the United States by the IACM's estimated percentage of what was flowing toward Mexico (which ranged from 66 percent in 2000 to 91 percent in 2006). We then subtracted the IACM's reported cocaine seizures and disruptions in the eastern Pacific Ocean, western Caribbean Sea, and Central America for each year to estimate how much cocaine was available to transit Mexico. Because of the uncertain nature of the estimates involved, we rounded the figures we derived to the nearest ten.

[b] For 2000 through 2003, the IACM reported "point" estimates of the cocaine flow. In 2004, the IACM began reporting low and high estimates of the metric tons of cocaine flowing through the transit zone due to certain methodological concerns over providing point estimates.

[c] The Drug Enforcement Administration's El Paso Intelligence Center (and the IACM) defines drug seizures at the U.S. southwest border to include seizures at the U.S.-Mexico border or within 150 miles on the U.S. side of the border, including 88 border counties in Arizona, California, New Mexico, and Texas.

[d] This estimate does not include heroin that is produced in Colombia and may transit Mexico on the way to the United States.

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Mr. ENGEL. Well, thank you very much. I appreciate your statement very much. Let me ask you a couple of questions, and then I will turn it over to Mr. Burton.

According to your report, 90 percent of the cocaine that went from South America to the United States transited through Mexico in 2004 and 2005. Am I correct about that?

Mr. FORD. That is correct.

Mr. ENGEL. This is up from about 66 percent in 2000.

As I mentioned in my opening statement, it is argued that Mexico has increased its transit capacity as a result of the demise of the Medellin and Cali cartels in Colombia and the closure of the cocaine trafficking route through Florida. Some contend that the drug supply will always exist and the transit routes will always be found so long as the U.S. demand persists. So let me ask you this: Do you believe that by reducing the transit of cocaine through the Mexican border we will see fewer drugs in the hands of Americans or will drug traffickers just continue to find new ways of getting drugs into the U.S. Or will the cost of these illegal drugs get higher and higher?

Should we be concerned that 3 years from now the Mexican drug cartels will be eradicated, and Congress will be asking for a new foreign assistance package to deal with drug trafficking elsewhere in the hemisphere, perhaps in the Caribbean or in Haiti, as I mentioned before?

So, in other words, I guess what I am asking you is: How can we avoid history continuing to repeat itself in this regard?

Mr. FORD. Well, let me comment a little bit about that.

If you look at the data over a long period of time, it suggests that we have not been able to curtail the supply of drugs coming to the United States to the extent that it affects the demand of drugs. In other words, the availability of drugs over time indicates that our efforts have not yet achieved a goal of making it more difficult to obtain the drugs. So, from a long-term point of view, the data suggests that that would be a challenge.

On the other hand, there are some positive aspects to some of our programs in the sense that they do strengthen the capacity, in this case, of the Mexican Government to conduct law enforcement activities against drug trafficking organizations, and as I mentioned in my statement, there have been some recent improvements in terms of extraditions to the United States of drug traffickers.

So we are having some success and are taking some of the drug traffickers out of the business of illegal narcotics trafficking, but in terms of stopping the flow of drugs into the United States, the data does not suggest we have achieved much to stop that flow to affect our demand.

Mr. ENGEL. Well, as I mentioned in my statement, I just think that this is fine, but I think that we really need to do something to curtail the drug usage in the United States. As long as we have people clamoring for drugs and drugs are very profitable, we are always going to have the powers that be try to find other routes.

Let me ask you this: Your report argues—and this is a quote—“corruption persists within the Mexican Government and challenges Mexico's efforts to fight organized crime and curb drug trafficking."

So let me ask you this: What can the United States do via the Merida Initiative to help combat corruption in Mexico?

In a briefing with my staff yesterday, as I mentioned before, State Department officials said that higher salaries have been offered to military personnel in Mexico but not yet to law enforcement agents. Should Mexico consider investing in higher police salaries as a result?

Mr. FORD. We did not study the salary structure in our work, so I cannot comment directly on that.

However, I will say that that is a major challenge. The law enforcement community in Mexico—a small portion of the overall law enforcement community has been trained and vetted with the Mexican Government and us. The large majority of the police—for example, the local police and the state police—in Mexico have not obtained any training; they have not been vetted, and there are reports that there is a lot of corruption in those areas.

So I think that while, on the one hand, we have been able to work with some components of the Mexican Government that, I think, we can trust to carry out their responsibilities, there is a bigger problem in the whole country with law enforcement in general, and I think that that is going to take—you know, that is not going to be solved overnight in terms of, you know, having honest policemen.

The other point I want to make is, in my statement, I pointed out how much money the drug trafficking organizations are making in Mexico, and they use a lot of that money to buy off police in some of the local areas, and that is why it is extremely difficult to conduct counternarcotics operations in some parts of Mexico.

Mr. ENGEL. Well, in conducting these operations, you mentioned the helicopters in your statement, the Vietnam era helicopters, that are not good.

Do you think it would be useful for us to provide Blackhawk helicopters or other more modern helicopters to the Mexican Government? The Bell 412s, are they the ones that you said were no good? We are providing the Bell 412s to Mexico under the Merida Initiative. Were those the helicopters that you referred to as inadequate?

Mr. FORD. Well, the ones that we have given them thus far—we have basically given them old Vietnam Huey 1 helicopters. They have had those for a number of years. We have also given them these patrol helicopters—they are called Schweitzers—for patrolling along the border.

To my knowledge, we have not given them any air transport type of helicopters. The Blackhawk is basically an air transport helicopter.

Mr. ENGEL. Should we?

Mr. FORD. Well, I think that—I do not know what they have got in the package. I think the issue there is whether or not the Mexican Government will have the capability to operate and to maintain those helicopters. I can tell you, from the Colombia program, it took years before the Colombians reached a state where they had enough trained pilots and mechanics to operate that type of machinery. So I am not saying they need—airlift would be helpful for them to be able to move their troops around, but I cannot tell you which type of helicopter because I do not know what kind of inventory they have.

What the Congress needs to know is that it takes a while for these—if it is a new helicopter, they have got to learn how to maintain it. They have got to learn the logistics. They have to get pilots who know how to train them, and that takes time, and it does not happen over night.

[Disturbance in the hearing room.]

Mr. ENGEL. Excuse me. Excuse me. Excuse me. I am going to have to have you removed if you yell out.

Mr. BURTON. Somebody open the door and tell the police outside to come in here. You are not speaking.

Mr. ENGEL. The 412s are in the package right now.

Are you aware of how effective those 412s are?

Mr. FORD. I know that they are transport helicopters. I believe that the Attorney General's Office in Mexico has some of them in their inventory currently, but I do not know what the current readiness rates of those particular helicopters are.

Mr. ENGEL. Thank you. Let me just ask one more question before I call on Mr. Burton.

In your report, you note that the United States and Mexico have not agreed to a bilateral maritime cooperation that would allow United States law enforcement personnel to board and search Mexican-flagged vessels on the high seas suspected of trafficking illicit drugs without asking the Government of Mexico for authority to board on a case-by-case basis.

It also says that requests to board and search these flagged vessels can be complex and time-consuming. By the time there is approval from the Mexican Government, suspected illegal drugs are often thrown overboard or the vessel escapes. So let me ask you this: What can be done to improve maritime cooperation between our two countries? Do you see the lack of a maritime agreement as a major impediment to curbing the flow of illegal drugs into the United States? Do Mexican concerns about sovereignty complicate this issue?

Mr. FORD. Let me say that, based on what we were told at the Embassy in Mexico City, the sovereignty issue is a factor. We do have a fairly good working relationship with the Mexican Navy. We have been told that the solution is to come up with an agreement or with protocols which would allow us to more timely get a response from the Mexican Government to allow us to interdict maritime shipments, and because a lot of the drugs—big drug shipments are coming by ship, I think it is important to at least put that on the table so that we can have an easier way to interdict. I think, for reasons unclear to me, they have not been able to reach some agreement or a protocol that will allow us to have a timely response, and that is what is needed.

Mr. ENGEL. Thank you.

Mr. Burton.

Mr. BURTON. Thank you, Mr. Chairman.

As I understand it, the Air Force has four of these 412 helicopters right now, and I understand that we are going to be giving them eight more helicopters under the agreement. They already have the ability to fly those 412s, so that should not be a big problem as far as their acquiring the ability to fly those things, correct?

Mr. FORD. I do not know whether they have enough pilots to do it, but if they have four of them in their inventory, I assume that they have enough pilots for the four. If we are going to give them eight more, it is just an issue of whether they will have enough pilots to fly twelve and then the logistics and the maintenance to take care of them.

Mr. BURTON. Well, if we give them Blackhawks, it would probably be even more difficult, but I presume—and I think you ought to presume, too—that the Air Force down there is capable of training these people to fly these 412s if they already have four of them in service right now.

I share the concern about the determination on both sides of the border to deal with these problems, and I think it is extremely important that the Mexican Government has the intestinal fortitude to fight this thing through to its conclusion. We on the United States side have experienced an awful lot of problems with the cross-border trafficking and the illegal immigration, but we have not seen, as I said earlier, the kind of strength of character, so to speak, of the Mexican authorities to do the same thing on the Mexican side, and so I think it is important that we give them the tools. I am for this appropriation and this authorization, but I think we ought to have some way to measure this over the period of the next few years because up to this point we have seen a lack of determination.

The Calderon government has indicated that they are going to be very tough on this, and at the end of the Fox administration, they were as well, so I am confident that they are moving in the right direction, but I think there is a long way to go.

Regarding human rights—I think it is important also that we address the issue of human rights. When you are talking about patrolling the border, stopping narcotics trafficking and all of that sort of thing, the law enforcement agencies and the military ought to do the best job they can while, at the same time, making sure that human rights are not violated and, if they are violated, that it is kept to an absolute minimum.

One of things that we have had to deal with regarding the situation in Iraq are the complaints of possible human rights violations over there, and our country has been very diligent, since those concerns were raised, about dealing with the human rights issues. So I hope that the Mexican Government will make that a top priority while, at the same time, using every bit of their capabilities to control the drug trafficking across the border.

There is one thing I would like to ask you about because in your remarks it sounded like you did not think that we were making a great deal of progress. In Indianapolis, Indiana, my hometown in my district, the cost of drugs have gone up by 67 percent as they have in 12 other cities in the country. Eight other cities have had an increase in price, and a number of other cities, four or five, have also been stable, and then there is a number of other major cities in the United States where the price has been stable. So that would indicate that the difficulty in getting cocaine and other narcotics across the border has increased—it is much more difficult for them—and the price increases also indicate that we are having an effect.

I have one question. Would you not admit that the DEA cocaine data for the second quarter of 2007 does show major shortages in the United States cities and that the prices have increased dramatically, on average, by about 24 percent, and isn't that progress?

I know, for example, as I said, in Indianapolis, it has gone up by about 67 percent. Toward that question, don't you believe that the monies we are talking about authorizing for this issue, this effort with the Mexican Government will not even be more productive?

Mr. FORD. Okay. Well, I hear two different questions, so let me see if I can address each one.

Mr. BURTON. Okay. Well, go ahead.

Mr. FORD. Regarding the increase in drugs that you mentioned, I am familiar with the study that was done by the National Drug Intelligence Center for the second quarter of this year, which did, in fact, show increases in prices in a number of cities in the United States for the second quarter.

However, since that time we have received another report from them, and we actually talked to them last week to try to get an update about whether that situation is continuing. What they have told us is that the availability of drugs is starting to go back to 2006 levels, that it is increasing in several cities that were showing declines in the second quarter, and that they attributed their reasons for this to actually four factors.

First, they felt that one of the—this is the reason why we had increases in the second quarter. They attributed it to two large seizures in the Eastern Pacific during that time frame, which took drugs out of the system. They mentioned the drug trafficking organizations infighting amongst the different cartels in Mexico. They mentioned the pressure by the Government of Mexico's military and law enforcement, that that had an effect. They mentioned the increased profitability of cocaine in the European market and that drugs were being shifted over to the European market.

So, while clearly, there was progress in the second quarter, we do not know whether that is just a short-term phenomenon or whether in fact we are going to go back to levels where availability will be met. So I would say it is too early to tell overall whether, you know, we are going to have a long-term effect on that.

Mr. BURTON. Well, I just talked to the head of the agency the other day, I think the day before yesterday, and his indication was that progress is continuing to be made.

You said there were two large shipments in the Pacific over there?

Mr. FORD. Yes.

Mr. BURTON. That is a good thing. I mean——

Mr. FORD. It is a good thing. I am just saying those are the reasons why there were drugs taken out of the system. My only point here is that I cannot tell you that this is a long-term trend. This is good for the second quarter.

Mr. BURTON. Nobody has a crystal ball, but what we are talking about is expending the resources to try to continue the trend of stopping narcotics from coming into the United States.

The other thing I would like to ask you is: The border between us and Mexico is 1,980 miles long, and it is a huge effort to patrol that border. That is why we really need complete support from the Mexican Government militarily, police-wise, from the Border Patrol, as well as from what we are trying to do on our side of the border, but as that happens, it seems to me that, like a balloon, you push in on one side and it pops out someplace else.

Do you anticipate that there will be more drug trafficking as a result of our being more aggressive on the borders with drugs coming through the Caribbean—I think the chairman cited Haiti a while ago—and also on the West Coast?

Mr. FORD. You know, of course, I would be speculating here, but if you look——

Mr. BURTON. That is what we are doing.

Mr. FORD. If you look at the history of drug trafficking in the last 20 years, when you squeeze the balloon in one place, it just moves to another place. I think you could argue that with the amount of money that is being made in the drug trafficking business, the drug traffickers are just going to make adjustments. They will adjust to whatever we try to do, and the key for our Government and for every other government is to try to adjust as quickly as they do so we can try to move quickly enough to stop them at whatever new place they decide to try to enter, and that has been the history of the drug flow for the last 20 years.

Mr. BURTON. You make it sound like it is almost hopeless and that we ought to come up with a different approach; is that correct?

Mr. FORD. Well, I think——

Mr. BURTON. I would like to know what that different approach would be.

Mr. FORD. Well, I just think we should—I mean my personal view is I think we should attack this at the demand side. I mean I think we need to do more to try to get Americans to stop taking illegal drugs, but there is a balance. The issue here is how much do we want to invest on supply versus demand, and that is a judgment call that Congress has to make. You know, we just try to report what we see out there based on the data.

Mr. BURTON. Okay. Thank you, Mr. Chairman.

Mr. ENGEL. Thank you, Mr. Burton.

Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman, for holding this hearing. Mr. Ford, thank you very much.

We have spent billions of dollars in the Western Hemisphere in trying to combat this narcotics problem that we have in this country.

Can you just tell me: What is the difference when we spend millions of dollars in Colombia and they are successful and when we spend millions of dollars in Mexico? How are they similar and how are they different? Do you see the outcome in Mexico being similar to what we did in Colombia if we put this effort into it?

Mr. FORD. Well, I mean, to answer your question directly, we really have not studied that. I can tell you that the level of effort that we have had in Mexico for the last 7 years up till now nowhere near approximates the amount of money we have spent in

Colombia. So there is an issue of scale of effort. There is a big difference in that.

Some of the types of activities that we finance in Mexico are similar to some of the things we try to do in Colombia. We are trying to strengthen the rule of law. We have tried to increase the capability of law enforcement organizations in both countries. Again, we have not done a comparative analysis between the two, but there are some positive things that have happened in both cases, in both Colombia and Mexico, in the sense that we have strengthened some law enforcement capability that did not exist prior to that time. We get some cooperation from the governments in terms of interdicting the drugs, and there is an honest effort made, I think, in some parts of both of those governments to try to combat the problem, but I cannot tell you—if you are asking me, you know, "if we pour more money in there, will we have the same result?" I cannot answer that at this point.

Mr. SIRES. Because one of the things that I got from your report is that it takes years just to be able to fly the helicopters. So I assume that, in giving this money, it is going to take years until we have enough pilots. I mean is that what happened in Colombia? Did it take that many years?

Mr. FORD. Well, again, you have to look at the situation. In Colombia, we provided them with helicopters that they did not have in their inventory, so they were getting things that they had never operated before. So they did not have pilots who knew how to fly Blackhawks. We had to train them how to do that, so that takes, you know, a couple of years before a pilot becomes proficient. If they have aircraft in their inventory that they have been flying for years, then they already know how to fly them, and it is just a case of, you know, getting enough pilots to be able to do it.

It is the same thing on the maintenance side. If you do not know how to maintain—if you get an aircraft that you have never maintained before, you either have to go out and buy that through a contractor or you are going to have to train your own people to learn how to do it. That takes time. So I think it is a case of knowing how much you can get done in a certain time frame, and you have to be realistic about the fact that in some cases you are not going to instantaneously, overnight be able to operate a fleet of brand new helicopters, to go out and conduct missions unless you have got people who can fly them and maintain them.

Mr. SIRES. Because I look at the millions of dollars that these helicopters cost, but yet, the eyes and ears are really the local police officers and the local enforcing agencies, and there does not seem to be anything going on there. There does not seem to be an effort to increase their pay, to make their jobs better, you know, for benefits so they are not so easily bought. So, if they are the eyes and ears we are going to use, I just think we are throwing away money in many ways.

Mr. FORD. Well, in the case of Mexico, I mean, if you go back—again, we went back to the year 2000. We spent that time working closely with certain parts of the Mexican police force, what I would call the equivalent of our FBI, which is the Mexican FBI. We helped train their force. We vetted a number of their people. We were able to expand their capabilities over that time frame. So that did contribute to some positive law enforcement actions in the government. The problem there is that that is only about 1,700 out of a 400,000 police force for the whole country.

So, again, you know, it is going to take time for us to be able to get enough law enforcement capability for the country as a whole.

Mr. SIRES. Excuse me. I guess, Mr. Ford, what I am trying to get at is: Do you think there is a legitimate effort by the Mexican Government to address this issue?

Mr. FORD. Yes, I believe there is. Yes. Yes, at the Federal level. Now, all of their efforts are at the Federal level.

Mr. SIRES. But nothing at the local level?

Mr. FORD. We did not see much at the local level.

Mr. SIRES. Okay. Thank you very much.

Mr. ENGEL. Thank you.

Mr. Delahunt.

Mr. DELAHUNT. I think that the questions my colleagues have all posed are the correct ones. I agree. I think there is, at this moment in time, the political will in Mexico to deal with this issue. I applaud that, and I think that it behooves us to take advantage of that and to try to develop a plan.

I am disappointed, Mr. Ford, that you did this work without having available at least a draft review of the plan that this Congress is going to have to review. It would have made sense. My own instinct tells me that it would be beneficial for the GAO to examine this proposal in light of your past experience and to give us an independent review and analysis of the various components. I look at it and I see specific numbers like $31.3 million to help the National Migration Institute expand and modernize and $200.3 million to procure transport helicopters, and it is broken down.

How did that happen? What was the methodology that was utilized? Are we just pulling this out of the air by opening comments about consultation? Would it have eliminated the need to even pose these questions? I might have a better understanding of them.

So I would ask the chair to consider—and I would be happy to sign the letter—requesting additional work in an expedited fashion by the GAO to give us an analysis.

Beyond that, I think there are the points that others have made about the balloon, and I think you indicated that there has never been a plan. Looking at the entire region, if you will, how can we proceed with a thoughtful plan without integrating Central America and the Caribbean?

Does it make any sense, Mr. Ford?

Mr. FORD. Yes, it makes sense to me. It seems to me if we are going to address the issue of the supply interdiction of drugs, we should include the entire region from the source zone. Those are the Andean countries that produce cocaine all the way up through the transit area and through Mexico.

Mr. DELAHUNT. I mean we do have an Andean Country Initiative, but I would hope that maybe the leadership and the administration would take into account that these are questions that are being posed, and maybe it is time to bring the appropriate representatives together in Washington or someplace—I do not want to specify a particular venue—and work through an integrated plan if we are going to rely on interdiction, in other words, the supply side.

My own personal opinion is we have got to do it on the demand side. I concur with you. I mean that is where, really, the answer is. As long as we have, you know, 3 million cocaine addicts, it is going to come here. It is going to get here. It will maybe increase the cost, but those who are addicted will find the money. Maybe they will just rob an extra convenience store in my community or in your community to make up the difference in terms of the price. So in the end it is going to be about demand, but I do not think we can just dismiss the need to interdict.

I do believe that the Europeans have not stepped up to the plate in terms of this issue. They made representations during the consideration of Plan Colombia that they were going to make a significant effort in terms of the soft side. That never materialized, and now I hear and you testified today that, you know, cocaine from South America is pouring into Europe.

So I think if we deal with Latin America, the Caribbean, the Andean countries, and Mexico in a coordinated fashion, maybe we can accomplish something. I am not particularly optimistic, but I think it does behoove us to do something because there are other benefits that spin off such as respect for the rule of law, the reduction in corruption that extends far beyond just simply narcotics. It goes to the quality of life in those countries, and I think we do have an obligation, but I have to tell you that when you tell me that you are seeing this like I am for the first time and I am listening to you, boy, you do not make me enthusiastic about this plan.

You know, I am from the Northeast. You know, we spend money, but I want to do it the right way. I want to make it effective. I do not want to just throw it away. I would like to get a good return on my investment. You know, despite being from Boston, I am a capitalist, so I would like to get a good return on that investment, and I am not going to support a program no matter how well-intentioned unless I am convinced that we are going to receive a significant benefit.

I yield back.

Mr. ENGEL. Mr. Ford, do you want to comment on anything Mr. Delahunt said?

Mr. FORD. Well, yes, we would have liked to have seen the assistance package as well, but I am sorry, we just did not get access to it.

Mr. DELAHUNT. If I may, Mr. Chairman.

Mr. ENGEL. Certainly.

Mr. DELAHUNT. Mr. Ford, if you know, who is responsible for the package? You know, who wrote it? By the way, what do the Mexicans think about this package?

Mr. FORD. I cannot answer that. I do not really know.

Mr. DELAHUNT. You do not know either? Another mystery.

Mr. FORD. It came from—the State Department announced it.

Mr. DELAHUNT. You know, it always comes from somewhere, you know, like the State Department or some government agency. Are there people who are doing this? Do they have names? I mean is it spit out of a computer? I mean can we identify that person so we can bring that person in here and brief the Members of Congress? Are there names attached? Is there somebody who you are aware of?

Mr. FORD. I guess I would defer to Assistant Secretary Shannon over at the State Department. He is the one who had the press conference. So, beyond that, I do not know——

Mr. DELAHUNT. Well, I am sure we will be inviting Mr. Shannon.

Mr. ENGEL. Let me say, Mr. Delahunt, that we did ask the administration to come testify today, and they declined. There will be a hearing in the full committee, that Chairman Lantos is doing in a few weeks, and the administration officials will be there, and so we will have——

Mr. DELAHUNT. That is very nice of them, Mr. Chairman.

Mr. ENGEL. I know. I have been smiling all day as a result.

Mr. DELAHUNT. Mr. Ford, did you have any communications with, you know, Mexican authorities? Are they enthusiastic about this? By the way, you know, in terms of all of—the chairman, I think, correctly points out that drugs are pouring into this country while guns are pouring into Mexico from the United States. Are the Mexicans upset with us because of the weapons that are coming illegally from the United States into Mexico, if you are aware?

Mr. FORD. We did not talk to the Mexican authorities about that particular issue. I have seen press accounts indicating that they are upset about it, but we did not talk to people about that particular issue in the Mexican Government.

Mr. DELAHUNT. Mr. Chairman?

Mr. ENGEL. Yes.

Mr. DELAHUNT. If I may.

Mr. ENGEL. Certainly.

Mr. DELAHUNT. You might want to consider having representatives from the Mexican Government brief us as to their attitude about the arms trafficking that you have referred to emanating from the United States into Mexico, into, presumably, the Caribbean and into Latin America. It would be nice—not "nice"—but I guess it would be a good thing if we could encourage some cooperation on the part of American agencies to assist those nations in stopping the flow of arms into their countries and being utilized in the violence that seems to plague Mexico and Central America.

Mr. ENGEL. Let me just say, Mr. Delahunt, you know, you are so right. As you are aware, because you were there as well, you and I and a few others met with some of the parliamentarians the other day. Included in that group was Senator Cervantes of Mexico, who has the job with the Mexican Senate that I have here in the United States Congress. On the following day, I had him come into my office, and he and I just had a meeting about this. They are not aware of much either in terms of what this package contains. Although they are aware of some of it, but it is my understanding that they really were not part of the development of the package. They know what is in it, but they are not part of the development. So it will be interesting, when we have the full committee hearing to be able to address the administration officials.

I just want to correct myself because my staff has told me that the administration did not decline to come here. Once we learned of the interest of the full committee and of Chairman Lantos, we backed off and said, okay, the administration can testify before the full committee instead of before the subcommittee.

Mr. DELAHUNT. Well, thank you, Mr. Chairman, for the time, and thank you for the outstanding work you are doing in this area.

Mr. ENGEL. Thank you, Mr. Delahunt. We only follow your lead.

Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman. I apologize for not being here to give my opening statement. I was on the floor, and I actually got my 1-minute on SCHIP.

Mr. ENGEL. Me, too.

Mr. GREEN. Good.

One, I appreciate the GAO study, and I was one of the Members who went 2 weeks ago to meet with Senators and Members of the Chamber of Deputies in Mexico to talk about this because the reason this package is not so public is that it has really been between the executive branches of the Government—between President Calderon and President Bush and the State Departments and the Foreign Ministry. It is the same thing that our chairman heard the other day from Senator Garcia Cervantes. They do not have the laundry list, and we do not either, but I am sure our Intelligence Committee or whatever committee has jurisdiction over that part of the supplemental will get that, but let me just talk about the experience.

It was a very quick trip—one night—and we met with a really bipartisan group. I have been following politics in Mexico for almost my whole life. To be able to sit across the table from both the liberal PRD, the PRI and the PAN, and even a green Senator—they were all favorable to support for Mexico, but they do not want a Plan Colombia. They do not want a Plan Mexico. That is probably the biggest downfall if we talk about that.

I can make the case—and I think the GAO, to an extent, has done it—that Mexico has for the last, I know of, 2 years made such a concerted effort to control what is happening in their country, particularly on the northern border. I have my colleague, my neighbor from Texas, who actually represents the border area in Laredo who knows what is happening on the Mexican side with both the military and the police. I cannot count the number of police chiefs in Mexico who have been killed, including in high-income neighborhoods like down in Monterrey or suburbs of Monterrey. They have been killed by these narcotraffickers.

The national Government is making that effort. I cannot speak to the local government or to the state or to the city, but in Mexico so much is national anyway. The willingness to say, “We want support and that we are going to run our own business——” because they have run it for the last 2 years, and I noticed from the numbers in the GAO report that, in 2006 Mexico extradited 63 criminals to the United States and just this year, through October, it is 68 criminals. To extradite someone who is a Mexican citizen is a big issue. It is just like we do not like to extradite our own folks somewhere else, but we are seeing a growth in that, and most of these are drug-related.

I want to ask unanimous consent to put my opening statement into the record.

Mr. ENGEL. Without objection.

[The prepared statement of Mr. Green follows:]

PREPARED STATEMENT OF THE HONORABLE GENE GREEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. Chairman, thank you for holding this important and timely hearing, and I want to welcome our witnesses.

I had the opportunity to travel to Mexico two weeks ago to meet with members of the Congreso and discuss their counter-narcotics efforts, as well as what an aid package could do to help both our countries impede the flow of illicit drugs.

In the 10 months since President Calderon has taken office, he has made a significant commitment to combat drug cartels and drug violence, sending 24,000 soldiers and federal police to nine states to combat the cartels.

To increase the effectiveness of the anti-drug operations, President Calderón has increased salaries of troops involved in counter-cartel operations by nearly 50%; placed the Federal Preventative Police (PFP) and the Federal Investigative Agency (AFI) under one commander as part of his plans to create a unified federal police force; and announced the "Platform Mexico" initiative to improve federal, state, and local law enforcement capacity to exchange information on drug cartels, including the creation of a database that will cover 5,000 police stations by 2009.

All of these steps are critical to breaking up the cartels and preventing the flow of drugs through Mexico and into the United States.

Our talks when I was in Mexico primarily focused on what the United States can do to support President Calderon and the Mexican people.

This is not just a problem for them to fight alone—these drugs are headed to the US, and if we do not support the Mexican government stop the flow of narcotics in their country, we will be fighting to keep them off the streets in our country.

The growing operational and financial capabilities of criminal groups that traffic in drugs, arms, and persons, as well as other transnational criminal activity, pose a clear and present threat to the lives and well-being of U.S. and Mexican citizens.

Many of the cartels in Mexico are well-funded through the sale of drugs, and often times along the border have equipment and weapons on the same caliber or better than the Mexican forces trying to stop them.

Despite this, President Calderon's efforts are making an impact.

Earlier this month, the White House Office of National Drug Control Policy reported that the Mexican government's increased pressure on cartels coincided with cocaine shortages in 37 U.S. cities and a 24% increase in the retail price of cocaine during the second quarter of 2007.

Keeping drugs from entering our country to begin with is the best way to keep them off our streets—because of the commitment and success President Calderon has had in his counter-narcotics efforts, I strongly support the recent funding request the White House sent over to assist the Mexico, as well as other Central American countries, in fighting this fight.

I look forward to the testimony from our witnesses today, and I again thank the Chairman for holding this hearing.

Mr. GREEN. With President Calderon, there are a lot of problems. One is the low pay of the Federal police. He has increased the pay 50 percent, so there is not the temptation there, and also with the Federal Investigative Agency. There is an effort in part of the package—and I do not have the laundry list, but part of it is technology because, if someone stopped in Baja, California, for example, they cannot check in Oaxaca, which is another state in southern Mexico, if that person has a warrant against him or if he has a record. We have the technology that can support what the Mexican people are doing now and what the government has been doing, and that is why I think we ought to look very closely at this.

I am glad we are having a hearing on it. I am looking forward to the full committee hearing, and I would hope we would have people from the administration because they actually did some of the negotiation on this as an outgrowth of the two Presidents meeting. They met a year or 2 ago.

On a congressional level, I have never been an executive. I have always been on the legislative side in the State of Texas and here.

I like the idea of our sitting down with our colleagues in Mexico or in any other country, like we did briefly the other day before votes took us out of our North American parliamentarian effort, and saying, "What could we do to work together on the Congress side and the legislative side so that we can either support or criticize our chief executives in whichever country?" because that is what democracy is about, and I know Mexico, in the last few years, has really gotten more and more democracy and more empowerment where members are no longer oftentimes interested in what party they are. Rather, they are making sure that the Congress and the Senate are considered as part of the three branches of government, and I have watched, like I said, Mexican Governments for years, and I have watched that grow. I have really been impressed by it and amazed by it.

I do not have any questions particularly for the GAO, but I am glad they did the report.

Mr. Chairman, I just appreciate the time of the subcommittee, and I look forward to the full committee, when we have a full committee hearing.

Mr. ENGEL. Thank you, Mr. Green.

Mr. Cuellar.

Mr. CUELLAR. Thank you, Mr. Chairman.

My understanding is, in Mexico, the present administration there can enter into a bilateral international agreement without needing affirmation there over in the Senate, but it would still be good to get the support. I think it would be good for Mexico to get the support of the Senate and of the Congress on this issue.

Like my friend here from Texas, I was up there in April. I got to meet with different representatives, and we had been talking about this issue, and they, at least the ones we spoke to, support this type of support from the United States, but as Mr. Green said, we have to be careful that we do not call it Plan Colombia, because they are very sensitive about trying to equate it to what is happening in Colombia.

The other thing is and what is also important for us in that area is that the Federal Government plays a very important role. I have a brother who was a chief narcotics officer there in the Laredo area, and he also, along with other law enforcement, has said that, in trying to work at the state or local level, it was hard to know who were the good apples or the bad apples. So they relied a lot on the Federal Government on this issue. This is why, whenever we do this, we have to make sure we have anti-corruption provisions and vetting programs to make sure that we know that we are dealing with the right individuals.

The problem, Mr. Chairman and members, is that, as somebody from the border—and I have been dealing with this for a long time—there is a concern that if we do not stop the situation over there it is going to spill over to the United States. In Laredo, if you talk to law enforcement, they will tell you that the bad apples who are doing the bad things across in Mexico are now living in Laredo because they know that they will be safe over here. So they go do the bad things over there, and they come over here in our communities. So the spillover process is one that concerns me of what is happening here.

I would ask you, Mr. Chairman—because when we went up there, we did speak to Genaro Luna, who is the head law enforcement official. You know, when people ask if Mexico is committed, look at the number of Mexican law enforcement officials who have been killed in the line of duty. I mean there have been a lot of them who have been killed. Look at what has happened to a lot of the cities that have had calm neighborhoods for many years. Now we see what has happened in Nuevo Laredo, Reynosa, even in Monterrey. For many years, it was calm, and now you see the drug cartels going into those areas, Mr. Chairman. So, you know, we have a situation now, and Mexico is willing to work with us. You know, we still have to find that comfort zone. I think, if we do it right, we can do this.

I would also suggest—and again, I do not mean to speak for Ambassador Antonio Garza. I have been in communication with him on this issue for a while. I would ask you when you do make—and I do not mean to speak for him, but I think it would be good because he was involved in the negotiation of this, Ambassador Garza, and certainly I would ask you to do that. You might have somebody up here in Washington, but I think he would be a key person to have here.

So, Mr. Chairman, I understand, and I will emphasize that I think we have got to look at the substance. I told the administration that we have to look at the process. You are going to get people upset, Members of Congress, because you did not include them the process, but I hope we stick to the substance for what we need to do here.

Thank you, Mr. Chairman.

Mr. ENGEL. Thank you, Mr. Cuellar. I think those are excellent remarks.

Mr. Green.

Mr. GREEN. Briefly, if you will just yield again—and I apologize—I think it is correct that if we can support what Mexico has been doing it will make our country safer, and I think that the evidence has shown, and we will hear it in our hearing, that the price of cocaine, for example, is rising in the United States because of what Mexico is doing, and it will benefit our country to support what Mexico is doing.

The other side—because when I was there, there was a complaint about the firearms and the weapons that go across the border. Drugs come across the border, and the guns go south. I was coming from the right side of the table here from Texas. My joke in Texas is that Texans think we ought to have all of the guns in Texas and that we do not want to export them to Mexico.

So there are things our Government can do with the ATF to enforce some of the laws that are being abused by allowing firearms to be exported to Mexico without authorization, and I think that it is a two-way street, and we can deal with that.

Mr. ENGEL. Thank you, Mr. Ford. I will give you an opportunity for a minute or so to make any concluding remarks that you might have. Do not feel obligated because you have said quite a lot already, but if you would like to I would like to give you the opportunity.

Mr. FORD. I think the only thing I would like to add is, again, we haven't seen the package. I would urge the Congress to look at certain things in the package. I would look at the planning, the kind of planning that is going on. I would look at the oversight in operational control issues with regard to how the assistance is going to be used. I would look for the accountability mechanisms that will be put in place to ensure that whatever we agree to is spent for intended purposes. And I would look at the issue of sustainability. If we are going to begin some new programs we want to make sure we have a commitment that their effort will be sustained if it is showing positive results. And that is the last thing I would mention, is to try to discern from the package whether or not there is a way to measure any impact or results from whatever investment we are going to make.

Mr. ENGEL. I thank you very much.

[Disruption from the audience.]

Mr. ENGEL. Sir, I gave you a break before. If you continue to yell out, I am going to have the police come in, because people cannot just yell out in a hearing like this. It is totally disruptive. I'm sorry—let me just announce to everybody we are going to call our second panel, and if anybody disrupts it, I will have no choice but to ask the police to come in and remove that person or persons.

Thank you, Mr. Ford, very very much. I am told that we will have votes on the floor in 15 or 20 minutes so I would like to call up our second panel and see if we could at least get the opening statements done before then, and then we may have to break and come back for the questions. So I thank you.

And I now call panel number II: Congressman James R. Jones, co-chairman and CEO of Manatt, Phelps and Philips LLP; John J. Bailey Ph.D., professor, Center for Latin American Studies at Georgetown University; Ms. Joy Olson, executive director, the Washington Office on Latin America; and Mr. Armand B. Peshard-Sverdrup, Peshard-Sverdrup & Associates, senior associate, Center for Strategic and International Studies.

I thank all of you. Let me start off by asking Ambassador Jones for his opening statement. And let me respectfully request if you would try to keep your opening statements to 5 minutes or less, and your official full statement will be inserted into the record as if you had read it in full. Welcome Ambassador—Congressman; good to see you.

STATEMENT OF THE HONORABLE JAMES R. JONES, CO-CHAIRMAN AND CHIEF EXECUTIVE OFFICER, MANATT, PHELPS & PHILLIPS, LLP

Ambassador JONES. Thank you very much, Mr. Chairman, members of the committee. It is a pleasure to accept the invitation of the committee to give some thoughts on this package. My prepared testimony was prepared before I had any idea what was going to be proposed and I still don't know the specifics. But let me make some comments on that package.

First of all, I do support the package. I think it is necessary. I think it should be done as deliberately and with such dispatch as possible, in a way that the Congress itself wants to amend the package.

I think there are vital interests for both the United States and Mexico in this package. You have been talking about narcotrafficking and fighting organized crime. That clearly is one part of it. Terrorism itself is something that we should be concerned about in both countries. And then the border security issues that affect both of our countries, which is another reason why it is good to extend this into Central America.

The committee asked me to address some questions, and that is what would be my set of priorities, even before we saw what the package would be. And I would say first of all, that what I perceive to be most needed in this battle in Mexico are the technology improvements to connect communications and the ability to gather intelligence and to disseminate that intelligence to all necessary agencies in Mexico.

As was brought out, there is a problem, a disconnect in trying to capture drug flights or shipments from South America through Mexico to the United States. And one of the problems you have there is the United States can track this, U.S. Air Force or what have you can track this until it gets into the waters of Mexico, the territorial waters, and then there is no effective handoff to the Mexican law enforcement officials to pick it up from there. And if there were a handoff, there is a need for equipment to be able to follow and to intercept those drug shipments.

So, to me the most important are communications technology to develop better intelligence and to disseminate that intelligence; and then equipment to allow law enforcement to be able to interdict and to seize some of these shipments.

For me personally, when I was Ambassador, we requested helicopters so that the Mexican Government could be more effective. As you know, drug traffic from South America is brought either by ship or by plane. They ditch the boats, they ditch the planes, because there is so much more money to be made than the cost of the plane or the cost of the ship. And then they transport it by land to the United States.

We asked for helicopters to be able to interdict that. They sent us 73 helicopters which were Huey helicopters, and it was an embarrassment to me as Ambassador and embarrassment to my Government because those helicopters, about half of them, couldn't fly. They had to use half of them for spare parts to operate the other half of the helicopters.

One of the things I would suggest is if we are going to send them equipment, send them equipment that actually works. Send them equipment that we can actually connect to law enforcement in the United States. So I think that is one of the major lessons that I learned from my time there.

In terms of suggestions of what can improve the package, number one, if we want it to be effective, I think we have to be very sensitive to both the culture and the sense of nationalism of the Mexican Government and the Mexican people. As Congressman Cuellar and Gene Green pointed out, they are very sensitive to have this called "Plan Mexico," as if to equate Mexico to the situation in Colombia. There are many, many differences in the two countries in their level of democracy, in their level of law enforcement, and in their historic relationship to the United States.

So as I point out, this really is to protect our borders, to enhance the combat against organized crime and drug trafficking, and to provide for the security of both of our countries.

The sensitivity in Mexico goes back in our history where Mexicans will point out, and their textbooks pointed it out until the mid-1990s, that the United States stole half their country after the Mexican-American War when we acquired Texas, New Mexico, Arizona, California, Oregon. And then they will also point out that in the 20th century, the last century, we are the only country that invaded them on two occasions with military incursions. And I think you would recognize in your own congressional districts, if this was your history you would be very sensitive to it. And therefore the political leaders of Mexico are quite sensitive to these kinds of things.

So the first point is if we are going to have the program, let's approach it as a true partnership, that we are both in this together and we both have to rely on each other to make it successful.

I do think there needs to be accountability. However, in the accountability department, I hope we won't resurrect the certification process that we had in the 1990s. That was a very counterproductive thing because you had the United States Government basically publicly grading the Mexican Government and the public officials. The political leaders in Mexico who were being graded, were actually being undercut in what they were trying to do by having this public lecturing. So accountability yes; the old certification process, no.

Another point that I would make would be to involve the Mexican military. It has taken on a lion's share of the anti-narco activities. There has been some compromise with the Mexican military because of that. But the fact is it is the institution of government that has the highest credibility in the whole area of law enforcement and security. And my sense is that they have not been fully engaged yet in the planning process and the implementation process.

Finally, as has been brought out here, I do think that the Mexican Congress—and I have a number of friends in all three major parties there—the same complaints that I have heard here today of this Congress are being replicated in the Mexican Congress. It is not so much the substance of the program that they criticize, it is the secrecy with which the program was evolved.

One of the things—and I thought that the trip of a half dozen or so of the Members here to Mexico or to the border was a good thing, and I think one of the things that you might consider is the two foreign relations committees of our Congress meet on an informal basis with the two foreign relations committees of the Mexican Congress. I think it would be good for not just this particular program, but I think it would be good for long-term relationships that would be very important to both of our countries, because the Mexican Congress truly is an independent institution in that government.

And finally, I do think that the respect for human rights needs to be a part of this package. And I think that some reference in the package to protect human rights, that none of this equipment will be used to impede social movements in Mexico, is a very important thing.

So those are some of the thoughts in trying to answer some of the questions that the committee staff posed to me. And my statement will contain the rest of it.

[The prepared statement of Mr. Jones follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES R. JONES, CO-CHAIRMAN AND CHIEF EXECUTIVE OFFICER, MANATT, PHELPS & PHILLIPS, LLP

Mr. Chairman, I am pleased to accept your invitation to testify today about the proposed package of assistance to the Government of Mexico to help them and our own government in the on-going fight against narco-trafficking and organized crime. I hope that the Congress will act with deliberation and dispatch to approve an appropriate package as it is in our own self interest as well as that of Mexico.

You have asked me to comment on the proposal and how it will be received in Mexico and what I think the elements of such a package should be. Following are some of my thoughts based on my experience but before I have seen the Administration's proposal:

- This should not be called "Plan Mexico" as if to equate it with "Plan Colombia." The situations and respective histories of the two nations are different. Approaches to working with both countries should also be different. Unlike Colombia, there should be no U. S. military involved on Mexican soil. Also, we must recognize that the level of real democracy in Mexico is significantly different from that of Colombia.
- A more appropriate title should be "United States and Mexico Partnership to Enhance Border Security and Combat Organized Crime." Certainly, that is how we and Mexico should view the proposal.
- The problem in Mexico is much broader today than just narco-trafficking. As I predicted in the 1990s when I was Ambassador, the enormous financial profits from trafficking illegal drugs from Mexico to the U. S. will create additional social problems in Mexico itself. Today we see drug usage in Mexico on the rise as well as pervasive organized crime which challenges and corrupts governments just as has happened in the past in Italy and Colombia among others.
- Narco trafficking is a relatively new phenomenon in Mexico. When I was in Congress, my colleague, Glenn English, carried on a decade long battle to thwart drug trafficking through the Caribbean to the United States. Mexico was not really a factor during that decade. Finally, in the late 1980s, our country had the resources and capability to seriously disrupt this Gulf of Mexico corridor of drug trafficking. So the drug lords from South America merely changed their routes, using Mexican land routes as the avenue to the drug demand in our country.
- At first, these Mexican criminal facilitators merely took a commission. Soon they took product and then established their own trafficking routes into the United States. This created huge profits they could use, in part, to corrupt law enforcement on both sides of our border.
- When I was Ambassador, we established efforts to combat narco-trafficking as one of our top three objectives. I called our strategy, "Operation Cucaracha," because I soon concluded that as long as the U. S. market for illegal drugs was as large and prosperous as it was, the drug traffickers will find a way to penetrate that market. So, like cockroaches, we need to acknowledge that it will be virtually impossible to completely and permanently kill these drug gangs. But by harassing and interdicting them and by going after their laundered drug profits, perhaps we can slow them down and force them to find alternative routes.
- That seems to be part of what Mexico's new President, Felipe Calderon, is trying to accomplish as he has made it his priority to go after and disrupt these organized crime groups. Apparently, it is having an effect as our government reports that cocaine shipments to the United States are down almost 25 percent and that the price of cocaine in the U.S. has increased about 24 percent.
- My point is that an aggressive campaign against drug trafficking can show positive results. But until we make drug usage in the United States as so-

cially and practically unacceptable as smoking tobacco, the drug traffickers will find some way to reach our very profitable market.

- It is very important that we assist in any way possible to strengthen democracy within our southern neighbor. Let's remember that Mexico has had real democracy for only about a dozen years. Before that it was democracy in name only as the country was ruled for more than seven decades by one political party which controlled virtually all of the institutions of government. While there were three branches of government, power resided in one branch alone.
- Today, Mexico has truly an independent Congress which must be reckoned with when policy is considered. At the Supreme Court, Mexico has an independent and competent group of justices who instill confidence in the rule of law when issues reach that level.
- But in many parts of the country, local government, including local law enforcement in some instances, is badly infiltrated by these drug lords.
- Let's also be mindful of the tortured history between our two countries. For example, until the early 1990s, Mexican textbooks taught that it was the United States that "stole half of Mexico" in the Mexican American War ceding the states of Texas, New Mexico, Arizona, California and Oregon to the U.S. Those textbooks also noted that the United States was the only nation that invaded Mexico, twice sending military excursions into Mexico in the 20th Century.
- This is to say that whatever program you devise, you should be sensitive to this history and the suspicions many Mexicans have about our intentions. That is why this program should be a true partnership. It should ensure that no armed private contractors in the image of "Blackwater groups" be allowed to violate Mexican sovereignty and soil. The Mexican government and people should have no reason to harbor any such concerns.
- What are the needs and what should be in the package? In my opinion, Mexico's greatest need in this fight is communications technology. Information technology that accumulates and dispenses intelligence in real time is critical to disrupt criminal organizations. Modern means of communicating among different government agencies is imperative. We learned this lesson as a result of our own 911 terrorist tragedy when we found that different law enforcement and intelligence gathering agencies did not or could not share critical information in real time. In addition, there must be equipment that allows both U.S. and Mexican law enforcement, intelligence and military organizations to share information securely.
- When I was Ambassador, many in U. S. law enforcement distrusted and were reluctant to share information with Mexican counterparts because of perceived corruption there. Today, that distrust is fading due in large part to the commitment of the Calderon government to clean up and professionalize crime fighting in Mexico. Strengthening that trust among enforcement and intelligence agencies and providing a basis for growing that trust is essential.
- Interceptor equipment is also needed including helicopters and swift boats to patrol and interdict these narcotics organizations both inland and on the coasts of Mexico.
- This time, please send equipment that works. When I was Ambassador, we requested this kind of equipment when the Zedillo government was making a similar attack on drug lords. Unfortunately, our government sent helicopters, most of which couldn't fly and had to be dismantled to use as spare parts. So the credibility of our commitment was severely undermined.
- Training is greatly needed. My observation a decade ago was that even if you assumed the honesty of law enforcement and judicial institutions, the competency simply wasn't there. They didn't know how to collect, preserve and present evidence and as a result, confidence in these legal institutions didn't exist. There has been improvement, but training of law enforcement officers and judges is still needed. In answer to a question of where this training should occur, my suggestion is that it take place in the United States at institutions such as the FBI Academy or within the Administrative Office of the Courts, for example. Other opportunities and for a in which U. S. officers and judges can interact with those from other countries that share our high level of commitment to fighting these problems should be encouraged.
- I would also suggest that some funds be dedicated to developing alternative, legitimate crop production to replace some of the lost income of poor farmers

who are currently engaged in production of coca or other illicit drugs. The Mexican military has made some strides in destroying this drug cultivation. But we should recall some of our mistakes exemplified in Bolivia earlier in this decade where we had a government that aggressively attacked such illegal production but did not have the funds to help these farmers replace their lost income. Our government did not respond adequately. The Bolivian governments that we supported were deposed and now we have a government not friendly to our policies.

- Finally, let me suggest some do's and don'ts. First, please do not saddle this program with another "certification" process as we had when I was Ambassador. For the United States to be judging and certifying Mexico on its willingness to tackle drug trafficking is like the State of New York passing judgment on the quality of public servants' intentions in my home state of Oklahoma during my youth there. It creates significant political problems for the public officials being judged and actually impedes what they are trying to accomplish.

  Second, please build into this package a commitment in both countries that any funds will fully respect human rights and not be used to suppress social movements.

  Third, include the military of Mexico in the planning process,. Even with some of the compromises that have occurred since the military was thrust into this anti-narco organization battle, it is still probably the most respected law enforcement institution in Mexico. My sense is that the Mexican military leadership has not yet been fully engaged in how to design and effectively implement this program.

  Perhaps as important as anything is to engage the Mexican Congress. As I understand, this package will not need to be approved by the Mexican Congress as it does not rise to the level of a Treaty that must be ratified. However, the Mexican Congress has become an institution in that country as important and independent as the U. S. Congress is here. President Calderon's party is a minority in the Congress commanding only around 40 percent of the votes. Obviously, politics plays a large part in that Congress as it does here. Among the opposition parties, there are many suspicions and a reluctance to turn over the program entirely to the President.

  When I worked for President Lyndon Johnson, he often quoted Senator Robert Taft who led the Republican minority in the Senate who said, "if you want us on the potential crash landing, you had better have us on the take-off." It is important that the Mexican Congress be on the take-off of this program.

  Let me recommend one way to do that. On an informal basis, schedule a meeting soon between the two Foreign Relations committees of the U. S. Congress with the two committees of the Mexican Congress. Discuss what intentions of each side are and how the program can be supported for the benefit of both American and Mexican citizens. A small group of your colleagues started this outreach a few weeks ago and I believe that both sides found these meetings useful as well as building trust among parliamentarians on both sides of the border.

I hope these observations from my own experiences are helpful to the Committee and I look forward to answering any questions you may have. Thank you.

Mr. ENGEL. Thank you very much, Ambassador. And I should point out that, as you mentioned, you served as Ambassador to Mexico from 1993 to 1997. We appreciate your work. It just shows that Members of Congress move on to other things. They very often excel in them as well. So thank you.

Dr. Bailey.

STATEMENT OF JOHN J. BAILEY, PH.D., PROFESSOR , CENTER FOR LATIN AMERICAN STUDIES, GEORGETOWN UNIVERSITY

Mr. BAILEY. Thank you, Mr. Chairman. I will summarize from my statement and submit it for the record. I find what I have to say complements what Ambassador Jones has just said, and maybe my value added could be to talk a little bit about Mexico and the international situation and the problems of crime.

My main point is the public security situation in Mexico is the worst that I have seen in my 40 years of studying the country. The sense that I use of public security is there are two dimensions: One is the organized crime groups have become more violent, more confrontational, and more political; and, second, the Mexican Government cannot seem to protect its own citizens, which creates a sense of tremendous insecurity.

Violence. Mr. Cuellar gave us some numbers and today's newspaper tells us 2,289 gang-related homicides.

Confrontational. I recall a press report in which a gang killed some Army personnel and police and left a note and said, We don't give a damn about the Federal Government and here is the evidence for it.

Political. Numerous attacks on high-level police officials, but also attacks on elected officials and administrative officials. So in this sense, this is a different phenomenon. In the sense that the Mexican Government can't protect its own citizens, it is partly related to inefficiency in police and problems with corruption in the police. But I do want to reiterate what I have heard here already, I think there is political will at the top level of both governments to do something about these issues.

The second point, Mexico's security problems do affect the United States. We have heard this. And it affects it a number of ways. Violent crime is indeed spilling over into the U.S. border region. Mexican crime reaches into the interior of the United States. The kinds of skills that organized crime groups have, such as money laundering, document counterfighting, corruption of U.S. military, police personnel, make the southern border vulnerable.

The two security agendas of the two countries do overlap. I think they complement one another. Organized crime is the top security issue in Mexico and public security is the top issue in Mexico. So what I am trying to say is that public security is the number one issue in Mexico and, within that, organized crime is the top issue. Antiterrorism is the top of the U.S. agenda. A number of the kinds of tools and skills and so forth that are used to combat one are applicable as well to the other.

Let me mention a couple of issues I think Ambassador Jones touched on and then try to develop them a little bit. Ideally, in this fight against organized crime, it should be the police and the internal civilian intelligence and regulatory agencies that take the lead, but the police-justice systems don't work very well at all. A reform of these will take years if not decades. And so the reality is the Mexican Army has taken on much of the burden and will have to continue to take on that burden.

And that creates kind of a difficult problem, because I think the Mexican Army is overextended. I think it is showing signs of fatigue. And also the Army is not trained to do law enforcement. So while in the short term it is necessary to rely on the Army and Navy, I would hope that a plan also has a transition to develop the quality of the justice system and the police in Mexico over the longer term.

There will be resistance. This is an interesting dilemma that was mentioned by the Ambassador. The U.S. Congress will need to have oversight over the uses of the equipment, technology, and practices, but there will be a good deal of resistance on the part of the Mexicans on oversight of operational matters. I don't know how that will get itself worked out, but that will come to the Congress and is something that needs to be dealt with.

The bilateral anti-organized crime—I haven't read it myself so I am not sure what is in it, but it is not Plan Colombia. But I think there are some lessons that will be learned from it. Plan Colombia involved a good deal more military involvement, United States military involvement, a good deal of military presence not only in Colombia but Equador, and a couple of other countries as well. It is my understanding that the United States-Mexico bilateral initiative has no United States military presence in Mexico at all, for some of the reasons that I think Ambassador Jones already touched on.

One other point that Ambassador Jones talked about that is very important is in the internal politics of the country, a number of social movements are vulnerable to penetration by organized crime groups. And one of the worries is on the part of Mexican authorities—I think I will get this right—is that a United States plan to help Mexico fight crime would cross over into U.S. interests, somehow affecting the internal politics of the country. And so the sum of the resistance that will be expressed in Mexico will be what are the agendas and are these really anticrime agendas or are they antipolitical agendas?

One of the lessons that we come out of the Plan Colombia is the utmost importance of interagency cooperation. And you know this much better than I do. In the United States it is an intergovernmental system, and one of the differences between Mexico and Colombia is that Mexico has 2,400 counties, 32 states, 105 million people and it is very difficult to coordinate things in that country. It is extraordinarily difficult to coordinate things in this country, and so a priority will be whatever kind of a process is adopted to improve the coordination in the two ways.

Let me stop there. Happy to answer whatever questions you might have.

[The prepared statement of Mr. Bailey follows:]

PREPARED STATEMENT OF JOHN J. BAILEY, PH.D., PROFESSOR , CENTER FOR LATIN AMERICAN STUDIES, GEORGETOWN UNIVERSITY

A key requisite for economic growth and democratic governability is a minimum acceptable level of public security. For a variety of reasons Mexico is currently facing a critical challenge of insecurity. The recent announcement of a U.S.-Mexico bilateral strategy to combat organized crime is a welcome step. I want to comment here on four points: 1. why the timing is important; 2. the nature of the public security problem in Mexico; 3. the basic compatibility in the security agendas of the two countries and thus the mutual benefit of the initiative; and, 4. the differences between this initiative and Plan Colombia and the lessons that might be learned from the latter. My conclusion emphasizes the importance of transparency in the formulation and implementation of the anti-organized crime initiative.

1. The bilateral initiative to combat organized crime comes at a critical time. The initiative is actually overdue, because problems of organized crime have been allowed to worsen from a difficult law enforcement issue to become a threat to Mexico's democratic governability as well as to U.S. security. The timing of the initiative is critical for at least three reasons. First, from a low point in the mid-1980s the degree of bilateral cooperation in law enforcement has improved substantially. A remarkable frankness has evolved in the bilateral dialog, and the cooperation at the policy-making levels has continued to improve. The two countries can work effectively together at the policy-making level, although much remains to be done at the

street level. Second, there is political will on both sides to confront the challenge. President Felipe Calderon has put public security and the fight against organized crime at the top of his policy agenda. For that very reason, the perception of his relative success will figure importantly in the effectiveness of the remaining five years of his presidency (2006–2012). President Bush and the border state governors and Congressional delegations are also focused on the issue. Third, like a tipping point, a substantial bilateral initiative can have an important psychological effect in supporting the efforts throughout the Mexican government and civil society to improve the police-justice administration system and to send signals to the Mexican society that both governments are strongly committed to working toward improving public security.

2. What is the nature of the public security problem? I would emphasize two dimensions: first, the evolution in the power and behavior of organized criminal groups; and, second, the widespread sense in Mexican society that the government is not adequately protecting the citizenry. It is important to recognize that the security problem in Mexico is not one of generalized criminal violence. In fact, to take one indicator, the overall homicide rate in Mexico has dropped substantially over the past twelve years, from something just under 20 per 100,000 in 1993 to under 10 per 100,000 in 2005. The problem tends to be concentrated in a few states, where there are well armed, organized, and violent criminal groups that have become increasingly confrontational with respect to local, state, and federal government. For example, the Mexico City daily newspaper El Universal (online, October 11, 2007) reports 2,113 violent murders attributed to organized crime groups from January 1 to October 11 of 2007, 306 more than over the same period in 2006. Nearly half of these crimes were committed in just 5 of the 32 states.

There have long been violent criminal groups operating in various regions of Mexico and in the U.S.-Mexico borderlands. What has impressed me is the recent evolution of the behavior of some of these groups, especially in the border region. The level of violence has increased dramatically, which is reflected in the homicide statistics of states such as Baja California Norte, Sinaloa, Chihuahua, Nuevo Leon, and Durango. Additionally, the groups have become more political in the sense of targeting high-level police officials, and elected and appointed officials. Criminal groups openly defy the police and army in public statements. Murders have been carried out in ways to magnify their shock effect on the public. There is basis, I believe, to hypothesize that some criminal groups may have been involved in terrorist acts, such as the recent bombing of oil pipelines. All of this is to suggest that the situation is critical and that there were substantial reasons for President Calderon's decision at the beginning of 2007 to send federal army troops and police to various cities and states.

The threats to the United States appear in a variety of forms. A number of U.S. citizens have been murdered or kidnapped. By way of anecdote, residents in Tijuana told me in January of this year that kidnappers from Baja California had begun crossing into San Diego County to seize Mexican citizens who had moved their families to escape insecurity. Even more serious, the abilities of organized crime groups to smuggle varieties of goods into the U.S., to counterfeit documents and launder money, and to corrupt U.S. law enforcement and military personnel underlines the vulnerability of border security.

The other main dimension of the security problem is the sense that the Mexican police-justice system is not protecting the citizenry effectively. There is a widespread perception, reflected in public opinion polls (for example, Transparencia Mexicana), that the police and justice system have worse problems of corruption and inefficiency than other public agencies. Press accounts frequently report the arrests of police officers for involvement varieties of forms of organized crime. One important implication is a widespread sense of fear and distrust which regularly shows up in public opinion polls. The fear and distrust are reinforced by mass media portrayals of criminal violence, to the point where citizens become alarmed but cannot get a clear sense of "real" trends in criminal violence and government response.

3. How will a bilateral initiative to combat organized crime fit into the public security strategies of the two countries? I believe the public security agendas of the two countries are compatible in important respects: organized crime tops Mexico's agenda and terrorism is the top U.S. concern. A number of tools and techniques are useful for both purposes, and close cooperation between the two countries is mutually beneficial. The initiative will need to address a number of issues.

First, both countries are large, complicated federal systems that struggle to find adequate mechanisms to facilitate intergovernmental and inter-agency coordination. My sense is that some good progress has been made to improve coordination but that much remains to be done.

Second, Mexican police-justice systems have not performed effectively and much of the burden of the fight against organized crime has fallen to the Mexican Army. This presents several policy dilemmas. The police and army are trained in different ways to carry out different missions, and the army is not well suited for law enforcement missions that require transparency, close cooperation with civil society, and protection of civil rights. But my view of reality is that the army has much better organization and operational capacity than the police. The army ranks near the top in Mexican public opinion, while the police and justice agencies rank near the bottom. An effective reform of the police and justice systems will require several years, possibly several decades. For short-term, effective results against well organized and equipped criminal groups, the army (and navy) will necessarily play key roles. At the same time, my sense is that the army is over burdened. The challenge is to find ways to reinforce the army's anti-organized crime operations, while—at the same time—reinforcing reforms of the police and justice systems so that they can take on more of the burden in the medium term.

Another policy dilemma is that the Mexican army is a particularly nationalistic institution in a nationalistic society that is open to practical bilateral steps to improve security but is also distrustful of U.S. actions and intentions. The U.S. Congress and administration have appropriately required effective oversight of police and military assistance programs to guard against corruption and inefficiency and to protect human rights. Some mutually acceptable formula is needed to achieve Congressional goals without unduly intruding into Mexico's law enforcement and intelligence operations.

4. Plan Colombia is different from the proposed U.S.-Mexico bilateral initiative in important respects, but there are some lessons to be noted. Plan Colombia emphasized crop eradication and aggressive interdiction, which involved considerable U.S. military presence in Colombia as well as other countries. My understanding is that the U.S.-Mexico initiative involves no U.S. military presence in Mexico.

That noted, one lesson I take from Plan Colombia is that U.S. involvement did contribute to the professionalization of Colombian police and justice systems. At the same time, Colombians have commented on problems of U.S. priorities occasionally overriding Colombian interests. I suspect this will be a more pressing issue in a U.S.-Mexico initiative.

Another lesson might be that, in the best of all worlds the U.S.-Mexico strategy ought to fit into well-conceived national and regional security strategies. I will be surprised if such strategies are articulated in the initiative. But my sense is that Plan Colombia was introduced in a context also lacking a broader strategy. It took on more of a coherent democratic security strategy several years later, under President Uribe, when the largely military and police elements were complemented by more attention to political and welfare priorities.

This points to yet another lesson. Police-military-justice coercive approaches to problems of organized crime are essential short-term steps to stabilize a dangerous situation. But the police and military are not the long-term answer. Over the longer term the entire criminal justice policy arena requires substantial reform, from crime prevention to investigation, sanction, justice administration, prison management, and social rehabilitation. Positive steps in these various areas can create conditions that promote sustainable economic growth, which is a potent crime prevention measure.

Conclusions

The joint anti-organized crime initiative is a timely and significant step to address serious problems of public security that threaten both Mexico and the U.S. The important next step is that the initiative is carefully studied and fully debated in the U.S. and Mexican legislatures and in the public arena. A requisite for the success of the initiative is broad political support, even if unanimity cannot be reached. Closed negotiations may be necessary to negotiate a proposal. But transparency, both in the coming public debates and in the implementation of the programs, will be critical to create the public support necessary for success.

Mr. ENGEL. Thank you very much.

Ms. Olson.

STATEMENT OF MS. JOY OLSON, EXECUTIVE DIRECTOR, WASHINGTON OFFICE ON LATIN AMERICA

Ms. OLSON. Thank you for this opportunity to testify. Since not a lot of detail is available to us, at least on the plan, I would like to focus my comments on lessons from the drug war that I think should be applied to any new assistance package.

The first lesson is that “success” in one location breeds devastation in another. In the 1980s the United States intensified interdiction efforts in the Caribbean in an attempt to stop cocaine trafficking into Miami. In response, Colombian traffickers sought new routes into the United States. Historic marijuana smuggling routes in Mexico were ready-made for cocaine, and Mexican border cities became the new favored points of entry. Mexican criminal organizations developed as well.

A more recent “success” in controlling methamphetamine production in the United States has resulted in meth moving to Mexico. So long as the U.S. market for illicit drugs is large and lucrative, disruption in trafficking simply displaces it to new areas. If the envisioned plan for Mexico “succeeds” in reducing trafficking along current routes on the United States-Mexico border, where will it go next? Congress should be asking right now: Who will the drug trade devastate next?

The second lesson is be careful who you train, because training is the gift that keeps on giving. A priority for United States-Mexico counterdrug training in the late 1990s was the Mexican Special Forces, called the GAFES, who have a counterdrug role. It is reported that members of this elite group were recruited by the gulf cartel to form an enforcement arm called the Zetas. One of the problems faced by Mexican officials today is that drug traffickers now seem to be using sophisticated military tactics, intelligence-gathering techniques and operational planning. Training can be dangerous because it can make corrupt forces more effective.

The third lesson is that partial police reforms and the use of the military for counterdrug operations is unlikely to have lasting positive impact. To confront drug trafficking, police and judicial systems must function. Bringing in the military to fight trafficking is a stopgap measure at best. Ultimately you have to be able to investigate, arrest, and prosecute traffickers, and only competent police and judicial officials can do that.

Many a Mexican President has announced a radical restructuring of the police forces, but none has been able to effectively change the reputation and practices of the Mexican police. Ultimately, the law of supply and demand wins out. New traffickers and new organizations take the place of old ones, clean soldiers and police officers are corrupted, and the robust supply keeps flowing through Mexico.

The fourth lesson is that specialized counterdrug units, outside of broader police reforms and anti-corruption efforts, are unlikely to have a lasting impact. Effective police reforms must be comprehensive and institutional. Guatemala actually is probably the most dramatic example of what is wrong with the strategy that puts too much emphasis on specialized units. In Guatemala a specialized counterdrug police unit has to be recreated every couple of years. The pattern one sees is this: An enormous investment is made in a specialized group. They may enjoy some tactical victories. The group becomes obviously corrupt and the whole unit has to be disbanded. The challenge is to establish reformed police forces with functioning internal and external oversight mechanisms to ensure accountability and to continually monitor and root out corruption.

The fifth lesson is that while the violence created by the drug trafficking must be addressed, cracking down on cartels may actually increase violence. Most analysts believe the disruptions in the Mexican drug cartels caused by the arrest of their leaders contribute to escalating violence. There are fights for power within and between trafficking organizations. Likewise, tactical successes in arresting and prosecuting or extraditing key drug leaders may cause a temporary disruption in the flow of drugs, but the enormous profits entailed in drug trafficking means that their roles will sooner or later be filled by others willing to do the job.

Apart from the probable short-term disruptions in trafficking, there should be no expectation that this package will stem the flow of drugs into the United States.

Just a couple of things about the package and then I will conclude. In terms of the package announced on Monday, there are signs that the Bush administration has drawn some of these lessons from history. But the old adage, “The devil is in the details” still applies. We are encouraged by the fact that the initial assistance is being provided through State and not DoD, because we believe that the solution to drugs is not found in the military. However, we have learned that there may be plans to use DoD’s counterdrug authorities for increased funding that is not outlined in this proposal.

While understanding that surveillance equipment and expertise is needed to go after organized crime, we hope that assistance is accompanied by accountability mechanisms, court orders, and civil rights protections. The proposal also includes some support for strengthening Mexico’s judicial system. An effective system would ensure efficient investigations and adequate collection of evidence while respecting due process guarantees.

In conclusion, no offense intended here, but the biggest impediment to effective drug control is that policymakers have a difficult time thinking past the current fiscal year. Long-term thinking is needed to address the problem. WOLA believes that drug consumption is the heart of the drug chain and needs to be addressed as a public health issue. This is not a war that will be won or lost through a supplemental spending package. Impacting production, trafficking, or consumption means taking the long view and devising policies that attempt to reduce the harm created by drugs at each level.

The Mexico aid package could be an opportunity to make a long-term investment aimed at reducing the violence and corruption in Mexico fed by the drug trade. Experience has shown that all roads lead back to the need for functioning police and judicial systems, with oversight and accountability mechanisms that reduce the likelihood of corruption and promote effective investigations.

Assistance geared toward these reforms should be the primary component of any aid package. We welcome the talk of the package as a cooperative agreement to address mutual problems. It remains to be seen, however, whether the United States is prepared to address issues within our own borders—drug consumption, weapons trafficking, money laundering—that greatly exacerbate problems in Mexico. This side of the mutuality has not been detailed.

There is no quick fix to the drug-related violence plaguing Mexico. This new cooperation package can play a role in helping Mexico restore public security through supporting reforms to the police and justice systems; however, if Congress and the administration are not careful, the U.S. could miss this opportunity and simply throw money at a, problem or, worse yet, further empower corrupt individuals and reinforce unaccountable institutions.

And just one last thing I would like to throw in here. There is something that just kind of sticks in my craw about this being brought up as a supplemental appropriation. You, Congressman Engel, and Senator Menendez have had a bill to set aside $500 million in a social investment fund to address extreme poverty and excluded communities in Latin America, and the argument has always been that there is no money and that it would have to be offset and you would have to take it away from somebody else in the budget, like Africa. And it is just somewhat disturbing that we found money now, but we can't find the money for those things. Thank you.

[The prepared statement of Ms. Olson follows:]

PREPARED STATEMENT OF MS. JOY OLSON, EXECUTIVE DIRECTOR, WASHINGTON OFFICE ON LATIN AMERICA

My name is Joy Olson and I am the Executive Director of the Washington Office on Latin America (WOLA). I have close ties to Mexico. My daughter is a Mexican citizen and I have a master's degree in Latin American Studies from the National Autonomous University of Mexico (UNAM). I have followed U.S. security assistance to Mexico for more than ten years as part of the "Just the Facts" project. WOLA has studied the drug trade and U.S. drug policy in Latin America for more than 20 years.

I ask that you include for the record the just released publication, *At a Crossroads: Drug Trafficking Violence and the Mexican State*, written by WOLA Associate Maureen Meyer, and published by WOLA and the Beckley Foundation Drug Policy Programme.

This hearing is on U.S. security assistance to Mexico, in the context of the just announced Mexico and Central America Security Cooperation Initiative, often referred to as Plan Mexico. At the time this testimony is being written, the few publicly available documents and statements about the Plan provide little detail about exactly what is entailed. It is in this context that I will provide commentary on U.S. counter-drug related security assistance to Mexico.

You have asked me to direct my remarks toward a few specific questions. What impact will this new assistance have on joint counter-drug efforts and on U.S.-Mexican relations? What should the package look like? Are there lessons to be learned from past counter-drug efforts? How will the package be received in Mexico?

History is always a good place to start. Mexican leader Porfirio Díaz once lamented that Mexico was "so far from God, and so close to the United States." This sentiment certainly holds true for Mexico when it comes to drugs and U.S. drug policy. The United States is home to the world's single largest and most lucrative market for illegal drug consumption. Mexico is geographically stuck between U.S. cocaine consumers and the cocaine producing nations of the Andean region. According to the U.S. State Department, about 90 percent of all cocaine consumed in the United States passes through Mexico.[1]

Since the late 19th and early 20th century, Mexico has been a producer of marijuana and some heroin for the U.S. market. During this period Mexico largely viewed drugs as a U.S. problem. Neither the violence associated with the cocaine trade nor consumption seriously impacted Mexico.

Things changed for Mexico in the 1980s when the United States intensified interdiction efforts in the Caribbean and south Florida, to a large extent succeeding in diminishing the importance of Miami and south Florida as an entry point for cocaine. In response, Colombian drug trafficking organizations sought new routes into the U.S. market. The historic marijuana smuggling routes in Mexico proved a convenient alternative, and Mexican border cities became the new favored points of entry. This shift stimulated a growing role for Mexican criminal organizations in cocaine trafficking.

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[1] U.S. Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State, *2007 International Narcotics Control Strategy Report*, March 2007.

We see a similar pattern more recently with methamphetamine production. Early in this decade methamphetamine production and use brought new horrors to rural America. To counter this new drug of choice, new restrictions on pre-cursor chemicals went into effect and law enforcement cracked down on U.S.-based producers, with the consequence of shifting much of the production of methamphetamines to Mexico.

Lesson 1: "Success" in one location breeds devastation in another. So long as the U.S. market for illicit drugs remains so large and lucrative, successful disruption of drug production and trafficking displaces trafficking operations and the devastation they entail to new areas. If the envisioned plan does succeed in reducing trafficking along current routes on the U.S.-Mexico border, where will it go next? Congress should be asking, Who will be devastated by the drug trade next?

Before moving on to the current aid package there are a few more historic observations.

The Mexican military has long considered its key external enemy to be the United States, which took about half of Mexican territory in the war of 1846–1848. Until 1995, U.S.-Mexican military-to-military relations were "virtually non-existent."[2] What did exist was often contentious. More generally, Mexicans found the earlier version of the annual drug certification process, whereby the U.S. passed judgment as to whether or not other countries were trying hard enough to stem the flow of drugs, to be both offensive and downright hypocritical.

Lesson 2: Mexicans remember their history. Security Assistance, in particular military assistance, will be likely be viewed by Mexicans with skepticism at best.

A change in the relationship began in 1995 when William Perry became the first U.S. Secretary of Defense to officially visit Mexico. Both countries embarked on a new relationship that was based on their common counter-drug mission. A sign of this relationship was increased U.S. military assistance. Prior to 1995, the U.S. provided only small amounts of International Military Education and Training (IMET) to Mexico.

While the Mexican military remained "standoffish"[3] (the Army more than the Navy), a large training and assistance program took place.

U.S. Training for Mexico 1999–2006

1999	2000*	2001	2002	2003	2004	2005	2006	TOTAL
622		857	600	520	866	909	558	4,932

Source: compiled from United States, Department of State, Department of Defense, *Foreign Military Training and DoD Engagement Activities of Interest* from 2000–20007.

Perry's visit was followed by a large aid package, the centerpiece of which were 73 UH–IH helicopters. Building on the shared counter-drug relationship, the helicopters were provided for counter-drug use. The U.S. president's emergency drawdown authority (506(a)(2) of the FAA of 1961) was the technical mechanism through which the transfer took place. This is important for two reasons. First, the authority has limitations on its use. It can be used to provide counter-drug assistance, but it also meant that "end-use monitoring" accompanied the equipment to ensure that it was being used for counter-drug purposes. Second, drawdowns are taken from existing stock, meaning that the helicopters were used.[4]

Shortly after the transfer, conflicts between Mexico and the United States arose around the helicopters. The helicopters were breaking down. The U.S. government claimed that they were being overused and not well maintained. The Mexican claimed that the helicopters were junk and that they didn't have access to the parts needed for continuous maintenance. The Mexican military also did not like being subject to the end-use monitoring requirements.[5]

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[2] U.S. White House, Office of National Drug Control Policy (ONDCP), *Report to Congress Volume I*, "U.S.-Mexico Counterdrug Cooperation" (Washington, DC, September 1997).

[3] WOLA interview with Pentagon anti-drug official, Washington DC, 1 March 2004.

[4] Joy Olson and Adam Isacson, *Just the Facts: A Civilian's Guide to U.S. Defense and Security Assistance to Latin America and the Caribbean*, The Latin America Working Group. 1999 Edition.

In a seldom, if ever seen move, the Mexican government returned all of the helicopters to the United States. This was after the U.S. had trained hundreds of Mexican military personnel on the operations and maintenance of the helicopters.[6] The U.S. has had a contentious history of security assistance with Mexico.

Lesson 3: Be careful who you train, because training is the gift that keeps on giving.

A priority for U.S.-Mexico counter-drug training in the late 1990s was the Mexican GAFES (the Air-Mobile Special Forces Groups) who had a counter-drug role. It is reported that members of this elite group were recruited by the Gulf Cartel to form its enforcement arm known as the "Zetas." One of the problems faced by Mexican officials today is that drug traffickers now seem to be using sophisticated military tactics, intelligence gathering and operational planning. Training can be dangerous because it can make corrupt forces more effective.

Lesson 4: Partial police reforms and the use of the military for counter-drug operations are unlikely to have lasting positive impact—follow through is everything. To confront drug trafficking, police and judicial institutions must function. Bringing in the military to fight drug trafficking is a stop-gap measure at best. Ultimately, you have to be able to investigate, arrest, and prosecute traffickers and only competent police forces and judiciaries can do that.

While Mexican President Felipe Calderón has taken dramatic steps to confront drug violence in his first months in office, he is not the first Mexican president to announce dramatic new counter-drug efforts or to use the military to fight drug trafficking.

President Miguel de la Madrid (1982–1988), purged the Federal Security Directorate and elevated drug trafficking to the level of national security. President Carlos Salinas de Gortari (1988–1994) made efforts to purge and restructure the Attorney General's (PGR) office. He established the Center for Drug Control Planning (Cendro) and created the National Institute to Combat Drugs. President Salinas declared drug trafficking a national security threat,[7] thus confirming an expanded role for the Mexican military to counter drug trafficking.

President Ernesto Zedillo (1994–2000) intensified the use of the armed forces in counter-drug operations and used members of the military in civilian institutions and public security bodies, such as establishing the Federal Preventive Police whose original force included 5,000 military personnel. President Vicente Fox (2000–2006) disbanded the notoriously corrupt Federal Judicial Police, purged police forces, and did a major overhaul of the PGR's organized crime and counter-drug offices. He also launched "Operation Safe Mexico" to combat drug-related violence, which dramatically deployed federal police and troops to take over cities and disband local police forces.

As described in *At a Crossroads*, the new report by WOLA and the Beckley Foundation, whatever benefits these efforts may have brought were short-lived:

> "In each of these cases, the security efforts succeeded in generating a temporary sense of improved security citizen through purges of corrupt officers, the creation of new forces, and a visible reliance on the military that resulted in short-term tactical victories. An important number of major drug kingpins have also been captured in recent years. Ultimately, these efforts have faltered in the face of basic laws of drug supply and demand. New traffickers and new organizations take the place of old ones, "clean" soldiers and police officers are easily

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[5] United States General Accounting Office, *Drug Control: Update on U.S.-Mexican Counternarcotics Activities*, Statement of Benjamin F. Nelson, Director, International Relations and Trade Issues, National Security and International Affairs Division, before the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Committee on Government Reform, House of Representatives, document number GAO/T–NSIAD–99–98 (Washington: March 4, 1999): 3 <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns99098t.txt>, Adobe Acrobat (pdf) format <http://www.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:ns99098t.txt.pdf>.

[6] Based on data compiled from United States, Department of State, Department of Defense, *Foreign Military Training and DoD Engagement Activities of Interest in Fiscal Years 1998 and 1999* (Washington: 1999).

[7] Chabat, Jorge, "Mexico, the Security Challenge," in Jordi Diez (ed), *Canadian And Mexican Security in the New North America: Challenges And Prospects*. School of Policy Studies, Queen's University. Kingston, Montreal: Queen's-McGill University Press, 2007.

> corrupted, and robust supply keeps drugs flowing through Mexico and over the border into the United States."[8]

Many a Mexican president has announced radical restructuring of police forces, but none as yet been able to effectively change the reputation and practice of the Mexican police.

Lesson 5: Specialized counter-drug units outside of broader police reform and anti-corruption efforts are unlikely to have lasting positive impact. Effective police reforms must be comprehensive and institutional.

There is a vast reserve of experience, both in Mexico and in U.S. counter-drug work with other Latin American countries, regarding the formation of specialized counter-drug policing units. The theory behind the formation of the units is that to take down cartel leaders, you need a small cadre of police who are highly trained and free of corruption.

The GAFES/Zetas example used earlier is one example of what can go wrong with this approach. Guatemala is probably the most dramatic example of what's wrong with a strategy that puts too much emphasis on specialized units. In Guatemala, the specialized counter-drug police has to be recreated every couple of years. The pattern one sees is this: an enormous investment is made in a specialized group, they may enjoy some tactical victories, the group becomes obviously corrupt and the whole unit is disbanded.

The challenge is establishing reformed police forces with functioning internal and external oversight mechanisms to ensure accountability and to continually monitor and root out corruption.

Lesson 6: While the violence created by drug trafficking must be addressed, cracking down on "cartels" may well increase violence. Apart from probable short-term disruptions in trafficking, there should be no expectation that this package will stem the flow of drugs into the United States.

Since January, there have been 2,113 drug related killings in Mexico.[9] In 2006 there were 2,500 such killings. Most analysts believe that disruptions in the Mexican drug "cartels" caused by the arrest of their leaders, actually contribute to escalating the violence. There are fights for power within cartels and between trafficking organizations for the control of lucrative routes. Likewise, tactical successes in arresting, prosecuting or extraditing key drug leaders may cause a temporary disruption in the flow of drugs, but the enormous profits entailed in drug trafficking means that their roles will be filled sooner or later by others willing to do the job. The next generation of leadership may prove less clever or less vicious than their predecessors, but they may prove to be even more violent, more corrupting, and more difficult to bring to justice. History suggests that the disruptions in the flow of drugs that such turmoil may cause will not last long. Indeed, to the extent that supply disruptions are large enough to create shortages and drive up prices, stronger price incentives to supply the market are created.

THE NEW ASSISTANCE PACKAGE

In terms of the package announced on Monday, there are signs that the Bush administration has drawn on some of the history lessons described above. But the old adage, "the devil is in the details," certainly applies in this case and thus far, the public description of the aid package is light on detail.

We are encouraged that the assistance is being provided through the State Department rather the Pentagon, and we hope that this reflects a belief that the military is not suited to address what is a public security problem. When more details are available, one of the criteria that should be used in assessing the potential long-term impact of the plan is whether the funding is appropriate to the mission. Is the assistance being directed toward the civilian institutions with responsibility for investigating, arresting, and prosecuting traffickers, or toward the military? If it is the latter, what are the long-term strategies in place to strengthen civilian law enforcement bodies to effectively do their jobs and replace the military in counter drug work?

While understanding that surveillance equipment and expertise is needed to go after organized crime, we hope that any assistance on this matter is accompanied by accountability mechanisms, court orders and civil rights protections. Mexico has a long and recently active history of wiretapping for political ends.

The proposal also includes support for strengthening Mexico's judicial system. A key component of this support should be promoting a comprehensive reform of Mexico's criminal justice system. The persistence of corruption and impunity within the criminal justice system encourages police and other security agents to take matters into their own hands and contributes to a lack of trust in the justice system, legal bodies and police forces. An effective system would ensure efficient investigations and adequate collection of evidence while respecting due process guarantees. More support should be considered for the work and proposals being put forward by the Mexican Network for Oral Trials (*Red de Juicios Orales*), supported by USAID Mexico's Rule of Law program.

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[8] Maureen Meyer, *At a Crossroads: Drug Trafficking, Violence and the Mexican State*, The Beckley Foundation and the Washington Office on Latin America, October 2007.

[9] "Llegan a 2 mil 113 las ejecuciones en el país," *El Universal*, October 11, 2007.

IN CONCLUSION

One of the biggest impediments to effective drug control is that policymakers have difficulty thinking past the current fiscal year. Long-term thinking is needed to address the problem. WOLA believes that, drug consumption is the heart of the drug chain and needs to be addressed as a public health issue. It is not a war that will be won or lost through a supplemental package. Impacting production, trafficking or consumption means taking the long view and devising policies that attempt to reduce the harm created by drugs at each level.

This Mexico package should be seen as an opportunity to make a long-term investment aimed at reducing the violence and corruption in Mexico fed by the drug trade. Experience has shown that all roads lead back to the need for functioning police and justice systems with oversight and accountability mechanisms that reduce the likelihood of corruption and promote effective investigations. Assistance geared toward these reforms should be the primary component of any aid package.

For Mexico, gaining real traction for such important reforms would be a significant accomplishment, and it is certainly in the United States' own interests to support such efforts. But for all the welcome talk of the aid package as a cooperative agreement to address a mutual problem, it remains to be seen whether the United States is prepared to address issues within our own borders—drug consumption, weapons trafficking, money laundering—that greatly exacerbate the problems confronting Mexico. How can Mexico succeed in reducing corruption and confronting violence when the drug trafficking organizations are awash in drug-related profits and have ready access to guns from U.S. markets? What steps is the U.S. taking to expand and improve the nation's addiction treatment system? What measures are being taken to strengthen enforcement of regulations governing U.S. gun sales, particularly in border areas, to make it more difficult for weapons sold in our country to be illegally trafficked into Mexico? What is being done to more effectively combat money laundering in the United States?

There is no quick-fix to the drug-related violence plaguing Mexico. This new cooperation package can play a role in helping Mexico restore public security through supporting reforms of the police and justice systems. However, if Congress and the Administration are not careful, the United States may miss this opportunity and simply throw money at the problem, or worse yet, further empower corrupt individuals and reinforce unaccountable institutions.

Mr. ENGEL. Thank you very much. We find that it is always an excuse that is used when people don't want to spend it, but when they want to find it for something else, somehow they find it. Let me also acknowledge the fact that your mother is in the audience. I know that she is very proud, so I want to welcome Ms. Olson's mother here. We are happy to have you here as our guest.

Now, Mr. Peschard-Sverdrup. I hope I haven't butchered your name.

STATEMENT OF MR. ARMAND B. PESCHARD-SVERDRUP, CHIEF EXECUTIVE OFFICER, PESCHARD-SVERDRUP & ASSOCIATES, LLC, SENIOR ASSOCIATE, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. PESCHARD-SVERDRUP. Mr. Chairman, you have done quite well and we can go by Peschard to simplify.

Thank you, Mr. Chairman, for convening this subcommittee today to discuss the Merida Initiative and for inviting me to testify before the subcommittee. Mr. Chairman, in the spirit of adhering to the 5 minutes that I have been allotted, my testimony today is a brief summary of the testimony I submitted to the subcommittee.

I think that it is important to consider the Merida Initiative as an initial step toward deepening the bilateral security cooperation between the United States and Mexico. The cooperation must be based on a much more balanced set of common threats and objectives as opposed to just a means to advance an agenda that is perceived to be skewed toward addressing only U.S. security concerns.

The initiative is likely to provide opportunities for confidence building between the agencies responsible for law enforcement and security in both the United States and Mexico. After all, overcoming the almost habitual levels of mutual mistrust of law enforcement and security agencies is crucial if the two governments are ever to tactically succeed in going after transnational threats jointly.

The Merida Initiative has to be carefully drafted so as to be acceptable to the United States taxpayer and so that Mexicans do not perceive it as an encroachment on Mexican sovereignty. It is important that the Merida Initiative be perceived as a joint bilateral plan to combat transnational organized crime as opposed to just a counternarcotics measure. And I feel very strongly about that—and I think from your statements, Mr. Chairman, I think we are on the same page.

Transnational criminal organizations which operate well within both of our Nations and seamlessly across our borders are involved in a variety of illegal and dangerous activities that threaten the safety, health, well-being, and the moral fiber of our respective societies, not to mention the economic prosperity of our cities, states, and even nations which have to cope with the terrible repercussions of the negative multiplier effects that accompany drug trafficking, human trafficking, arms smuggling, money laundering and even contraband.

The Merida Initiative can assist Mexican law enforcement to combat crime well before it reaches United States borders, not to mention U.S. communities. This alone provides U.S. taxpayers a significant return on their investment, which I know was a concern of Congressman Delahunt. The $500 million of the $1.4 billion being requested over a multi-year period will enable the United States to contribute toward the institutional strengthening of Mexican security forces and will address some of the asymmetries that exist relative to their United States counterparts.

It should also help both Mexico and the United States combat transnational crime more effectively and jointly when necessary.

The impact of transnational organized crime does not respect party lines. Both the Institutional Revolutionary Party Governors of Sinaloa, Tamaulipas, and Nuevo Leon and the Democratic Revolutionary Party Governors of Michoacan, Guerrero, and Baja, California, as well as that party's mayor of Mexico City, are grappling equally with the criminality and violence bought by the transnational criminal organizations. Crime has no borders or political affiliations. It is a matter of great concern for all parties that strive for stability, security, and peace in Mexico.

Therefore, with the exception of normal partisan bickering, the Mexican Congress should not only support this initiative but continue to approve the appropriations that will be needed for strengthening security efforts in Mexico.

Even though the Merida Initiative does not require specific approval by the Mexican Congress, its support would be politically important. The Mexican Congress should recognize that the Merida Initiative is consistent with the objectives and strategies outlined in President Calderon's National Development Plan and also underscores the Mexican Congress' own concerns over security as evidenced by the 24 percent increase for these agencies in Mexico's fiscal year 2007 Federal budget.

Ultimately, how the Merida Initiative is viewed by the Mexican Congress and the Mexican public at large will largely depend on how the initiative is framed. There will be a natural nationalistic knee-jerk reaction that questions whether the initiative is an encroachment on Mexican sovereignty. This response will be accompanied by a natural concern over whether there are any strings attached in the initiative.

The presence of U.S. law enforcement or military officers in country has always been a point of contention in the relationship, as was pointed out earlier, between Mexico and the United States. Therefore, it will be important to take these concerns into account when framing the agreement.

Moreover, we should not discount the possibility that United States law enforcement and security personnel can also gain from the experience of Mexican law enforcement and security officials, particularly given their experience in combating drug and human trafficking, transnational youth gangs who transit from Central America, and contraband.

The U.S. Congress has a unique opportunity to support the bold leadership that President Calderon has exhibited in just his first 10 months in office and reinforce the unprecedented level of cooperation between the United States and Mexico that this initiative is based on.

We should not lose sight of the fact that strengthening law enforcement will help to enhance Mexico's competitiveness from the standpoint of increasing the country's ability to combat crime and therefore attract foreign investment. It will also strengthen rule of law, which will aid in the further consolidation of Mexican democracy. I firmly believe that both of these factors will contribute to Mexico's political and economic stability and in turn benefit United States interests.

In closing Mr. Chairman, if both the United States and Mexico manage the Merida Initiative effectively, it could conceivably evolve into a framework for regional security cooperation that could extend to Central America and beyond, whose criminal organizations use Mexico both as a destination and a transit point to the United States. Therefore, the region cannot be ignored in the discussion of security in ways to combat transnational crime.

With that, Mr. Chairman, I conclude my remarks.

[The prepared statement of Mr. Peschard-Sverdrup follows:]

PREPARED STATEMENT OF MR. ARMAND B. PESCHARD-SVERDRUP,[1] CHIEF EXECUTIVE OFFICER, PESCHARD-SVERDRUP & ASSOCIATES, LLC, SENIOR ASSOCIATE, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

THE MÉRIDA INITIATIVE: U.S.-MEXICO-CENTRAL AMERICA SECURITY COOPERATION

Thank you, Mr. Chairman, for convening this Subcommittee today to discuss the Mérida Initiative that was jointly announced by President Bush and President Calderón on Monday, October 22, 2007, and for inviting me to testify before the Subcommittee.

I think that it is important to consider the Mérida Initiative as an initial step toward the deepening of bilateral security cooperation between the United States and Mexico. The cooperation must be based on a much more balanced set of common threats and objectives, as opposed to just a means to advance an agenda that is perceived to be skewed toward addressing only U.S. security concerns.

The initiative is likely to provide opportunities for confidence building between the agencies responsible for law enforcement and security in both the United States and Mexico. After all, overcoming the almost habitual levels of mutual mistrust of law enforcement and security agencies is crucial if the two governments are ever to tactically succeed in going after transnational threats jointly.

Moreover, it is important to realize that any initiative designed by the Bush and Calderón Administrations cannot be overly bold. Neither government has much political maneuverability at home, because both are minority governments that must contend with healthy opposition parties in their respective Congresses.

The Mérida Initiative has to be carefully drafted so as to be acceptable to the U.S. tax payer, and so that Mexicans would not perceive it as an encroachment on Mexico's sovereignty. To be acceptable to the U.S. public, the initiative—and more important the $1.4 billion funding contemplated for a multi-year period—has to be packaged as money spent on curbing the flow of drugs that enter the United States. This is particularly important when viewed against the backdrop of the billions of dollars being spent in Iraq as well as a complicated political environment with lingering hostility emanating from an immigration debate that is still being played out in many regions throughout the United States, which—rightly or wrongly—many Americans associate with Mexico.

Mexico is in the process of carrying out a series of key measures aimed at professionalizing Mexican law enforcement personnel and organizationally restructuring Mexico's security apparatus. Because these are tasks that Mexico itself needs to carry out, these measures need to remain completely separate from any type of bilateral or regional initiative. Otherwise, opponents of the Mérida Initiative would be quick to retort that such internal reform measures are indicators that the U.S. government is setting conditions, if not outright dictating what Mexico's policy should be, in exchange for the support the United States is offering. Although such a reaction would not derail the initiative, it would most definitely up the political price that President Calderón would end up having to pay.

THE IMPACT OF THE INITIATIVE ON JOINT COUNTERNARCOTICS EFFORTS AND U.S.–MEXICO RELATIONS.

It is important that the Mérida Initiative be perceived as a joint bilateral plan to combat transnational organized crime, as opposed to just a counternarcotics measure. Transnational criminal organizations, which operate well within both of our nations and seamlessly across our borders, are involved in a variety of illegal and dangerous activities that threaten the safety, health, well-being, and moral fiber of our respective societies, not to mention the economic prosperity of our cities, states, and even nations—which have to cope with the terrible repercussions of the negative multiplier effects that accompany drug-trafficking, human trafficking, arms smuggling, money laundering, and even contraband.

I believe that the success of the Merida Initiative—if approved by Congress—should be measured on several levels.

Obviously, the United States expects the initiative to reduce drug trafficking and other criminal activities. Realistically, even if the initiative were to succeed in dismantling the operations of a particular drug-trafficking cartel or several cartels, or result in the apprehension and conceivably even the extradition of an important kingpin or drug lord, or even disrupt the flow of drugs temporarily, there will always be someone within that same criminal organization or a rival cartel eager to make a cold-blooded power play to take over either that part of the organization or the turf that may have been left vacant by the arrest or murder of its previous stakeholder. In short, slowing down and disrupting the flow of drugs and criminal activity may be the best possible outcome, though it would most likely only be a temporary at that.

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[1] Peschard-Sverdrup & Associates and CSIS do not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this testimony should be understood to be solely those of the author.

The initiative gives the United States and Mexico an opportunity to strengthen their security relationship. The implementation of the programs included in the agreement will result in mutual cooperation, information sharing, and coordination between U.S. and Mexican law enforcement and security agencies. This will, in turn, increase the level of trust that will be a significant byproduct of the initiative, aiding in future cooperative efforts.

The Mérida Initiative can assist Mexican law enforcement to combat crime well before it reaches U.S. borders, not to mention U.S. communities. This alone provides U.S. taxpayers a significant return on their investment.

The $500 million of the $1.4 billion being requested over a multi-year period will enable the United States to contribute toward the institutional strengthening of Mexican security forces and will address some of the asymmetries that exist relative to their U.S. counterparts. Ultimately, less than one-third of the $1.4 billion will go to Mexico's military and naval forces. The bulk of the funding will be earmarked for institutional strengthening of Mexico's civilian institutions responsible for public and national security: the Office of the Attorney General's Federal Investigative Agency, the Ministry of Public Security's Federal Preventive Police Force, the Ministry of Government's Center for Investigation and National Security and the National Migration Institute, the Ministry of Finance's Customs Administration, the Ministry of Communications and Transport, and the Ministry of Health. It is worth noting that a good part of the financial support will also go toward the institutional strengthening of Mexico's new National Federal Police Force.

Of the *initial* $500 million that President Bush is requesting, 59 percent would be earmarked for civil agencies responsible for law enforcement and security; the remaining 41 percent would go to Mexico's army and navy. This breakdown is somewhat misleading in terms of the portion going toward the Mexican military and naval forces at the outset. Aside from accounting for expenditures that are being front-loaded within the multi-year span of the initiative, funds are also marked for big-ticket items such as helicopters and airplanes. Furthermore, it should be noted that the army and navy are Mexico's only security-focused institutions that have a true nationwide deployment capability. Therefore, it is in the interest of Mexico and the United States to continue to strengthen these institutions so that they can confront 21st-century threats.

In other words, the six brand new Bell 412 helicopters that the military will receive as part of the package will be delivered at the outset, along with a two-year parts and maintenance package. The military needs the six helicopters to complement the four Bell 412s that it currently owns and to enable Mexico to possess a squadron of these helicopters in order to expand their range of operation in patrolling and combating criminal activity. Clearly, this part of the package is significantly different from the previous comparable assistance package, when the Pentagon provided helicopters to Mexico's army in the 1990s. Back then, the Huey helicopters were given to the Mexican army for free under the Excess Defense Articles program and were therefore given "as is," with no spare parts or maintenance provided. Although this was a well-intended offering, it has taken the Mexican military many years to recover from the repercussions of having army helicopter clunkers that were rendered inoperable soon after they were provided. Providing new Bell 412s marks the first step in re-establishing a relationship with Mexico's military.

In addition, the two Casa 245 twin-engine aircraft that the Mexican navy will be acquiring as part of this initiative were manufactured in Spain but contain 51 percent U.S. content. What's more, because the U.S Coast Guard uses this aircraft, it also offers some interoperability.

In sum, the Mérida Initiative not only will help address the institutional asymmetries that currently exist between the United States and Mexico by strengthening the numerous institutions—civilian and military—that play differing, yet equally vital, roles in targeting and combating these various security threats confronting our nations but also should help both Mexico and the United States combat transnational crime more effectively and jointly when necessary.

HOW WILL THE PACKAGE BE PERCEIVED BY THE MEXICAN CONGRESS AND THE PUBLIC?

The impact of transnational organized crime does not respect party lines. Both the Institutional Revolutionary Party governors of Sinaloa, Tamaulipas, and Nuevo Leon and the Democratic Revolutionary Party governors of Michoacán, Guerrero, and Baja California, as well as that party's mayor of Mexico City, are grappling equally with the criminality and violence brought about by the different transnational criminal organizations that operate in Mexico and across the border in the United States. Crime has no borders or political affiliations—it is a matter of great concern to all parties that strive for stability, security, and peace in Mexico. Therefore, with the exception of normal partisan bickering, the Mexican Congress should not only support this initiative but also continue to approve the appropriations that will be needed for strengthening security efforts in Mexico.

Even though the Mérida Initiative does not require specific approval by the Mexican Senate—because bilateral as well as international agreements under which Mexico is a signatory provide the Calderón Administration the legal latitude to commit to such initiatives—it would definitely be politically important for the Mexican Senate and the Chamber of Deputies to support the initiative.

The Mexican Congress should recognize that the Mérida Initiative is consistent with the objectives and strategies outlined in President Calderón's National Development Plan 2006–2012, which he unveiled shortly after taking office. This is the document that lays out the president's goals and strategies for his administration during his six-year term in office.

Moreover, the initiative complements and underscores President Calderón's and the Mexican Congress' commitment to addressing institutional deficiencies within Mexico's security apparatus, as evidenced by the 24 percent increase for these agencies in Mexico's FY 2007 federal budget.

In fact, on average, the Calderón Administration—with the budgetary approval of the Mexican Congress—is projected to spend between $2.4 and $2.5 billion annually on security-oriented expenditures. Assuming no budgetary cutbacks over the remaining five years of President Calderón's term in office, this expenditure could total between $12 and $12.5 billion.

Ultimately, how the Mérida Initiative is viewed in the Mexican Congress and by the Mexican public at large will largely depend on how the initiative is framed. There will be natural nationalistic knee-jerk reaction that questions whether the initiative is an encroachment on Mexican sovereignty. This response will be accompanied by a natural concern over whether there are any strings attached; conditions set by the United States may be objectionable to certain segments of Mexican society.

The presence of U.S. law enforcement or military officers in-country has always been a point of contention in the relationship between Mexico and the United States. Therefore, it will be important to take these concerns into account when framing the agreement.

Some of the sophisticated technology that is being discussed under this initiative (helicopters, airplanes, database and information system technologies) may require in-country user training, as well as service, maintenance, and technical support. I assume that the Mexican Congress and the Mexican people would find that type of presence acceptable—particularly because it would contribute to the effective use of the technologies from which Mexico is bound to benefit. Furthermore, we should not forget that the cartels and other transnational criminal organizations have sophisticated technologies of their own at their disposal.

However, the Mérida Initiative also calls for specialized training of law enforcement personnel with the intention of helping to further professionalize these institutions. To the extent possible, I would encourage that such training be conducted in the United States, although I understand that it ultimately will be a decision that the Mexican government will make.

It is my understanding that such training will range from prosecutorial-oriented training offered by the U.S. Department of Justice to very specialized training provided by the Bureau of Alcohol, Tobacco, and Firearms, when the training pertains to arms trafficking; the FBI, when it pertains to investigative methods; the Department of Homeland Security, when it pertains to immigration and customs issues; and the Drug Enforcement Administration, when it pertains to the manufacture and traffic of illicit controlled substances.

Moreover, we should not discount the possibility that U.S. law enforcement can also gain from the law enforcement experience of Mexican law enforcement officials themselves—particularly given their experience in combating drug traffickers, transnational youth gangs, and contraband.

A deal breaker for the Mexican public would be any initiative that would allow for an out-and-out joint tactical operational effort in Mexico. As the security relationship between our two nations matures and the level of mutual confidence increases, such a joint effort may be something that both nations may feel more comfortable with over time.

The U.S. Congress has a unique opportunity to support the bold leadership that President Calderón has exhibited in just his first 10 months in office and, more importantly, to reinforce the unprecedented level of cooperation between the United States and Mexico that this initiative is based on.

ARE THERE ANY PARTS OF THE PACKAGE THAT THE U.S. CONGRESS SHOULD TWEAK?

Given that I have not yet seen the specific details of the initiative, I find it difficult to determine with any level of confidence whether or not the package includes any parts that the U.S. Congress should tweak.

If anything, we should not lose sight of the fact that strengthening law enforcement will help to enhance Mexico's competitiveness from the standpoint of increasing the country's ability to combat crime and therefore make it a more attractive destination for foreign direct investment. It also will strengthen rule of law, which will aid in the further consolidation of Mexican democracy. Both of these factors will contribute to Mexico's political and economic stability and will, in turn, benefit U.S. interests.

Given that bilateral two-way trade between the United States and Mexico has increased by 408 percent since the implementation of the North American Free Trade Agreement—from $81.5 billion in 1993 to $332.5 billion in 2006, with most of the goods flowing through the 25 land ports of entry—we should continue to strengthen the operational capability of the U.S. Customs and Border Protection agency and Mexico's Customs Administration.

In an attempt to better tackle human trafficking and improve the method of registering people entering and leaving our respective nations, we should make sure that we help strengthen Mexico's National Migration Institute, particularly its Integral Migratory Operation System (SIOM)as well as its U.S. counterpart, Immigration and Customs Enforcement as well as Citizenship and Immigration Services.

Clearly, during a week that has seen the San Diego-Tijuana region fighting off disastrous wildfires, and Nicaragua trying to stay afloat following devastating flooding, not to mention projected increases in the frequency and intensity of natural disasters, it begs the question of whether disaster relief and emergency response should be subject to consideration. Apart from responding to a real operational need, there are also diplomatic dividends to be had from helping our neighbors.

In sum, if both the United States and Mexico manage the Mérida Initiative effectively, it could conceivably evolve into a framework for subregional security cooperation that could extend to Central America, whose criminal organizations use Mexico both as a destination and a transit point to the United States. Therefore, this region cannot be ignored in discussions of security and ways to combat transnational crime.

The Mérida Initiative is certainly a step in the right direction.

With that comment, Mr. Chairman, I conclude my remarks and welcome the opportunity to answer any questions that you or the Subcommittee members may have.

Mr. ENGEL. Thank you, Mr. Peschard, and you can see that they are beeping up for votes so we just have a few minutes.

I would like to see if we can maybe ask one or two questions, and therefore we don't have to have you wait until we go to vote and then come back. We can just adjourn right after the questions. Mr. Burton.

Mr. BURTON. Thank you, Mr. Chairman. I really don't have a question. I would just like to say that this is a terribly difficult problem. I agree with you that we have to attack the crime issue. But when there is so much money involved in drug trafficking, that is exceedingly difficult, as you knowledge.

But I agree with you and I think that the Mexican Government and our Government and the other governments of Central and South America need to collectively use the resources that we are talking about to deal with this whole issue. Not just drug trafficking, but also the crime problem connected to it. And that goes back to what I think you were saying, Ms. Olson, when I first walked in; that is, dealing with the education, money laundering, as well as the drug trafficking.

We tried the education. I don't think anybody worked harder than Mrs. Reagan during the Reagan administration with her "Just Say No" program and education. And it seems like that that may have helped but it has not really solved the problem. And I support what you are saying, but it is an extremely difficult problem. And I think right now the first step as we have been talking about, you have been talking about, is to get good cooperation from the governments that are involved; in particular, the Mexican Government.

Up until now, I have felt like the Mexican Government has not been as diligent as it should be in patrolling the Mexican side of the border with Border Patrol agents, drug agents, police and military personnel. Hopefully with this kind of money we are talking about and with the cooperation of the Mexican Government, along with our movement toward more border security, that we can help solve the problem.

But it is going to be, in my opinion, a very incremental solution. It is going to take step after step after step. It is not going to be solved right away. Everything that you guys have said is right, but unless I become world dictator, it ain't going to happen overnight.

Thank you very much Mr. Chairman.

Mr. ENGEL. Thank you, thank you Mr. Burton.

Let me throw out a question or two. Let me try to combine—and anybody that would like to answer it, please feel free to do it.

We now have counternarcotics plans, as I said, for the Andean region, Central America and Mexico. If you heard my opening remarks, do you think there should be a similar plan for the Caribbean? Because I believe that is where the drug trade will go when it is squeezed on the other sides.

Let me combine that with this: Let me quote from what you said, Ambassador Jones, in your testimony. You said that when you were Ambassador you concluded, "as long as the U.S. market for illegal drugs was as large and prosperous as it was, the drug traffickers would find a way to penetrate that market." And that is essentially what I have said.

So if we reduce the transit of cocaine through the Mexican border will we see fewer drugs in the hands of Americans, or will drug traffickers just continue to find new ways of getting drugs into the United States? And that touches with a point that I also raised and others mentioned: Should we be complementing our efforts in Mexico with demand reduction efforts in the United States?

We will start with you, Mr. Ambassador. If you could keep your answer to 1 minute, we probably have to leave in 5 or 6 minutes.

Ambassador JONES. Definitely I think we need to have a better demand reduction program in the United States. And I have said that if we made drug usage as antisocial as smoking tobacco in the United States, that would go a long way toward reducing demand in this country.

In the meantime, as we called our anti-narcotrafficking operation in Mexico, I called it the "Cucaracha Strategy." That is, basically, if you know cockroaches, you can never actually kill them, they just move in another direction to where the food is. Reducing demand needs to be the first step for a variety of reasons.

The criminal organizations that are fed by narcotrafficking in Mexico threaten democratic institutions there. It is in our best interest to make sure that our neighbor is strong democratically. But I would take it one step at a time. Let this work. Then ultimately, I think you are going to have to go to the new routes where trafficking will occur.

Mr. ENGEL. Would anyone else care to comment? If not, I have a few more.

Ms. OLSON. Just quickly. I think it would be stunningly shortsighted to not be thinking about, if you are going to crack down on the border, where it is going to move. Somebody else is going to get hurt by this. Because you are not going to make this go away. I do definitely think you should be thinking about the Caribbean.

Mr. ENGEL. Thank you.

Let me ask a question of something else that I mentioned. Mexican authorities estimate that more than 90 percent of the weapons they confiscate are originally purchased in the United States. And I mentioned the border States of Texas, Arizona, and New Mexico have lax gun control laws and don't limit the number of purchases of handguns and assault weapons. So in light of that, how can we reduce the sales of United States arms used in Mexico and how can we stop weapons trafficking across the border? Anyone care to give us your thoughts on that?

Mr. PESCHARD-SVERDRUP. Mr. Chairman, I don't know how you can go about reducing it. I can tell you that it is a major problem for a country that is grappling with undergoing judicial reform. The cartels are carrying 50-millimeter type assault weapons, grenades, grenade launchers, and they are surpassing the capability of law enforcement, which in part explains why the Mexican military has had to be called in.

It is a major problem. I think it is a problem that we need to be mindful of, and I agree with you and I am glad that you pointed it out. I think we need to do whatever it is that we can to help to mitigate the flow. Because it is, I think, complicating the missions of Mexican law enforcement and the military.

Mr. ENGEL. To address the problem of corruption, President Calderon's government has begun to consolidate various Federal civilian law enforcement agencies into one agency and triple the number of trained professional Federal law enforcement officers subject to drug polygraph and other testing. He has also created the Federal Police Corps, which combined other police entities into one cohesive professional unit of 24,000 people. This does not affect the majority of Mexico's police forces which are 425,000 people who are essentially state and local employees.

So let me ask you, anyone who would like to take this, is it realistic to talk about combating corruption in the Mexican police without professionalizing the majority of the police force? Should the United States be focusing its assistance to Mexico on a small corps of police, which we think this agreement does, or on the longer-term professionalization of the police forces?

Ambassador JONES. Let me just say that the last three Mexican Presidents that I have known pretty well have faced this same problem. And so I think the training component of this is also extremely important, training of law enforcement and judges; because what I have found, even if you assume that there is total honesty in the law enforcement, judicial process, there is not competence to get evidence, to preserve evidence, to present evidence, et cetera. And a lot of training needs to be done there.

Mr. BAILEY. I was going to answer, do both. In the short term, training, special courses, but have a plan over the longer term and improve the quality of the police and judicial systems, as already mentioned here, but that again is a question.

Mr. ENGEL. Thank you. Ms. Olson, did you want to comment?

Ms. OLSON. Often the short-term plan is what we do. And what is not happening is the long-term plan. And so I would say as we are looking at this aid package, let's start thinking about what the long-term plan is, because the state and local police are critical in this effort.

Mr. PESCHARD-SVERDRUP. Mr. Chairman, we have done that. If you look at the State Department's INL budget, they have actually funded Mexico's Federal investigative agency which is an FBI. They tried to select a small unit and have vetting programs and well arm them to better enable them to combat drug trafficking and transnational crime.

At the end of the day, I agree with Ms. Olson. I think you need comprehensive judicial reform in Mexico. President Calderon has outlined that as one of his objectives in his national development plan. We here in the United States, Mr. Chairman, restructured as a result of a compelling event: September 11th.

The question I have is whether President Calderon will be able to restructure organizationally as part of that judicial reform without a compelling event. He has it as a blueprint. He has expressed an interest in doing so. And hopefully this package can help in professionalizing Mexican Federal law enforcement.

Let me just point out that Federal law enforcement is the only law enforcement agency in Mexico that has jurisdiction over drug-related crimes. Neither local municipal police, neither state-level police, have jurisdiction over drug-related crimes. That in part explains why both local- and state-level police of course have been susceptible to narco-corruption, because they know they can't be touched by these levels of police forces, and these police forces ultimately become the security detail of the cartels. I think the focus on national Federal police will render benefits, just as it did in Colombia.

Mr. ENGEL. Thank you. I think that is going to have to be the last word. We have 4 minutes for the vote. I want to thank you all for your excellent testimony. I think you have helped raise a lot of issues and accentuate some of the things that we are going to need to do. I again thank all of you for really excellent testimony. The hearing is now adjourned.

[Whereupon, at 4:45 p.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

AT A CROSSROADS:
DRUG TRAFFICKING, VIOLENCE AND THE MEXICAN STATE.

Summary

In this joint WOLA–BFDPP policy brief, the author provides an overview of current and past drug policies implemented by the Mexican government, with a focus on its law enforcement efforts. It analyzes the trends in the increased reliance on the Mexican armed forces in counter-drug activities and the role that the United States government has played in shaping Mexico's counter-drug efforts. It is argued that government responses that are dominated by law enforcement and militarization do little to address the issue in the long term and draw attention away from the fundamental reforms to the police and justice systems that are needed to combat public security problems in the country. The brief also argues that the most effective way to address drug trafficking and its related problem is through increased efforts to curb the demand for illicit drugs in the United States and Mexico.

Introduction

Since 2005, Mexico has been beset by an increase in drug-related violence. In that year over 1,500 people were killed in drug-related violence; in 2006, the number of victims climbed to more than 2,500. In response to the violence, just days after assuming the presidency in December 2006, Mexican President Felipe Calderón launched "Joint Operation Michoacán" (*Operativo Conjunto Michoacán*), deploying around 6,500 soldiers and police in the state of Michoacán to set up roadblocks and checkpoints, occupy key areas where drugs are sold, and execute search and arrest warrants of individuals linked to drug trafficking. After a record year of drug-related killings, "Joint Operation Michoacán" was the first of several military-dominated operations launched by the new administration in Mexican states where organized crime was believed to be concentrated. Despite the efforts of the Calderón Administration, however, 2007 promises to be yet another bloody year, with the number of killings reaching 2,113 by the second week of October.[1]

Successive Mexican presidents have undertaken major initiatives to combat drug trafficking in the country. Yet the power and reach of the so-called Mexican drug cartels, and the violence associated with them, have only escalated. Like Calderon, both Presidents Ernesto Zedillo and Vicente Fox came into office promising to tackle organized crime and violence, announcing national crusades and expanding the role of the military to restore public order. In each of these cases, the security efforts succeeded in generating a temporary sense of improved citizen security through purges of corrupt officers, the creation of new forces, and a visible reliance on the military that resulted in short-term tactical victories. An important number of major drug kingpins have been captured in recent years. Ultimately, these efforts have faltered in the face of basic laws of drug supply and demand. New traffickers and new organizations take the place of old ones, "clean" soldiers and police officers are easily corrupted, and robust supply keeps drugs flowing through Mexico and over the border into the United States.

Today, drug-related killings, insecurity and fear have created in Mexico a growing sense of crisis. As citizens and elected officials look for ways to quell the violence, they should remember the clear lesson of nearly two decades of efforts to confront powerful trafficking organizations: quick fix solutions divert attention and resources from the long-term reforms in the police and justice sector that are needed to deal effectively with the inter-related problems of illicit drugs, crime and violence. More military involvement in the "drug war" has increased corruption within the institution, generated human rights violations and failed to make a dent in the narcotics trade. To contain that trade, drug traffickers must be identified, prosecuted and punished, and prevented from carrying out their illegal activities from behind bars. Effective police and judiciaries, free from corruption, are essential in achieving that end.

To highlight the lessons learned to date from drug control efforts in Mexico, this brief provides a general overview of past and present approaches to drug policy in that country, with particular attention to law enforcement efforts. It summarizes the strategies and tactics adopted by President Calderón's predecessors and his administration's efforts since he assumed office. Due to the interconnected nature of Mexico's drug trade with the United States, the study also analyzes the history and current state of U.S.-Mexico counter-drug cooperation, a timely topic given the Bush Administration's recent presentation to Congress of a $500 million security cooperation initiative for Mexico.

Overcoming the violence and corruption related to Mexico's drug trade and addressing the increasing problem of national drug use in the country is no small task. Given the global dimensions of the drug trade, it is also not something Mexico should face alone. The international community should support the Mexican government in efforts to carry out meaningful police and justice sector reform. Such reform efforts should include higher police salaries, and enhanced police oversight and control mechanisms to root out corruption and prosecute and sanction those who engage in corruption. On the American side, supporting steps should include stemming the flow into Mexico of handguns, assault rifles and other weapons that fuel the violence; and reducing the demand for drugs through evidence-based prevention strategies and improved access to high-quality treatment.

Background

Understanding the illicit drug trade in Mexico requires situating the country in its unique international position, bordering the world's largest illicit drug consuming country, the United States, and serving as a logical transit country for cocaine shipments from Colombia. According to the U.S. State Department, about 90% of all cocaine consumed in the United States passes through Mexico.[2] Complicating this situation is the fact that Mexico is also a drug producing country itself. Mexico supplies a large share of the heroin distributed in the United States; it is the largest foreign supplier of marijuana to the U.S. market and a major supplier and producer of methamphetamines.[3] The World Drug Report 2007 from the United Nations Office on Drugs and Crime (UNODC) estimates that Mexico is one of the top two marijuana producers in the world.[4]

Another consequence of the illicit drugs produced in and flowing through Mexico is that the country now has a growing problem with drug consumption. Results from a nationwide survey conducted from 2003 to 2006 by the Ministry of Public Education and the Ramon de la Fuente National Institute of Psychiatry indicate an increase in adolescent marijuana consumption nationwide and a stabilization of cocaine use. Of particular concern is the reported increase in the consumption of drugs among adolescents in Mexico City and several states, particularly those along the U.S.-Mexico border.[5]

Overview of the drug trade

Mexico's production of marijuana and opiates dates from the late 19th and early 20th centuries, as does the trafficking of these drugs into the United States. Historically, poppy and marijuana cultivation was concentrated in northern states such as Sinaloa, Sonora, Chihuahua and Durango. This cultivation has now expanded; the top 15 marijuana and poppy producing regions in the country are located in the states of Sinaloa, Michoacán, Guerrero, Durango, Chihuahua and Sonora.[6] The president of Mexico's Supreme Agricultural Court estimates that around 30% of Mexico's cultivatable land is being used for drug production7 although the Mexican government has not issued any official numbers on the amount of land used for drug cultivation in the country. Given the extreme poverty of many of the areas where crops used as raw materials for drugs are produced, it is not surprising that many peasants now work in this trade. As one man put it "[f]or every peso that I invest in maguey, I earn seven pesos the following year . . . For every peso that I invest in *mota* (marijuana), I get 500 pesos the following year."[8]

Mexico uses manual and aerial fumigation crop eradication strategies to tackle the production of marijuana and poppy. The Defense Ministry (*Secretaría de Defensa*, SEDENA) has played an important role in Mexico's eradication efforts since the late 1940s, being the main body responsible for the manual eradication of crops. Until the end of the Fox Administration, pilots from the federal Attorney General's Office (*Procuraduría General de la República*, PGR) were in charge of Mexico's aerial herbicide spraying efforts, also known as fumigation. Under the

Calderón Administration, the task has now been transferred to the Defense Ministry.

While the networks established to traffic illicit substances have been functioning for several decades, the most radical change in the type and extent of trafficking occurred in the mid-1980s when major interdiction efforts by the United States effectively closed off Florida as an entry point for Colombian cocaine. Mexico was an attractive option for the Colombian "cartels" because of its almost 2,000 miles of largely unguarded border with the United States. Small-time drug smugglers in Mexico then blossomed into more sophisticated drug trafficking organizations with increasing power to corrupt officials and police, eventually becoming the modern syndicates that control key corridors for the flow of drugs into the United States. Although many drug trafficking organizations operate in the country, the trade is currently dominated by what are commonly termed the Gulf, Sinaloa /Federation and Tijuana "cartels," named for their places of origin. It is estimated that at least 70% of all drugs that enter the United States pass through the hands of at least one of these organizations.[9] They control the flow of drugs within Mexico, as well as the transport of cocaine from South America, mainly produced in Colombia, through Mexico's Pacific ports and coastline, the Atlantic port cities of Cancún and Veracruz, and overland traffic through Mexico's southern states from Guatemala. Their main ports of entry into the United States are the border towns of Matamoros, Nuevo Laredo, Juárez, Agua Prieta, Nogales, Mexicali and Tijuana.[10]

Since 2003, methamphetamine production has increased sharply in Mexico. The U.S. Drug Enforcement Administration (DEA) has reported that the closure of methamphetamine labs in the United States led to a significant increase in production in Mexico, as shown by the growth in the seizures of this drug arriving from Mexico. Rather than a decline in the quantity of methamphetamines available in the United States, its production has simply been displaced to Mexico.[11] The main states for methamphetamine production are Jalisco, Sinaloa, Michoacán, Sonora and Baja California.[12]

Corruption of the police, politicians and even the Mexican military is a historic problem that has undermined Mexico's efforts to ensure the rule of law and combat criminal organizations and the drug trade. The country's weak institutions—already suffering from lack of oversight and accountability mechanisms—have been further eroded by the corruption generated by the drug trade. According to Mexican academic Luis Astorga, "[s]ince the beginning of the drug business, the best known drug traffickers in Mexico were linked in special official reports in Mexico and the USA to high-ranking politicians. More precisely, these politicians were suspected of being directly involved in the illegal trade and even controlling it."[13]

A recent case illustrates the level of this corruption. Currently, Mario Villanueva, the former Institutional Revolutionary Party (*Partido Revolucionario Institucional*, PRI) governor of the southern state of Quintana Roo is facing extradition to the United States to face charges of allegedly helping Mexican drug dealers smuggle 200 tons of cocaine into the country while he was in office from 1993 to 1999. The indictment request from the U.S. District Court in New York states that Villanueva earned $500,000 for each cocaine shipment moved by the Juárez "cartel" during the mid-1990s.[14] Weeks before finishing his term in 1999, Villanueva learned of his pending arrest in Mexico for drug-trafficking and money laundering and disappeared; he eluded police for two years until he was arrested in 2001. In June 2007, Villanueva was found guilty of money laundering by a Mexican court, but he was order to be released by a judge for having served the time for this crime. Moments after his release, Villanueva was again arrested due to the extradition request from the United States, which is currently proceeding through the Mexican court system.

U.S. Support

Due to the shared border between the United States and Mexico, their intertwined histories and strong economic and social ties, Mexico's counter drug policies cannot be analyzed independently from the United States' own "war on drugs." Just as drug production and trafficking in Mexico are stimulated by U.S. drug consumption, many of the Mexican government's policies and decisions on combating drug trafficking are linked to U.S.-led and promoted policies, as well as U.S. funding. It has been noted that the so-called "pressure response" scenario was well established as long ago as the late 1940s.[15]

While cooperation has increased in recent years, Mexico and United States have not always worked together easily on common problems. Since the war of 1846–1848, in which Mexico lost half its territory to the United States, Mexico has been very sensitive to sovereignty issues and any perceptions that the United States is meddling in its affairs. It refused to receive U.S. drug control assistance for several years in the 1990s and continued to generally prohibit members of the U.S. armed forces from training or carrying out operations within Mexican territory. The U.S. certification policy in place since 1986 was a particularly contentious point in bilateral relations until it was modified by the US Congress in 2002. Under the original policy, the U.S. president was required by Congress to certify each year that the major drug-producing and trafficking countries were fully cooperative with U.S. counter-drug measures; those that failed to win certification faced consequences ranging from a cut in economic assistance, automatic denial of loans from multilateral banks, to discretionary trade sanctions. The threat of decertification led to an increased role for the Mexican military in counter-drug operations[16] and arguably increased the potential for abusive practices. After the modifications in 2002, countries are automatically certified unless their counter-drug efforts are particularly poor. Despite occasional friction between Mexico and the United States regarding drug control issues, since the mid-1980s, the United States has provided assistance "to build up the PGR's [the Attorney General's Office, or *Procuraduría General de la República*] helicopter fleet for aerial crop eradication and interdiction efforts, to train thousands of police and prosecutors, to enhance the PGR's intelligence capabilities, to improve money-laundering controls and investigations; and to provide equipment, computers and infrastructure." [17]

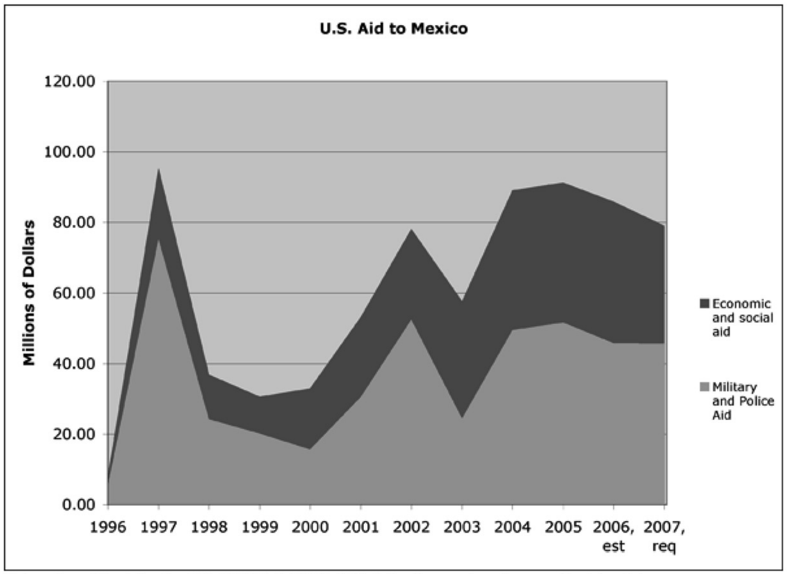
At the same time, U.S. officials have encouraged the use of the Mexican military in counter drug operations. This was principally because the military was considered to be the only institution with the manpower, capacity and equipment to counter the threat of drug trafficking and because the military were viewed as being less corrupt than the Mexican police.[18] The visit of U.S. Defense Secretary William Perry in October 1995, the first-ever visit by a U.S. defense secretary to Mexico, advanced U.S.-Mexico military cooperation. It was only following Perry's trip that Mexico began to accept more U.S. assistance beyond the small amounts of U.S. International Military Education and Training (IMET) that it had previously received. A bilateral working group for military issues, which would include counter-drug cooperation, was also established.

Between 1996 and the early years of the Fox Administration, U.S. counter-narcotics assistance supported several major programs:

- Funding for programs to vet, train and equip special anti-drug units within the PGR and assistance to the PGR's intelligence division (*Centro de Planeación para el Control de Drogas*, CENDRO).
- U.S. military support for the Air-Mobile Special Forces (*Grupos Aeromóviles de Fuerzas Especiales*, GAFES) to serve as troops to confront drug "cartels," including training and equipping hundreds of soldiers and the provision of seventy-three UH–1H helicopters.
- Assistance to continue efforts to vet, train and equip members of special anti-drug units within the Federal Investigative Agency (*Agencia Federal de Investigación*, AFI), army, navy and marines.[19]
- In the mid-1990s, the CIA also began providing training and support for an elite team of Mexican soldiers, the Center for Anti-Narcotics Intelligence (*Centro de Inteligencia Antinarcoticos*, CIAN), tasked with "developing the intelligence that is used to identify top drug traffickers and for designing strategies for dismantling drug cartels." [20]

Although U.S. security assistance had been almost completely focused on counter-drug issues for the past decade, this shifted after the attacks of September 11, 2001 and now the U.S.-Mexico security relationship also includes counter-terrorism and border security.

In 2007, Mexico received an estimated $59 million dollars in military and police aid from the United States and $28 million in economic and social aid. The budget requests for 2008 are for $47.39 million in military and police aid and $18.38 million in economic and social aid.[21] U.S. military and police aid will substantially increase if the larger counter-drug aid package negotiated between the United States and Mexico is finalized and funded by the U.S. Congress.



Taken from "Just the Facts", WOLA, LAWG, CIP: http://www.ciponline.org/facts/mx.htm

Defining police and military roles

Addressing drug trafficking and the ongoing corruption of Mexico's law enforcement agencies has been a policy focus of the federal government since the 1980s, as has been defining the role of Mexico's military to combat organized crime. During the administration of Miguel de la Madrid (1982–1988), efforts were made to purge agents that were linked to drug trafficking from the Federal Security Directorate (*Dirección Federal de Seguridad*, DFS). More importantly, in 1987, following the lead of U.S. President Ronald Reagan, de la Madrid declared drug trafficking a national security issue, opening the door for an increased militarization of drug control efforts, including law enforcement and intelligence tasks.

President Carlos Salinas de Gortari (1988–1994) also made efforts to purge the PGR of corrupt agents and restructure it, particularly within the counter-drug unit of the Federal Judicial Police. In 1988, Salinas established the Center for Drug Control Planning (Cendro) within the PGR as its intelligence analysis center and later created the National Institute to Combat Drugs (*Instituto Nacional para el Combate a las Drogas*, INCD) in 1992. The executive coordinating group of the INCD included representatives from the defense and navy ministries; this was the first time that the Mexican government had directly included the armed forces in counter-drug decision making bodies. In the 1989–1994 National Development Plan, President Salinas also declared drug trafficking a national security threat,[22] thus confirming the military's expanded role in counter-drug efforts.

The administration of President Ernesto Zedillo (1994–2000) was marked by the intensification of the use of the armed forces in counter-drug operations, as well as an expanding role for members of the military in civilian institutions and public security bodies. Zedillo's administration began to substitute Federal Judicial Police with members of the army in several areas of the country and placed high-ranking military officials within civilian law enforcement agencies, such as in the PGR's drug intelligence center.[23] Zedillo also established the National Public Security Council, which included the defense and navy ministries, broadening their role in decision making and policymaking on domestic public security issues, including drug control efforts.[24] In 1999, Zedillo created the Federal Preventive Police (*Policía Federal Preventiva*, PFP) to work to prevent federal crimes as well as to assist local and state agents in criminal investigations. At its outset, the PFP included around 5,000 military personnel—about half the total force—serving in positions that were supposed to be temporary until enough new civilian agents could be selected and trained.

During the Zedillo administration, the Defense Ministry issued the Azteca Directive, which established the military's permanent campaign against drug trafficking, including programs to eradicate drug crops, confiscate illegal drugs and combat organized crime. The Ministry also created the General Plan to Combat Drug Trafficking.[25] In what was to be the beginning of joint military-police operations, the military also began to support civilian law enforcement officials in counter-drug and other criminal control efforts through "mixed operations forces" (*bases de operaciones mixtas*).

The election of Vicente Fox from the National Action Party (*Partido Acción Nacional*, PAN) as the president in 2000 was hailed as a turning point in Mexico's development as a democracy. For the first time in 71-years, the PRI no longer controlled the presidency. President Fox turned public security and the problems facing Mexico's law enforcement agencies into top priorities, raising the military's profile in the anti-drug effort and bolstering cooperation with the United States. The Fox Administration's bolder approach was seen in, among other actions, the establishment of the Ministry of Public Security (*Secretaría de Seguridad Pública*, SSP) and the disbanding of the notoriously corrupt Federal Judicial Police force and its replacement with the Federal Investigative Agency, directed by the PGR, in 2001. In January 2003, there was a major reorganization of the PGR and all offices involved in counter-drug issues and organized crime were consolidated under the Deputy Attorney General's Office for Special Investigation into Organized Crime (*Subprocuraduría de Investigación Especializada en Delincuencia Organizada*, SIEDO).[26]

During the Fox administration, there were several efforts to purge law enforcement agencies of corrupt officials, most notably within the AFI, where over 800 agents have been under internal investigation for corruption or criminal acts since its creation in 2001. During the first two years of its creation, over 600 AFI agents were involved in illegal actions including kidnapping, torture, homicide, drug trafficking, organized crime and extortion. The PGR explained this corruption and involvement in illicit activities as a result of the presence of former judicial police agents within the new corps. Nonetheless, more than half of the agents implicated in these acts of corruption were new to the agency. In 2006, numerous AFI agents were captured in operations against criminal groups.[27]

President Fox presented to Congress in 2004 a series of proposals for public security and criminal justice reform. The proposed reforms included the establishment of oral trials[28], an explicit recognition of the "presumption of innocence" until proven guilty, the creation of a Ministry of the Interior (*Secretaría del Interior*) to replace the Public Security Ministry, and the joining together of the PFP and the AFI into one federal police force under this new ministry's command. While addressing important failings in the current criminal justice system, the proposal did not diminish the highly disputed use of preventive custody and it included the denial of due process guarantees for individuals accused of participating in organized crime, defined as any group of three or more people who conspire to commit multiple crimes. While minimal aspects of the reform were approved in Congress, the substantive part of the reform was not approved due to divisions and a lack of collaboration between the Fox Administration and opposition parties.

Like his predecessors, Fox continued to fill justice institutions with military personnel and further broadened the role of the military in public security tasks, particularly counter-drug operations. Upon assuming office, Fox named brigadier general and former military prosecutor Rafael Macedo de la Concha as Attorney General of Mexico. In his first few years in office, Fox also transferred eight entire army units and 1,600 members of several navy battalions to the PFP.[29] In his second state of the union address, Fox confirmed the expanded use of the military stating that "beginning in March 2002, special forces battalions were mobilized to support the territorial commands to carry out high impact and result-oriented operations in areas of critical and decisive importance, which allowed for the control of drug-trafficking and a more efficient fight against organized criminals."[30]

The growing reliance on the military became even more apparent in President Fox's launch of a military-dominated "Operation Safe Mexico" (*Operativo México Seguro*) in June 2005 to combat drug-related violence and corruption in the northern states of Tamaulipas, Baja California and Sinaloa, later expanded to Michoacán, the State of Mexico, Guerrero and Chiapas. The operation purged local police bodies infiltrated by drug-related corruption, deployed federal PFP and AFI agents and soldiers to the streets of cities affected by drug-related violence and crime, established military checkpoints in the cities to search cars and trucks, executed outstanding arrest warrants, boosted investigations into federal crimes, searched for illegal drugs and weapons, and detained wanted criminal suspects. Although "Operation Safe Mexico" was announced as a new strategy, the activities themselves replicated tasks normally carried out by federal agents, but now at a higher-level. According to Raul Pérez Arroyo, research head for the State Human Rights Commission of Sinaloa, "[t]he way in which President Vicente Fox has decided to combat the problem of insecurity and organized crime is no different from the traditional form in which other presidents, in their own six-year terms, have decided to eradicate organized crime or drug trafficking and the criminal groups that carry this out in Mexico: combating fire with more fire." [31]

The Fox Administration was also characterized by unprecedented cooperation with the United Stats in counter-drug efforts. To the satisfaction of U.S. officials, the Mexican government adopted aggressive tactics for tackling the drug trade including stepped-up arrests and the detention of top figures among several of the key drug trafficking organizations. In November 2005, Mexico's Supreme Court reversed a 2001 legal ruling that prohibited the extradition of criminals to another country if they would face life imprisonment, considering this to be against the Mexican Constitution and effectively blocking the extradition of many drug traffickers to the United States. The reversal of this ruling cleared the path for several extraditions; 63 were extradited to the United States in 2006 alone.[32] Additionally, in April 2006, the Mexican Congress approved a local-level drug dealing (*narcomenudeo*) law that would have given state and local law enforcement bodies a greater role in prosecuting local-level dealing, while also decriminalizing small amounts of drugs for personal use. Originally supported by President Fox, he vetoed the law in May 2006 under intense pressure from the United States.

Despite the policies and programs implemented by the Fox Administration, drug-related violence continued to escalate. It remained high throughout Fox's term and skyrocketed during his last full year in office, 2005.

Understanding the surge in violence

There is no sole explanation for the increase in violence since 2005, although many believe that it is due in part to the Fox Administration's strategy of targeting top "cartel" leaders, known as *los capos*, in the thinking that, once decapitated, the drug "cartels" would be weakened. The strategy was in some ways quite effective. In May 2001, the Mexican government arrested Adan Amezcua, the leader of the Colima "cartel." In March 2002, the head of the Tijuana "cartel," Benjamin Arellano Félix, was arrested, followed by the arrest one year later of Osiel Cárdenas, the leader of the Gulf "cartel." These arrests and others left power vacuums within the "cartels," resulting in internal disputes and, more importantly, an opportunity for other Mexican "cartels" to take advantage of their weakened opponent and use violence to gain control over new drug-transit routes and territories.

Another explanation for the rising drug-related violence in Mexico is the political reshuffling that took place when the PRI lost its historic control over the federal, state and local governments. Academic Luis Astorga argues that as the ruling party, the PRI served as a referee for the drug "cartels," regulating, controlling, and containing the drug trade, while also protecting drug trafficking groups and mediating conflicts between them.[33] As one former high-ranking PRI official told the *Washington Post*, "In the old days, there were rules. We'd say, 'You can't kill the police, we'll send in the army.' We'd say, 'You can't steal 30 Jeep Cherokees a month; you can only steal five.'" [34] As the PRI began to lose political power, culminating in the 2000 presidential elections, this control structure was weakened, resulting in diminished control over the "cartels." Faced with this, "traffickers resorted to violence to enforce deals with customers, settle scores with competing organizations, and intimidate or exact revenge against law enforcement agencies." [35]

Perhaps the most alarming characteristic in the surge in drug-related violence in Mexico is not the sheer numbers of killings, but the tactics adopted by the drug-traffickers to enforce their control, settle accounts and instill fear. This has particularly been the case with the rise in power of the hit men of the Gulf "cartel," known as the Zetas. A force created by "cartel" leader Osiel Cárdenas, who escaped from a federal maximum security prison in 2001, the Zetas were originally composed of elite soldiers from the Mexican special force groups, the GAFEs; it is believed that some Zetas may have received U.S. military training when they were part of this special force. Having inside knowledge of Mexico's security forces and highly specialized training in weaponry, intelligence gathering, surveillance techniques and operation planning, the Zetas are able to mount very effective operations. They are also very violent.[36] With the Zetas, and to a lesser extent similar groups created later within other "cartels," the past few years have been characterized by acts of chilling brutality including the torture, execution and burning of rivals; severed heads being set on stakes in front of public buildings or, in one incident, being rolled across a dance floor in a nightclub in Michoacán; pinning threatening messages directed at rival traffickers and law enforcement officials onto the murdered bodies of victims, and attacks and threats against reporters.

New administration, same strategy?

Winning the presidency of Mexico by a razor-thin and hotly disputed margin over opposition candidate Andrés Manuel Lopez Obrador of the Party of the Democratic Revolution (*Partido de la Revolución Democrática*, PRD), President Calderón began his administration with a quick and massive response to the drug-related violence affecting the country, deploying over 6,500 soldiers and federal police agents to Michoacán, followed by operations in several other states affected by drug trafficking and violence. In an effort to confirm his mandate as president, Calderón said he would apply the full force of the government's authority against the drug trade and would grant "no truce and no quarter" in combating organized crime.[37] Although the packaging may be different, the new government's strategy bears striking resemblance to the efforts of his predecessors described above.

Mexico's current counter-drug operations have been deployed in nine states and have involved over 27,000 soldiers, with agents from SEDENA, the Ministry of the Navy (*Secretaría de la Marina*), the Ministry of Public Security and the PGR. As a result of the operations and other counter-drug efforts, the Calderón Administration's first report on the state of the nation indicates that from January to June 2007 they interdicted 928 tons of marijuana, over 5.5 tons of marijuana seeds, 192 kilos (422 pounds) of opium gum, and 3.6 tons of cocaine. The government also reported the detention of over 10,000 people for drug crimes, including leaders and operators of seven drug trafficking organizations, the seizure of money and arms, and the eradication of over 12,000 hectares (29,000 acres) of marijuana and 7,000 hectares (17,000 acres) of poppies.[38]

In spite of these efforts, the drugs still flow and the violence continues, not only in the states traditionally known for drug-related violence, such as Sinaloa and Tamaulipas, but also states that had been relatively free from the scourge such as Veracruz and Nuevo Leon. The SSP reports that from January to June 2007 there were on average 248 drug-related killings per month, with the week of April 23–29th alone registering 94 such killings. On February 5, drug "cartel" assassins disguised as soldiers disarmed police at two stations in Acapulco and killed five officers and two secretaries. On May 11, four bodyguards of the governor of the State of Mexico were executed while escorting his family in the city of Veracruz. Days later José Nemesio Lugo Félix, the head of the PGR's organized crime center (*Centro Nacional de Planeación, Análisis e Información para el Combate a la Delincuencia*) was gunned down in Mexico City. Violence has reach such extreme levels in places like Monterrey, which until last year was one of the safest cities in Mexico, that even events as simple as children's birthday parties have been reported to be carried out indoors in venues with metal detectors and security guards to inspect the presents.[39]

Apart from the counter-drug operations that federal government has launched throughout the country, Calderón has proposed a series of reforms to public security institutions. In January, Calderón called on all levels and branches of the government, as well as civil society and the business sector to join him in the National Crusade Against Crime, similar to "crusades" announced by presidents Zedillo and Fox. More importantly, in March the federal government presented the "Integral Strategy to Prevent and Combat Crime." This strategy proposes the merging of Mexico's four federal police forces, the creation of a national criminal database, the professionalization of federal police and mechanisms to combat police corruption, penitentiary reform, and the active participation of civil society in crime prevention.[40] Government officials estimate that it will take at least a year for the strategy to be functioning at 80% and that it may take up to three years for it to be completely functioning, given infrastructure problems, the need to hire more personnel, and the legal reforms that need to be passed in Congress.[41]

If the Calderón Administration can muster the political will to fully implement this strategy, it could represent an important transformation of Mexico's security bodies, strengthening police investigative capacities, ensuring more accountability and enhancing coordination among the different agencies and control and oversight over the penitentiary system. In June the government suspended 284 police officers from the PFP and AFI, including 34 state and Federal District police chiefs, pending probes into their possible links to organized crime or drug trafficking. This is a positive step, but like past purges of Mexico's law enforcement agents, it will accomplish little without the implementation of more structural reforms.

Likewise, while these efforts are important, several academics and organizations, including the Network of Specialists in Public Security, made up of 55 academics and 30 non-governmental organizations, have expressed their concerns on the security policy presented in the National Development Plan 2007–2012, many of which reflect the proposals presented in the Integral Strategy to Prevent and Combat Crime. Their critiques include a concern that the Plan "appears to be more of a contingency plan in the light of an emergency situation and not a solid plan that provides guidance for a long-term path to follow; it is directed more at solving problems that the government views as a threat and not the problems that concern citizens; it confuses insecurity with organized crime and identifies this with drug trafficking; the security policy is presented in isolation from other policies, therefore failing to create an integral security policy; and the plan deals more with measurable results than with the profound transformations needed within the police and justice institutions" among other issues.[42]

Parallel to the public security strategy, President Calderón submitted to the Mexican Congress a series of constitutional reforms to Mexico's justice system to address insecurity in the country. While his proposal established the basis for purging police forces of corrupt officers through more agile mechanisms, the proposal for the expansion of the ability of federal prosecutors and the police to arrest people, conduct searches, and intervene in personal communications without the need for a warrant from a judge has provoked strong opposition from several sectors. The Calderón proposals have yet to be fully debated in Congress, but PRI Senator Manlio Fabio Beltrons said that "none of the proposals that harm individual guarantees will be approved."[43] The PRI and the other opposition parties have worked on alternative justice reform proposals. Given that no party has a majority in Congress, the debates on these reforms promise to be heated and it remains to be seen which elements may be approved. The Network for Oral Trials, made up of representatives of the business sector, academic institutions, non-governmental organizations, and constitutional law experts, among others, has strongly opposed several aspects of President Calderón's proposal because they compromise guarantees for basic rights and reduce the already weak state controls over police and public prosecutors.[44]

While it is too soon to assess the new administration's effectiveness in combating organized crime, the failure of similar strategies in the past does not bode well for the new government. President Fox had also announced plans to professionalize the police, combat corruption and reform the prison system in his National Development Plan 2000–2005, yet no substantive reforms were implemented. The counter-drug operations are a larger scale replica of President Fox's Operation Safe Mexico. The continued violence in states targeted in that operation like Tamaulipas, Sinaloa and Michoacán suggest that more than a massive show of force is needed to address the problem. Key elements of a potentially successful counter-drug policy are being put into place, but the Calderón Administration will need long-term political will to deliver on what it has planned. Mexico's creeping dependence on the armed forces to address the country's public security problems should not be considered a long-term solution.

The dangers of militarization

On the evening of June 1, 2007, the Esparza family was driving in their pickup truck in the community of La Joya de los Martínez, in Sinaloa, when they failed to stop at a military checkpoint. Soldiers from the 24th Regiment of the Motorcycle Calvary opened fire on the vehicle, killing two women and three children. The surviving members of the Esparza family stated that they saw no military checkpoint and that the soldiers had refused to help the injured. The National Human Rights Commission established that none of the individuals who were killed or injured had fired any weapons. While the Defense Ministry detained 19 soldiers for the crimes and compensated family members and the injured, the incident stands as a stark reminder of the risks involved in deploying the Mexican military to do police work.[45]

Like his predecessors, President Calderón has embraced the use of the Mexican armed forces to combat drug trafficking. They are the predominant force in counter-drug operations. The Defense Ministry has assumed full charge over drug-eradication efforts, including fumigation, and in May 2007, President Calderón created the Special Support Force (*Cuerpo Especial de Fuerzas de Apoyo del Ejército y la Fuerza Aérea Mexicana*), composed of army and air force personnel to combat organized crime.

While the use of the Mexican military in counter-drug operations is understandable given the scale and scope of the violence affecting the country and the enduring problem of police corruption and lack of training, there are clear dangers to military involvement in domestic law enforcement operations. More often than not, reliance on the military diverts attention and resources from undertaking the necessary steps to strengthen the civilian police, intelligence apparatus and the judiciary. Military forces are trained for combat situations, in which force is used to vanquish an enemy. In contrast, domestic law enforcement forces are trained to use the least amount of force possible and to work with local communities. The difference in roles and tactics means that conflict and abuses are virtually inevitable when the military is brought into a law enforcement role.

In another incident in Michoacán in May 2007, soldiers fired grenades into a house where suspected "cartel" members were hiding, killing them instead of arresting and interrogating them. The CNDH has also implicated members of the armed forces in human rights violations, including torture, arbitrary detentions and sexual assault, in counter-drug operations in Michoacán.[46] Regional and international human rights bodies have repeatedly recommended to the Mexican government that human rights abuses committed by members of the military against civilians be investigated and tried by civilian justice institutions as impunity prevails when these abuses are probed by the military justice system, which lacks independence and impartiality.

The Mexican military has the reputation of being one of the most closed and secretive in Latin America. Civilian oversight and control of the military is sorely lacking, making it more vulnerable to the corrupting influence of the drug trade. Between 1995 and 2000 more than 150 soldiers and officers were tried for drug-related crimes. At least three army generals have been convicted of crimes related to drug trafficking since 1997, including the Mexico's top anti-narcotics officer under President Zedillo, General Jesús Gutiérrez Rebollo.[47]

The continued deployment of soldiers to fight organized crime exposes them more deeply to corruption. It is estimated that one in eight soldiers deserts every year, and "cartel" members reportedly entice troops with large sums of money to change sides. From 1994 to 2000, 114,000 soldiers deserted the army, with very little tracking of what happens to the deserters.[48] While the Zetas are the most notorious case of the drug trade's lure of money and power, they are not the only ex-soldiers who have left the armed forces to work for the "cartels." In a recent incident in May, several members of an armed convoy of traffickers that invaded the town of Cananea, Sonora and killed seven people, including 5 policemen, were former soldiers.[49]

A rising consumer population

In addition to the disturbing rise in drug-related violence, Mexico is also suffering from increased domestic drug abuse. As a transit and producer country there is a steady flow of drugs through Mexico. As in other transit countries, the payment in kind between drug trafficking organizations results in a greater availability of drugs in the country and an increase in small-scale drug dealing as local markets are sought for the drugs. While marijuana continues to be the main drug used by Mexicans, followed by cocaine, there has been an alarming increase in methamphetamine use, exacerbated as Mexican "cartels" try to make a profit in this new drug at home. This problem has become particularly acute in cities on the U.S. border. For example, it is estimated that among Tijuana's 1.4 million residents, there are over 100,000 methamphetamine addicts.[50]

The response from the Mexican health and education sectors in treating addictions has been criticized as deficient and erratic. Mexican expert on addictions Haydée Rosovsky states that "preventive efforts in Mexico in general are characterized as being broken up between different institutions or organizations with a variety of discourses. . . . There is no public policy regarding drugs that supports solid, persistent and evaluated programs, as there has not been enough political will in our country for such a policy."[51]

The National Development Plan 2007–2012 lays out objectives for more prevention campaigns and rehabilitation measures in Mexico. This includes the "Let's Clean Mexico" (*Limpiemos México*) initiative by which the government will build 300 specialized units throughout Mexico to treat addictions. Another component of the initiative is the Safe School Program, which aims to detect consumption of illegal substances in schools.[52] This program proposes drug tests and written questionnaires about drug use by elementary and middle school children. While both proposals stipulate that these tests will not be done without parents' consent, they have been questioned by the National Human Rights Commission, Mexican human rights organizations, and members of Congress from the PRI and PRD for their potential violation of children's rights.

While it is too soon to provide an assessment of these efforts, the priority given in the federal government's discourse to attending to addictions may be an important indicator for future policies. Recently, the National Council Against Addictions (*Consejo Nacional contra las Adicciones*, Conadic), part of the Ministry of Health, was granted approximately 68 million dollars as part of the over 206 million seized from Zhenli Ye Gon, a trafficker of pseudoephedrine into Mexico. The money will be used to establish the 300 prevention and treatment units detailed in the National

Development Plan.[53] This additional funding in part addresses critiques on the deficient amount of resources granted by the new administration to address addictions. Previously Conadic had stated that the Mexican government designates only one peso to prevent addictions for every 16 that is spent in the fight against drug traffickers. According to the Interior Ministry (*Secretaría de Gobernación*), the federal government issued 732,000 television and radio spots on the campaign to combat drug trafficking and crime between December 1, 2006 to April 30, 2007. None of the messages, which have highlighted the government's joint operations and drug interdiction efforts, mentioned the issue of drug prevention in Mexico.[54]

Looking toward the future: U.S.-Mexico cooperation

In his first published interview with the foreign press after assuming office, President Calderón affirmed that "the U.S. is jointly responsible for what is happening to us . . . in that joint responsibility the American government has a lot of work to do. We cannot confront this problem alone."[55] The president and members of his administration have maintained this position with the United States, continuously calling on the U.S. government to do more to combat drug trafficking, curb U.S. demand for drugs, and enhance control over weapons sales that facilitate trafficking into Mexico.

The Calderón government has continued to cooperate with the United States, extraditing 64 criminals in the first eight months of 2007,[56] including so-called Gulf Cartel leader Osiel Cárdenas Guillén and three other kingpins. Police assistance programs continue, the DEA trained over 2,000 Mexican police on ways to effectively combat methamphetamines in the past year,[57] and the FBI has helped train Mexican police to detect the kinds of drugs now being sold in Mexico.

Apart from this cooperation, for several months Mexico and the United States negotiated a financial assistance package to combat drug trafficking in Mexico. At this writing, mid October 2007, the precise details and specific amounts of the assistance have not been made public. A larger cooperation package between the two countries could be an opportunity to promote systemic changes in Mexico if it is focused on the structural reforms that need to be implemented to effectively combat drug trafficking; more equipment, training and the creation of specialized forces will not have the desired effects without profound reforms to the police and justice systems. Nevertheless, various press reports suggest that the package may not significantly diverge from traditional U.S. counter-narcotics assistance to Mexico, as they have cited the following as possible areas of cooperation: equipment for wire tapping, improvement in communication and electronic systems to better monitor Mexico's airspace, aircraft and military equipment, more intelligence sharing, training, and strengthening the rule of law in Mexico.

In a news conference held at the North American Summit in Quebec, Canada on August 21, 2007, both President Bush and President Calderón called the aid package the development of a common strategy to deal with the common problem of drug-trafficking and violence along the U.S.-Mexico border. Calderón particularly emphasized that the United States must also do its part, stating that "I am calling upon my neighbor in order to act in a coordinated way, because it's a situation we both have to face. It's a problem that affects [the] two countries, and only together will we be able to solve it."[58]

Apart from calling on the United States to do more to address drug consumption at home, Mexico has urged the Americans to crack down on gun sales that fuel illegal arms trafficking into Mexico. Mexican authorities estimate that more than 90 percent of the weapons that they confiscate were originally purchased in the United States. Cooperation on this matter has increased. U.S. officials now train Mexican police and customs officials to properly trace weapons, U.S. authorities have donated dogs trained in detecting various types of explosive powder, and there are plans to provide X-ray scanning equipment for increased inspection of vehicles entering Mexico from the United States.[59] In spite of these measures, weak U.S. gun regulations continue to make it easy to purchase weapons, facilitating their flow into Mexico. Many states, such as the border states of Arizona, New Mexico and Texas, do not limit the number of purchases of handguns, assault weapons, or magazines. Furthermore, although background checks are required for purchasing guns from licensed dealers, this is not the case for sales at gun shows, where an individual can buy an AK–47 for less than one thousand dollars and take it home, no questions asked.[60] In light of this loophole, criminals may pay people with clean records to purchase these weapons for them and then transport them into Mexico.

Given that U.S. demand drives drug trafficking in Mexico and loose regulations governing gun sales facilitates illegal arms trafficking into the country, U.S. policymakers need to recognize their shared responsibility for the drug-related violence and drug trade in Mexico. Additional U.S. assistance to Mexico could be a real opportunity to reinforce systemic change in Mexico if it is directed at the structural reforms Mexico needs to effectively tackle this situation. For instance, U.S. police assistance programs should be modified to help Mexico restore public order and security, shifting from an emphasis solely on training and equipment to the transformation of command structures, incentives, and controls within the police to ensure that there are mechanisms for oversight and accountability in order to detect, deter and reduce corruption. Support for broad-based reform of the criminal justice system, which would improve investigative techniques and generate more citizen confidence in the police and legal system would also be important. Any additional assistance should also include oversight mechanisms to ensure respect for due process guarantees and human rights.

Conclusions

"This is not an easy task, nor will it be fast," President Calderón told an assembly of Mexican army officers shortly after assuming office. "It will take a long time, requiring the use of enormous resources and even, unfortunately, the loss of human lives."[61] It is clear that there is no quick fix to the drug-related violence plaguing Mexico. Continuing drug demand from both north of the border and increasingly within Mexico itself, widespread poverty that leads to involvement in drug cultivation and dealings with traffickers, and structures that permit corruption, all allow the drug trade to remain lucrative and attractive in the country. Such a dynamic creates an ideal environment for drug-related corruption and violence to flourish.

More than 20 years of efforts to address the problems related to drug trafficking through increased law enforcement efforts and the use of the military have repeatedly shown themselves to be insufficient. In the end, police and justice systems need to function effectively to combat drug trafficking and organized crime in Mexico. Enhanced cooperation, intelligence and police training; more internal and external control mechanisms; and measures to combat corruption, as stipulated in the strategy presented by the federal government to address the security crisis that confronts Mexico, would be steps in the right direction as long as they are promptly and full implemented. Reforms to the criminal justice system, including changing from an inquisitory to an adversary system, are also important and necessary. None of these reforms should sacrifice due process guarantees or human rights in the name of combating organized crime.

While strengthening Mexico's institutions is vital, this must be accompanied by efforts to curb drug consumption. Mexico previously affirmed that the "most effective means of reducing drug production and trafficking is the gradual reduction in current and future drug consumption."[62] This call needs to be translated into actions by Mexico and the United States to provide more funding for evidence-based prevention programs and improved access to rehabilitation. After years of deficient results, it should be clear that Mexico cannot be expected to tame its drug violence without the United States doing more to curb drug demand; likewise, a cut in U.S. demand will not, by itself, address the corruption and institutional weaknesses that have dogged Mexico's police forces. Neither country can solve the problem for the other, nor can either solve it alone. A new ethos of cooperation and collective action, with a focus on long-term policy, will be needed for the two neighbors to overcome their joint drug problem.

Mexico is currently at a crossroad. The federal government can continue to implement different versions of past strategies, which have resulted in short-term impacts without producing long-term change, or it can seize this moment and take the steps necessary to implement the structural reforms Mexico needs. U.S. policymakers, as they discuss the current aid package and in future relations, can also play a role in helping Mexico restore public security but supporting reforms to the police and justice systems, while making stronger commitments to reduce U.S. demand for illicit drugs and more controls over arms sales in the country.

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The Beckley Foundation Drug Policy Programme (BFDPP, www.internationaldrugpolicy.net) is a non-governmental initiative dedicated to providing a rigorous independent review of the effectiveness of national and international drug policies. The aim of this programme of research and analysis is to assemble and disseminate material that supports the rational consideration of complex drug policy issues, and leads to more effective management of the widespread use of psychoactive substances in the future. The Beckley Foundation Drug Policy Programme and WOLA are members of the International Drug Policy Consortium (IDPC, www.idpc.info), which is a global network of NGOs specialising in issues related to illegal drug use and government responses to the related problems. The Consortium aims to promote objective debate on the effectiveness, direction and content of drug policies at national and international level.

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