

**THE MERIDA INITIATIVE: ASSESSING PLANS TO  
STEP UP OUR SECURITY COOPERATION WITH  
MEXICO AND CENTRAL AMERICA**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON FOREIGN AFFAIRS**  
**HOUSE OF REPRESENTATIVES**

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

NOVEMBER 14, 2007

**Serial No. 110-135**

Printed for the use of the Committee on Foreign Affairs



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

U.S. GOVERNMENT PRINTING OFFICE

38-938PDF

WASHINGTON : 2008

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## **THE MERIDA INITIATIVE: ASSESSING PLANS TO STEP UP OUR SECURITY COOPERATION WITH MEXICO AND CENTRAL AMERICA**

**WEDNESDAY, NOVEMBER 14, 2007**

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:04 a.m., in room 2172, Rayburn House Office Building, Hon. Tom Lantos (chairman of the committee) presiding.

Chairman LANTOS. The committee will come to order.

At a time when over 90 percent of the cocaine arriving in the United States is coming through the Mexico-Central America corridor, it is essential that we ratchet up our cooperation with our neighbors to the south to put an end to this deadly flow.

The appalling violence associated with the drug trade and with the vicious criminal gangs that run it cries out for vigorous, joined action by the governments of the region. The administration's announcement of a new, \$1.5 billion initiative to enhance our security cooperation with Mexico and Central America is long overdue. The question we will have to answer is whether this is the right initiative.

Let me first note the obvious concern we have on the committee, that the administration's policy is on the symptom, the massive flow of drugs from Latin America to the United States, rather than the cure, which would clearly be long-range, balanced, economic development in the region.

Without any question, if we beef up law enforcement and border security, there will be positive consequences. The question is, will the trade merely move in another direction?

I also find it disturbing that the administration did not involve its co-equal branch of Government, the United States Congress, in developing this initiative. As a matter of fact, we first learned of the initiative from the media, and for an administration which is not particularly noted for its bipartisanship, this cavalier disregard of congressional concern is deeply disturbing.

There is also an issue of the division of the proposed aid program between Mexico and Central America. Central America, in this proposal, receives \$50 million; Mexico, 10 times that amount, and whether this is the right ratio or not is certainly open to question.

The hope that the legendary corruption in the Mexican police apparatus will somehow diminish or disappear as a result of this proposal strikes me as also naive. As one Mexican analyst put it re-

cently, “We may be exchanging a corrupt and badly equipped force with a corrupt and well-equipped police force, and whether that represents a step forward is very much of an open question.”

Two hundred and eight million dollars of the proposed \$500-million package for Mexico is for helicopters. The question remains, what are the mission requirements of these helicopters? How will Mexico use the aircraft? What restrictions do we contemplate on putting the use of the aircraft? How will we monitor the use of the aircraft?

The reports in the media are that this is a 3-year plan. We are currently in the seventh year of Plan Colombia, with no end in sight. Is the Mexico plan equally open ended? How will we define, and how will we measure, success? Where will subsequent money come from for this plan? Latin American-assistance budgets have been steadily declining, and a very large portion of the amounts Latin America does get are taken up by Plan Colombia. Will 2009 money for this plan also be taken from existing Latin American funds?

This is not the first attempt to provide helicopters for counterdrug use. Twelve years ago, 73 helicopters were given to Mexico. They were used, did not work well, and we ended up with the Mexicans giving them back to us. The Mexican military also singularly dislikes end-use monitoring requirements, without which Congress will not approve this measure.

Training is an important part of this program, and the training is a very important element in stemming the flow of drugs, but it is reported that prior counterdrug training resulted in a significant number of individuals, well trained, becoming members of drug traffickers’ military units, and, as a result of our training, using sophisticated military tactics, intelligence gathering, and operational training. Training can be dangerous because it can make corrupt forces more effective.

I look forward to our distinguished witnesses’ presentations, and I now turn to my friend and colleague from Florida.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman, for calling this hearing. I look forward to hearing from our panelists today.

As we know, after months of historic negotiations between the two governments—the Government of Mexico and our Government here in the United States—President Bush announced the Merida Initiative on October 22nd. Developed as a plan of increased cooperation between our two nations to fight the threat of drug trafficking and transnational crime in our Western Hemisphere, the Merida Initiative rightly aims to defeat the perilous threats endangering the youth and prosperity of our Nation today.

Due to the timing limitations on the existing Fiscal Year 2008 foreign assistance budget and the appropriations process already underway, the President wisely asked for \$500 million in a supplemental request. This will be part of an expected \$1.4 billion, multi-year program to fund this vital effort for greater security, cooperation with Mexico. An additional \$50 million was requested to assist Central America, also a major transit zone for illicit drugs.

We all face the same challenges and threats, whether it is Guatemala, Mexico, or right here in our own side of the border. The chal-

lenge is one of shared responsibility by all of the nations in this deadly chain. I am hopeful that Congress will act on the President's request in a timely and constructive manner. The request comes at a unique time, when the source zone and transit zone efforts in the whole area of Central America, but, specifically, Mexico, are all starting to pay big dividends, particularly on the deadly cocaine front.

Mexico had a recent record seizure of more than 20 tons of cocaine worth \$2.7 billion, by some estimates. This shipment, headed to here to the United States from Colombia through Mexico in a Hong Kong flagged ship shows that Mexico is serious about tackling this challenge. It also makes the point that we need a source-nation strategy in places like Colombia and aggressive interdiction all along the way here.

We should not be cutting Plan Colombia now either. I note for the record that, in the second quarter of this year, the White House Office of National Drug Control Policy found that, along with falling purity levels, there was a 44 percent increase in the retail price of cocaine, and major shortages of it were found in 37 cities across our Nation.

All of these factors make the deadly drug less attractive to young people.

The blame game and the finger pointing, which have hindered cooperation between our two countries over the issue of narcotics, has hopefully ended with the unveiling of this initiative. We must prepare to fight an unprecedented new wave of related violence. The interests of both countries are well served by our joint efforts to curb the drug violence together. It threatens not only Mexico's economic well-being and its democratic institutions but our own Nation's security and the well-being of our young people.

The challenges ahead are significant on both sides of the border, in particular, the issue of corruption that so often flows from the deadly and lucrative drug and organized crime business. Much needs to be done and sooner rather than later. The administration ought to consider assigning a senior official to administer this initiative, someone skilled in the handling of such a large, complex, counternarcotics, multi-agency, aid package that involves aircraft and maintenance of planes and helicopters with the Mexican military.

We are likely to get only one chance to get this right, to make this joint drug-fighting effort work, and we have got to make sure that we get it right.

Mr. Chairman, thank you for calling this hearing, and I look forward to the panelists today. Thank you.

Chairman LANTOS. Thank you very much. I am pleased to recognize the distinguished chair of the Western Hemisphere Subcommittee, Mr. Engel, for 3 minutes.

Mr. ENGEL. Thank you, Mr. Chairman. I very much appreciate your calling today's hearing to discuss the Merida Initiative, and I welcome our witnesses, including our good friend, Tom Shannon, to our committee.

The \$550 million in United States security assistance for Mexico and Central America is a small fraction of the \$46 billion Iraq War supplemental sent to us by President Bush, but for those of us in

Congress overseeing United States policy toward Latin America, it is extremely significant.

As you know, I held a hearing on the Merida Initiative when it was first announced last month. At that hearing and before, I expressed my disappointment at the administration's failure to consult Congress as the plan was being developed. I continue to be disturbed at the poor information flow from the administration on the Merida Initiative. After asking for a complete budget justification for the program, for weeks, my staff only just received it at 5 o'clock p.m. yesterday. It is really not acceptable.

First, we were not consulted nor had any input in the plan as it is being developed, and now we have to borrow, beg, and cajole for information for budget justification, and we just received it yesterday. Sometimes I think that the administration views us as a mere irritation rather than as a co-equal branch of government. It is just truly not acceptable at all.

Let me say 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-Mexico border.

In a letter that Western Hemisphere Subcommittee Ranking Republican Dan Burton and I sent to President Bush this morning, we urged him to look beyond foreign assistance for Mexico and Central America and to augment efforts here at home to curb the flow of arms from the United States into Mexico and reduce United States demand for drugs.

In the Joint U.S.-Mexico Statement on the Merida Initiative, I was pleased to read that "the U.S. will intensify its efforts to address all aspects of drug trafficking, including demand-related portions."

In our letter to the President, we urged him to add funding for our drug demand reduction efforts in his Fiscal Year 2009 budget. Funding for domestic drug prevention and treatment programs has been steadily declining since Fiscal Year 2005. I believe that this is no way to show our commitment to our partners in Mexico, Central America, and elsewhere who are combating narcotraffickers on a daily basis and hope this will change in the coming years.

I also believe that we must do a better job at curbing the flow of weapons from the United States to Mexico. Mexican authorities estimate that 90 percent of the weapons that they confiscate were originally purchased in the United States. I am told by the State Department that the U.S. has signed, and is in compliance with, the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms and Munition Explosives and Other Related Materials. I hope that this treaty can be quickly ratified in the Senate.

Finally, I sincerely hope that the Merida Initiative will not just be another short-term, drug war strategy. 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.

The Merida Initiative urgently needs a planning component to keep us one step ahead of the narcocriminals so that when the

drug trade emerges in the Caribbean or elsewhere, we will be prepared to fight it there.

As many of you know, drug flows through Haiti and the Dominican Republic have substantially increased in recent years. Operation Rum Punch took place in Haiti earlier this year and was extremely successful at a very low cost.

Finally, as we think about a longer-term, United States counterdrug strategy, I urge the President to quickly reinstate Operation Rum Punch, and I also hope that its counterpart in the Dominican Republic, Operation Broken Bridge, will be finally funded.

Mr. Chairman, thank you again for calling today's hearing, and I look forward to hearing the testimony.

Chairman LANTOS. Would any other colleague like to make an opening statement? The gentleman from Colorado, Mr. Tancredo.

Mr. TANCREDO. Thank you, Mr. Chairman. I am certainly glad that you called this hearing. Considering the lack of information that the Congress has been able to obtain with regard to this particular program, it is deeply concerning to me. When we talk about providing aid to Mexico to combat drug cartels, it is difficult to really assess the value of our effort, especially when, to a large extent, Mexico is a drug cartel.

The degree of corruption inside the government is so great, and inside the military, that it is hard to see where the government ends and the cartels begin. We see this, of course, on the borders all the time, with incursions from the Mexican military or, in fact, people who are identified as civilians dressed in military uniforms but using military equipment who are protecting drug shipments into the United States.

Over 225 times in the last few years, we have identified and documented incursions into the United States by members of the Mexican military or members of the Mexican Federal Police. This is all in connection with drug activity. I find it difficult to believe that we can trust the Government of Mexico to use the money and equipment wisely, and I am extremely concerned about the fact that we have not had enough information given to the Congress to make a good decision on this, and so that is why I really appreciate your calling this hearing.

Chairman LANTOS. Thank you very much. The gentleman from Texas, Mr. Hinojosa.

Mr. HINOJOSA. Thank you, Chairman Lantos, and thank you to Ranking Member Ros-Lehtinen for conducting this timely hearing on an issue of great importance to both the Nation and to my district in South Texas.

As a lifelong resident of the southern border region, America's relationship with Mexico is of great importance to me, to my constituents, to our chambers of commerce, our economic development corporations, and other stakeholders.

For far too long, our Nation has focused its attention upon far-away lands on the other side of the world while our relationship with our closest of neighbors has languished. While current and past administrations shoulder much of the blame for our history of inattention to Mexico, Congress has been complicit in this failure.

When our Nation has needed to show compassion and understanding for the Mexican people, this Congress has been unable to



agree on a comprehensive immigration plan befitting of our American heritage.

When our Nation should be celebrating our partnership and common interests with a close geographic ally, this Congress has literally built a wall, a fence, between ourselves and Mexico. This is no way to treat a friend and a neighbor, our third-largest trading partner.

Thank you for giving me this opportunity to express my thoughts, Mr. Chairman. Although not a solution to all of the deficiencies in our relationship with Mexico, the Merida Initiative is a step in the right direction, and I support that. Border residents are keenly aware of the violence and the dangers of the drug trade and the criminal networks that span our continent.

While based within Mexico, these criminal cartels are an affliction—

[The prepared statement of Mr. Hinojosa follows:]

PREPARED STATEMENT OF THE HONORABLE RUBÉN HINOJOSA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Thank you, chairman Lantos, and thank you to ranking member Ros-Lehtinen for conducting this timely hearing on an issue of great importance to both the nation and to my district in South Texas.

As a lifelong resident of the southern border region, America's relationship with Mexico is of great importance to me, my constituents, and our chambers of commerce and economic development corporations. For far too long, our nation has focused its attention upon far-away lands on the other side of the world while our relationship with our closest of neighbors has languished.

While current and past administrations shoulder much of the blame for our history of inattention to Mexico, Congress has been complicit in this failure. When our nation has needed to show compassion and understanding for the Mexican people, this congress has been unable to agree on a comprehensive immigration plan befitting of our American Heritage. When our nation should be celebrating our partnership and common interests with a close geographic ally, this congress has literally built a wall between ourselves and Mexico. This is no way to treat a friend and neighbor and our third largest trading partner!

Although not a solution to all of the deficiencies in our relationship with Mexico, the Merida initiative is a step in the right direction. Border residents are all keenly aware of the violence and dangers of the drug trade and the criminal networks that span our continent. While based within Mexico, these criminal cartels are an affliction of the entire continent and must be addressed through national partnerships and cooperation.

Mr. Johnson and Mr. Shannon, I appreciate your testimony here today. Thank you.

Chairman LANTOS. The gentleman's time has expired. The gentleman from California, Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. I would just like to suggest to the administration that they pay attention to Subcommittee Chairman Engel's statement about the lack of cooperation. What he expressed, being kept out of the loop and not being given the adequate information that he needed, as chairman of the subcommittee, on an issue as important as this, reflects a general attitude that I have seen in this administration, which is taking the Congress and taking the role that we play, as elected members of the legislative body, for granted, not just for granted, but they actually do not hold us in very high esteem, obviously.

If they expect us to cooperate on foreign policy initiatives like this, they had better darned well understand that we are partners. The legislative branch has to be a partner in this, and this, again,

is unacceptable. I would support Mr. Engel and all of our efforts, especially those of you, Mr. Chairman, to make sure that we are playing our role, and we should not be treated this way.

So I am looking forward to this hearing. I am perplexed by our relationship with Mexico, and I am interested in learning more about what the future holds. So thank you very much.

Chairman LANTOS. The gentleman from North Carolina, Mr. Miller. The gentleman from Georgia, Mr. Scott.

Mr. SCOTT. Thank you very much, Mr. Chairman. This represents something that is terribly wrong with this administration and its dealings with the Congress. It is ironic that President Bush, in announcing his recent veto of the Labor-HHS Education Appropriations Bill, said that Democrats are being reckless with the American people's money. He complained that we are spending too much and not trusting the American people to determine how their own money should be spent and consistently using the tired, old epithet, "Tax and spend liberals."

Yet we find ourselves here today discussing almost \$1.5 billion of the American people's money that was promised to Mexico and Central America without any consultation with, or input from, the duly elected representatives of the American people, the United States Congress. Moreover, much of this funding was requested as part of an emergency war supplemental spending bill which does not require offsets.

So what do we have here? The President is decrying Democrats, on the one hand, for spending too much and attaching too many extraneous provisions to spending bills, even though those spending bills do not increase the deficit. Yet, on the other hand, the President is willing to give away \$550 million of the American people's money, running the nation even further into debt, and not allowing them, through their representatives in this body, a say in the matter by attaching it to a completely unrelated war spending bill.

I hope that irony is not lost on you today, Ambassador Johnson and Assistant Secretary Shannon, and I hope that you will carry this message back to the President, that we are tired of being ignored, we are tired of the treatment from this White House, and that the Congress of the American people will not be shut out of this debate on this or any other similar proposal, and we hope that President Bush will finally do well to practice what he preaches. Thank you.

Chairman LANTOS. The gentleman from New Jersey, Mr. Sires.

Mr. SIRES. I have no opening remarks, Mr. Chairman. Thank you very much.

Chairman LANTOS. Thank you very much.

We are pleased to have with us today two experienced career diplomats, Dr. Thomas Shannon, Assistant Secretary of State for Western Hemisphere Affairs; and David Johnson, Assistant Secretary, Bureau of Narcotics and Law Enforcement Affairs.

Dr. Shannon is a career Foreign Service Officer whose distinguished service to our country has included assignments in Guatemala, Brazil, and a number of African countries. Over a 4-year period, beginning in 2001, he held five different positions at the State Department and the National Security Council, each one of them

senior to the last. He has been in his current assignment since October 2005.

He did his undergraduate work at William and Mary and earned his M.A. and Ph.D. in politics at Oxford University.

We are pleased to have you, Secretary Shannon. You may proceed.

**STATEMENT OF THE HONORABLE THOMAS A. SHANNON, JR.,  
ASSISTANT SECRETARY, BUREAU OF WESTERN HEMI-  
SPHERE AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. SHANNON. Thank you very much, Mr. Chairman. Mr. Chairman, Ranking Member Ros-Lehtinen, and members of the committee, thank you for the opportunity to discuss the Merida Initiative and the new paradigm that it represents for regional security cooperation among the United States, Mexico, and the countries of Central America.

As noted, the President has asked for \$550 million for the Merida Initiative in the supplemental budget request. Five hundred million of that funding would go to Mexico as the first tranche of what we hope will be a \$1.4 billion multi-year security cooperation package, and \$50 million would target Central America.

This is an important moment in the fight against transnational drug trafficking and organized crime and one that requires urgent action on the part of all nations involved. President Bush recognized that the United States has an unprecedented opportunity to reduce the economic and human toll in our cities and towns emanating from cross-border organized crime.

The Governments and citizens of Mexico and Central America have recognized the threat to their own stability and prosperity. They are taking courageous steps to confront these criminal elements and are now seeking U.S. support to ensure a comprehensive and integrated regional effort.

Over the past decade, drug trafficking and other criminal organizations have grown in size and strength, aggressively seeking to undermine and intimidate government institutions in Mexico and Central America, compromising municipal and state law enforcement entities, and substantially weakening these governments' ability to maintain public security and expand the rule of law. This proliferation has generated a surge in crime and violence throughout the region, including in the United States.

We have seen the emergence of gangs as major social actors, the corruption of the police, judiciary, and prison systems, and the growing popular demand for governments to respond to the threat posed by these criminal organizations.

The effects of this growing problem are also readily apparent in the United States in the form of gang violence, crime, and higher rates of trafficking in persons and illegal drugs, all of which threaten our own national security and impose mounting economic costs.

None of what I have described above will come as a surprise to our partners in the region. These leaders have used some of the same language to describe and acknowledge the challenges they are facing, and they are acting on it. The leaders of these nations are already working to beat back violence and crime for their citizens, and they have turned to us to join them as partners.

In Mexico, President Calderon has acted decisively, using the most effective tools at his disposal. He is reorganizing the Federal police, putting new and additional resources in the hands of his security services, deploying military units to support police operations, rooting out corrupt officials, attacking impunity, arresting major crime figures, and extraditing a record number of drug kingpins—

Chairman LANTOS. Will you please suspend? The chair notes that there is a disturbance of the committee proceedings. The committee will be in order, and I would like to formally request that those in the audience causing the disruption cease their actions immediately; otherwise, they will be ejected. Please proceed.

Mr. SHANNON. Thank you, Mr. Chairman. He is reorganizing the Federal police, putting new and additional resources in the hands of his security services, deploying military units to support police operations, rooting out corrupt officials, attacking impunity, arresting major crime figures, and extraditing a record number of drug kingpins and other criminals to the United States.

However, President Calderon has recognized that leadership and political will are not enough. He needs greater institutional and material resources to ensure both near-term success and long-term institutional change. In an unprecedented step, he has asked the United States to launch a new partnership with Mexico and to help him strengthen Mexican law enforcement, public safety, and border security to defeat the drug and criminal organizations.

At the same time, the nations of Central America have committed to collective action to address these common security concerns. Through the Central American Integration System (SICA), the governments have expressed the political resolve to join forces to strengthen regional security. However, they lack sufficient tools and capacity to execute such will.

The impetus for the Merida Initiative came out of the President's March trip to the region, particularly his visits to Guatemala and Mexico, where security concerns dominated the conversations with President Berger and President Calderon. In the course of these discussions and the follow-on consultations with both Mexico and Central America, we have been able to develop the framework of a new regional security partnership.

Throughout this process, we have tried to shape the Merida Initiative to be comprehensive, balanced, and timely. The initiative is comprehensive in that it deals with security and all of its components and builds on a variety of initiatives that are taking place now in the United States, Mexico, and Central America. The initiative is balanced because it involves a range of security institutions in Mexico and Central America, with a particular focus on building capacity and capability in civilian sectors.

Finally, the Merida Initiative is timely because it responds to a real-time threat, as organized crime attempts to overwhelm the stability and well-being of Democratic states in Mexico and in Central America.

Just as our partners in the region acknowledge the extent of the threat, President Bush has accepted that the U.S. shares responsibility and is prepared to step up to do our part. This request reflects how the United States would like to work with the Govern-

ments of Mexico and Central America through the use of foreign assistance funds.

As President Bush has stated, regional problems require regional solutions. The Merida Initiative is where each nation's domestic efforts are combined with regional cooperation and collaboration to multiply the effects of our actions. It clearly shows we realize that drug trafficking and criminal organizations do not respect political boundaries and that we must synchronize our tactics and confront the problem together.

The President's vision for this hemisphere is rooted in partnership, the type of partnership that the Merida Initiative represents. He has stressed that all in the region, including the United States, have a shared responsibility for combating this crime and violence that so gravely affect our citizens.

We have far-reaching geographic, economic, and demographic links to Mexico and Central America and a compelling national security interest in helping the governments of this region succeed in the battle against crime and insecurity.

We believe the Merida Initiative represents the best hope for tackling the problem in a thorough manner with our willing partners.

Finally, Mr. Chairman, I would like to thank you for holding this hearing. I would also like to acknowledge and thank Mr. Engel, chairman of this committee's Western Hemisphere Subcommittee, for the hearings he held on October 25th regarding the Merida Initiative. We believe these hearings laid an important foundation for today's hearings.

I would also like to acknowledge the concern expressed by all members here today, and Mr. Engel in his hearing, regarding the lack of consultation prior to the public release of the supplemental request. We regret that we were unable to engage in such consultations.

Our intention was to present to the Congress a credible, security-cooperation package that reflected the best work of our interagency community and in discussions with our Mexican and Central American counterparts. This process took longer than we expected.

As we proceed, we commit to work closely with your committee, Mr. Chairman, and other relevant committees and staffs to ensure that, together, we can craft a security-cooperation package that will meet our national security interests and take full advantage of the historic opportunity that lies before us. Thank you very much.

[The prepared statement of Mr. Shannon follows:]

PREPARED STATEMENT OF THE HONORABLE THOMAS A. SHANNON, JR., ASSISTANT SECRETARY, BUREAU OF WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Ranking Member Ros-Lehtinen, and Members of the Committee: Thank you for the opportunity to discuss the Merida Initiative and the new paradigm that it represents for regional security cooperation among the United States, Mexico, and the countries of Central America.

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opportunity to reduce the economic and human toll in our cities and towns emanating from cross-border organized crime. The governments and citizens of Mexico and Central America have recognized the threat to their own stability and prosperity. They are taking courageous steps to confront these criminal elements, and are now seeking U.S. support to ensure a comprehensive and integrated regional effort.

Over the past decade, drug trafficking and other criminal organizations have grown in size and strength, aggressively seeking to undermine and intimidate government institutions in Mexico and Central America, compromising municipal and state law enforcement entities, and substantially weakening these governments' ability to maintain public security and expand the rule of law. This proliferation has generated a surge in crime and violence throughout the region, including in the United States.

We have seen the emergence of gangs as major social actors, the corruption of the police, judiciary, and prison systems, and a growing popular demand for governments to respond to the threat posed by these criminal organizations. The effects of this growing problem are also readily apparent in the United States in the form of gang violence, crime, and higher rates of trafficking in persons and illegal drugs—all of which threaten our own national security and impose mounting economic costs.

None of what I have described above will come as a surprise to our partners in the region—these leaders have used some of the same language to describe and acknowledge the challenges they are facing. And they are acting on it: the leaders of these nations are already working to beat back violence and crime for their citizens and they have turned to us to join them—as partners.

In Mexico, President Calderon has acted decisively, using the most effective tools at his disposal. He is reorganizing the federal police, putting new and additional resources in the hands of his security services, deploying military units to support police operations, rooting out corrupt officials, attacking impunity, arresting major crime figures, and extraditing a record number of drug kingpins and other criminals to the United States. The determination and commitment shown by the Calderon Administration is historic; and the early results impressive. In the course of one month, two seizures alone have netted over 30 tons of cocaine destined for Mexico and/or the United States, shattering all previous records for drug seizures in Mexico. In fact, our understanding is that Mexico has confiscated more cocaine in the first year of the Calderon Administration than any other since they began keeping records.

However, President Calderon has recognized that leadership and political will are not enough; he needs greater institutional and material resources to ensure both near-term success and long-term institutional change. In an unprecedented step, he has asked the United States to launch a new partnership with Mexico and to help him strengthen Mexican law enforcement, public safety, and border security to defeat the drug and criminal organizations. This is not a “traditional” foreign assistance request. It is, as our joint declaration called it, “a new paradigm for security cooperation.”

At the same time, the nations of Central America have committed to collective action to address these common security concerns. Through the Central American Integration System (SICA), the governments have expressed the political resolve to join forces to strengthen regional security; however they lack sufficient tools and capacity to execute such will. Despite these challenges, national authorities remain committed to the fight; using their own limited resources and equipment to interdict narcotics, arrest drug cartel members, and extradite high-profile drug traffickers to the United States for prosecution. The countries of Central America are also committed to working among themselves as well as with the United States. In March, the Government of Panama, working with DEA and Coast Guard, seized a record 17 metric tons of cocaine. And just last week, in a combined operation involving U.S. law enforcement and the National Police of both Nicaragua and Costa Rica, 250 kilograms of cocaine were confiscated in Nicaragua. These examples demonstrate that in Central America, as in Mexico, there are courageous partners with whom we can work cooperatively.

The impetus for the Merida Initiative came out of the President's March trip to the region; particularly his visits to Guatemala and Mexico, where security concerns dominated the conversations with President Berger and President Calderon. In the course of these discussions and the follow-on consultations with both Mexico and Central America, we have been able to develop the framework of a new regional security partnership.

Throughout this process, we have tried to shape the Merida Initiative to be comprehensive, balanced, and timely. The initiative is comprehensive in that it deals

with security in all its components and builds on of a variety of initiatives that are taking place now in the United States, Mexico, and Central America. Combined with the push we have made against drug trafficking and the flow of other illicit goods elsewhere in the region, the Merida Initiative represents an effort to integrate security programs from the Andes, through the isthmus of Central America and into Mexico, up to the Southwest border of the United States. This is a hemispheric assault to cripple drug trafficking and criminal organizations, disrupt and dismantle their networks, and help fortify state institutions to ensure these groups can no longer operate effectively.

The initiative is balanced because it involves a range of security institutions in Mexico and Central America, with a particular focus on building capacity and capability in civilian sectors. The entire Central America portion of the supplemental request and nearly 60 percent of the Mexico portion is going to civilian agencies in those countries. Our goal in balancing the package is to assist Mexico and Central America in their immediate fight against organized crime, to improve connectivity and communications among the various law enforcement agencies, and to support the institutional reform necessary to fortify the state institutions of justice and rule of law that are essential for the long-term protection of civil and human rights.

Finally, the Merida Initiative is timely because it responds to a real-time threat, as organized crime attempts to overwhelm the stability and well-being of democratic states in Mexico and in Central America. Our allies in this region have already begun to act and have called on us to assist them as quickly as possible. The urgency of their appeal is palpable, and we should not miss the opportunity to capitalize on the successes we have witnessed so far, as well as to forge a stronger alliance with willing partners.

Just as our partners in the region acknowledge the extent of the threat, President Bush has accepted that the U.S. shares responsibility and is prepared to step up to do our part. This request reflects how the United States would like to work with the Governments of Mexico and Central America through the use of foreign assistance funds. And I have already spoken to the increased efforts by which these governments have begun the fight themselves. What is not captured in this supplemental request is what the United States is doing domestically to contribute to this partnership.

While I defer to U.S. domestic law enforcement agencies to provide you details, I can tell you that the Merida Initiative was designed to complement what the United States has been doing on our side of the border to address issues such as arms and bulk cash trafficking, gangs, and demand for drugs. Through a number of domestic strategies and programs—such as the Southwest Border Counter-Narcotics Strategy, the National Drug Control Strategy, and the U.S. Strategy for Combating Criminal Gangs from Central America and Mexico—we are working domestically to enhance our efforts against the trafficking of drugs, arms, money, and humans, as well as to reduce the demand for drugs within the United States.

However, each nation working on its own is not enough. As President Bush has stated, regional problems require regional solutions. The Merida Initiative is where each nation's domestic efforts are combined with regional cooperation and collaboration to multiply the effects of our actions. It clearly shows we realize that drug trafficking and criminal organizations do not respect political boundaries and that we must synchronize our tactics and confront the problem together.

This new paradigm is not without its challenges, but we believe they are challenges that can be overcome. Oversight and accountability are essential in this process and we have structured the package in such a way as to assure this. We also plan to build on the efforts of the Governments of Mexico and Central America in protecting human rights and rooting out corruption; all participants agree that these are indispensable components of any security cooperation partnership.

Having visited Mexico with Deputy Secretary Negroponte two weeks ago, and having led the U.S. delegation to the first U.S.-SICA Dialogue on Security in Guatemala in July, I can tell you that I am struck by the immediacy of the threat. Equally, I have been impressed by the commitment of the governments involved to work together to finally put an end to the growing violence and crime.

The President's vision for this hemisphere is rooted in partnership; the type of partnership that the Merida Initiative represents. He has stressed that all in the region, including the United States, have a shared responsibility for combating this crime and violence that so gravely affect our citizens. We have far-reaching geographic, economic, and demographic links to Mexico and Central America and a compelling national security interest in helping the governments of this region succeed in the battle against crime and insecurity. We believe the Merida Initiative represents the best hope for tackling the problem in a thorough manner with our willing partners.

Thank you for your time and I would be happy to answer any questions you may have.

Chairman LANTOS. Thank you, Secretary Shannon.

Ambassador David Johnson currently serves as Assistant Secretary of the Bureau of Narcotics and Law Enforcement Affairs. He is a Foreign Service Officer and former U.S. Ambassador to the Organization for Security and Cooperation in Europe.

Prior to accepting his current position, he was Deputy Chief of Mission at the United States Embassy in London.

He first joined the Foreign Service in 1977, and, between May 2002 and July 2003, served as Afghan Coordinator for the United States.

Ambassador Johnson is a graduate of Emory University and attended Canada's National Defense College.

We are pleased to have you. You may proceed.

**STATEMENT OF THE HONORABLE DAVID T. JOHNSON, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE**

Ambassador JOHNSON. Thank you, Mr. Chairman. Chairman Lantos, Congresswoman Ros-Lehtinen, other members of the committee, thank you for giving us the opportunity to discuss the Merida Initiative to confront narcotics trafficking in Mexico and Central America. I have submitted a written statement for the record, which I will summarize here briefly.

As Assistant Secretary Shannon noted, Mexico and Central America have already made progress against criminal networks, and they have shown an unprecedented willingness to work together to address these threats. We are beginning to see some positive signs that these efforts, together with successful counterdrug programs in the Andean source zone, may be having a measurable impact on the availability of drugs here in the United States.

Clearly, this is a compelling moment of opportunity further to advance our common national security interests. U.S. support, through the Merida Initiative, will focus on three broad areas: First, counternarcotics, counterterrorism, and border security; second, public security and law enforcement; and, third, institution building and rule of law.

Our primary goal is to diminish the power and impunity of criminal organizations by strengthening border controls, enhancing law enforcement capacity, and improving justice in corrections systems.

Of the \$550 million included in the request, \$500 million would support reinvigorated cooperation with Mexico. As you noted in your statement, Mr. Chairman, approximately 90 percent of the cocaine bound for the United States transits Mexico, and Mexico is the principal foreign source for methamphetamine and marijuana consumed in the United States. Drug-related violence has spread to all parts of Mexico and into the United States.

Through this initiative, U.S. assistance will build upon existing programs in the area of border security, interdiction, and criminal justice reform. For example, supplemental funding would provide specialized inspection equipment and canine teams, communications technology, and aircraft to support interdiction activities. Our



assistance also would provide technical assistance in areas such as vetting of Mexico's newly established Federal Police Force, case-management software, and the establishment of witness-protection programs.

We also plan to enhance information sharing related to terrorist travel through the advance passenger information system.

The proposal also will finance programs that address money laundering and drug demand in the region. In Central America, while programs are based on a regional initiative, they will be tailored to the needs of individual countries to confront threats that include criminal gang activity and small arms trafficking.

The Merida Initiative represents a rare, perhaps even a unique, opportunity to address security concerns in our hemisphere, but we also recognize that it requires a significant investment by America's taxpayers. Effective management of a program of this size and scope is a significant challenge.

Should Congress approve funding for this worthwhile initiative, my top priority will be to put in place effective financial controls and the staffing necessary for effective oversight and program implementation. Like our other counterdrug and law enforcement programs, funding would be obligated through bilateral letters of agreement that include safeguards, such as end-use monitoring for equipment and screening of trainees.

Chairman LANTOS. The committee will stand in recess until the Capitol Police will restore order.

[Whereupon, a brief recess was taken.]

Chairman LANTOS. You may resume.

Ambassador JOHNSON. Thank you very much. Finally, Mr. Chairman, I would like to associate myself with the remarks made by my colleague, Assistant Secretary Shannon, acknowledging the concerns that you and other members of the committee have laid out concerning consultation. I regret that we did not satisfy your requirement and pledge that we will work with you as you consider this request for this appropriation. Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Johnson follows:]

PREPARED STATEMENT OF THE HONORABLE DAVID T. JOHNSON, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Ranking Member Ros-Lehtinen, and Members of the Committee: Thank you for the opportunity to discuss the Merida Initiative to combat transnational narcotics trafficking and organized crime in Mexico and Central America.

As Assistant Secretary Tom Shannon explained, our partners in Mexico and Central America have already made considerable progress in their own efforts to fight these transnational organized criminal networks, and they would like our help to do more. Through bilateral and multilateral initiatives, the Governments of Mexico and Central America are demonstrating unprecedented will to work with us and each other to address these issues. This is a compelling opportunity to advance our common national security interests.

Roughly 90 percent of all the cocaine consumed in the United States transits Mexico. The country is also the largest foreign supplier of marijuana and the largest foreign source of methamphetamine consumed in the United States. Central American officials have identified gangs, drug trafficking, and trafficking of arms as the most pressing security concerns in that region. The Merida Initiative will respond to those security threats and build on existing strategies and programs. We are confronting vulnerabilities posed from the increasingly violent nature of the security

situation in Mexico and Central America that if left unchecked, could open the way for more dangerous threats to emerge.

Through the Merida Initiative, the United States seeks to strengthen our partners' capacities in three broad areas: 1) Counter-Narcotics, Counterterrorism, and Border Security; 2) Public Security and Law Enforcement; and 3) Institution Building and Rule of Law. Through this cooperative effort, we intend to achieve the following strategic goals: break the power and impunity of criminal organizations; strengthen border, air, and maritime controls from the Southwest border of the United States to Panama; improve the capacity of justice systems in the region to conduct investigations and prosecutions, consolidate the rule of law, protect human rights, and reform prison management; curtail criminal gang activity; and reduce the demand for drugs throughout the region.

This cooperation is designed to build on activities already underway in the region. For example, Mexico is undertaking historic efforts to improve coordination among security agencies, modernize law enforcement agencies and professionalize their staff. Since his inauguration in December 2006, President Calderon has taken decisive action against transnational criminal organizations by deploying 24,000 troops to support joint police-military counternarcotics operations in 10 Mexican states, increasing extraditions, and initiating large scale police reform.

The results of these efforts are striking. The Calderon administration has extradited a record 79 fugitives to the United States this year, including prominent members of the Gulf drug trafficking organization. Mexican law enforcement authorities have seized over \$200 million in cash from a methamphetamine trafficking organization, and have seized record amounts of narcotics. Seizures of cocaine, marijuana, opium gum, heroin, and methamphetamine are on pace to exceed last year's totals. As noted by Assistant Secretary Shannon, cocaine seizures in recent weeks have shattered all previous records in Mexico. We are also beginning to see encouraging signs that these achievements, together with successful programs in the Andean source zone, may be having a measurable impact on the availability of cocaine here in the U.S.

Mexico has also made great strides in its efforts to root out official corruption. Since coming into power, the Calderon administration has conducted thousands of inquiries and investigations into possible malfeasance or misconduct. These investigations resulted in the dismissal of over 1,600 employees, the suspension of nearly 2,000, as well as thousands of reprimands. The imposition of economic sanctions against corrupt federal employees brought the equivalent of over \$300 million in fines and reimbursements into the Mexican Treasury.

Existing U.S. programs complement and support the historic counternarcotics efforts of the Calderon administration. For example, we are conducting programs supporting professionalization and justice system restructuring. These efforts include training and other support to police reform, and development of federal police institutions and infrastructure. These programs support the vetting of Mexican law enforcement agents and assist state and federal police and prosecutors. We provided training for 4,627 Government of Mexico officials in 2007, and have plans to train about 5,800 in 2008. Our Good Governance programs support rule of law education programs and promote anti-corruption initiatives within the Mexican federal bureaucracy.

Looking into the future, the Merida Initiative, if approved, will include various efforts to improve crime prevention, modernize the Mexican police force, and provide institution building and the rule of law. Case management software, technical assistance programs, and equipment will support Mexico's judicial and police reforms by enhancing their ability to investigate, convict, sentence, and securely detain those who commit crimes. Technical assistance and training programs will support Mexico's development of offices of professional responsibility, inspectors general, and new institutions designed to receive and act on citizen complaints. Increased training for prosecutors, defenders, and court managers in Central America, will assist with judicial reform. The Initiative will expand needed technical assistance on prison management and aid in severing the connection between incarcerated criminals and their criminal organizations.

One of our existing programs supports anti-money laundering efforts by the Government of Mexico, by assisting the Government's Financial Intelligence Unit (FIU) and by supporting police and prosecutors who investigate money laundering-related crimes. As part of the Merida Initiative, we plan to support the FIU through the expansion of software for data management and data analysis associated with financial intelligence functions and law enforcement.

Nearly half of our current programs focus on interdiction, including support for the Mexican counterparts of our federal law enforcement agencies. To further advance this cooperation, funding under the Merida Initiative focuses support for a

Consolidated Crime Information System; purchasing special investigative equipment, vehicles and computers for the new Federal Police Corps; creating special police units to focus on high-profile criminal targets and deploy at major airports and seaports; assessing security and installing equipment at Mexico's largest seaports; and procuring additional clandestine laboratory vehicles and safety gear to assist the Government of Mexico in combating methamphetamine. This program includes specialized equipment and training to safely and effectively dismantle methamphetamine super labs.

Our existing programs focus on Border Security by principally providing inspection equipment and associated tactical training to support inspection capabilities of police, customs and immigration. Funds also provide equipment and specially trained canine teams to pursue arms trafficking and explosives. Through linkages with the USG's Advanced Passenger Information System, we also facilitate the real-time interchange of information related to potential counterterrorism targets.

The Merida Initiative includes several programs to support interdiction and border security efforts such as information technology support that will assist Mexico's federal migration authorities improve their database and document verification capabilities. Additional communications equipment will improve their ability to conduct rescue and patrol operations along Mexico's southern border. Equipment for a secure communications network, data management, and forensic analysis will strengthen coordination among Mexican law enforcement agencies and greatly enhance Mexico's ability to prosecute narcotrafficking and other transborder crimes. Technologies such as gamma-ray scanners, density measurement devices, and commodity testing kits will help prevent the cross-border movement of illicit drugs, firearms, financial assets, and trafficked persons. Expansion of weapons tracing programs will enable increased joint and individual country investigations and prosecutions of illegal arms trafficking. Enhanced information systems in Mexico will strengthen analytical capabilities and interconnectivity across law enforcement agencies and improve information sharing with U.S. counterparts. Additional transport and light aircraft in Mexico will give security agencies the capability to rapidly reinforce law enforcement operations nationwide.

In Central America, maritime assistance and both fixed and mobile non-intrusive inspection assistance, will allow regional migration officials to better defend national sovereignty from land and sea incursions by illegal traffickers. In addition, technical assistance, training, and non-lethal equipment will improve policing and promote preventative and community policing. Specialized anti-gang units in El Salvador, Honduras, and Guatemala will also improve investigation and prosecution of dangerous gang members in the United States, Central America and Mexico. Moreover, the Merida Initiative will provide funding to implement all five elements of the U.S. Strategy to Combat Criminal Gangs, including improved processes for repatriation and strong community action programs to prevent youth from joining gangs. We will also begin a focused program to address illicit trafficking of small arms and light weapons throughout the region by providing a regional adviser, training and stockpile management and destruction assistance.

Finally, an existing U.S. program supports demand reduction efforts by Mexican governmental and non-governmental entities that pursue drug remediation, rehabilitation and public awareness activities. The Merida Initiative will build significantly on these small programs by providing technological support to the Mexican National Network for Technological Transfers in Addictions, which will improve its ability to deliver drug treatment and prevention services across Mexico.

The Merida Initiative will be implemented through bi-lateral Letters of Agreement with the host governments that will include provision for end use monitoring. We will work with the inter-agency to identify implementers for the various programs under the Merida Initiative, building on the results of inter-agency validation teams that verified the proposals in consultation with Mexican and Central American government agencies, and by expanding ongoing inter-agency cooperative relationships at the various Embassies and Consulates in the region.

Thank you for your time and I would be happy to answer any questions you may have.

Chairman LANTOS. Thank you very much. Well, let me first deal with this nonconsultation issue. Both Secretary Shannon and you, Mr. Johnson, expressed regret. I want to know the reasons. You had 9 months of negotiations with the Mexicans, and you did not approach the appropriate congressional committees at all. Why, Mr. Shannon?

Mr. SHANNON. Thank you very much for the question, sir. As I noted in my statement, we were attempting to construct a security-cooperation package that was serious and credible and that would allow us to engaged with the Congress in a discussion that had a framework and——

Chairman LANTOS. Do you think that a serious and credible package could not be put together with consultation with Congress?

Mr. SHANNON. No, quite the contrary, sir. The hope was to be able to use this process of consultation.

Chairman LANTOS. This is not consultation. You are presenting a plan in which Congress had no role, zero, zilch, in participating in.

Mr. SHANNON. Your concern, sir, is understood. It is acknowledged.

Chairman LANTOS. It is not a concern; it is an outrage.

Mr. SHANNON. Very good, sir. Again, it——

Chairman LANTOS. What is your explanation, Mr. Shannon?

Mr. SHANNON. My explanation, sir, is that, as we conducted conversations with Mexico and with the Central American countries, which were taking place at different rates of speed, given the fact that we were dealing with, in Mexico, one country, and Central America, seven countries, that we had to fashion a larger security-cooperation dialogue through SICA.

We were working on a timeline and on a process that became tighter. Again, we wanted to make absolutely certain that we had an opportunity to present to you all, for your consideration, a package that really could be looked at, examined by yourself, by other Members of the Congress, by staffs, and adjusted in appropriate fashion.

Again, we regret that we were unable to consult more closely and in a more timely fashion, but we commit to do so, sir.

Chairman LANTOS. Well, you could not have consulted in a less timely fashion. Let us be clear about that. My reaction to your attempt to explain this away is totally negative. I think it is preposterous that this administration continues to believe that it has a monopoly of wisdom, that it does not need to consult with anybody else, not with allies, not with friends, and certainly not with the Congress of the United States.

Why is this proposal attached to an emergency supplemental spending bill, when, obviously, this is not a suddenly discovered dilemma? Why does it not go through the regular legislative process?

Mr. SHANNON. There were several reasons for that, sir. First, you are absolutely correct in noting that we have been trying to address the issue of drug trafficking and organized crime in the region for some time, and the work that we have done with the Congress in identifying spending levels in Mexico and Central America represent that.

However, we have seen a rapid escalation in the activity of organized crime and narcotics traffickers in the region that is evidenced not only by spiraling violence and the movement of additional drugs and resources through Central America and Mexico, but we also have, in the election of President Calderon of Mexico and the emergence in Central America of a cohesive security dialogue, a

moment in which the Central Americans and the Mexicans approached us.

They approached us during President Bush's trip to the region in March, after our 2008 budget request went forward, and well ahead of the 2009 budget request. Given the levels of violence in Mexico, given the levels of violence in Central America, especially in Guatemala, given the kinds of commitments that President Calderon has been making not only in terms of his willingness to deploy military to work in cooperation with Mexican police but other reforms he is undertaking, we thought that it was important to act as quickly as possible in order not only to make a political statement of support for President Calderon and the countries of Central America in a fight which is really a fight for their lives, but also, at the same time, to make sure resources were available that were in the interests of the United States, and because of that, we determined that this was, indeed, an emergency, that it was urgent, and that we needed to find the first available vehicle to provide funding for the region.

Chairman LANTOS. How will the endemic corruption within Mexican law enforcement institutions be dealt with? Will additional law enforcement officials be vetted so they can work with and cooperate with U.S. law enforcement? If so, who will vet them, to what standard, and in what capacity?

Mr. SHANNON. This really is one of the most important things that we are facing as we work with Mexico and the Central American countries, addressing the problem that corruption presents as organized crime attempts to infiltrate and weaken the democratic states of Mexico and Central America.

My colleague, Ambassador Johnson, can address some of the details of vetting, but I would note that the fight against corruption has been a centerpiece of President Calderon's organized crime fight. He recognizes that the fight against organized crime is not just a fight between the Mexican state and organized crime, but organized crime has been able to infiltrate some parts of the Mexican state, especially at local and state levels, and that the effort to fight organized crime also has to be directed at institutional development, at transparency, and at accountability.

This is not an insignificant portion of the Merida Initiative. We have resources available for vetting. We have resources available to improve the internal auditing and inspecting capabilities of institutions, and we recognize also, sir, that corruption does not stop at the border, that the fight against corruption in Mexico will allow us to fight corruption here in the United States.

I turn to my colleague, Ambassador Johnson, to discuss the vetting requirements.

Ambassador JOHNSON. Mr. Chairman, included and integral to the package is a proposal for approximately \$11.5 million for anticorruption and transparency. Within that, \$2 million is proposed to fund a polygraph program that will assist the Mexican Federal Police to vet the entire Federal police force. The standards will be those that we help the Mexicans set. I would be pleased to get back to you, or to your staff, to get into the great deal of detail about what exactly those standards might be.

Also in that package will be almost \$7 million for assistance principally to the Mexican Attorney General's Office for a citizens complaint system and for general strengthening of the office, as well as its human and financial systems. Thank you.

Chairman LANTOS. Before turning to my colleague, let me just state for the record that the committee, either at the full committee level or at the subcommittee level, will hold additional hearings on this subject, involving both human rights groups, labor organizations, and others.

The gentlelady from Florida.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. Obviously, we are all entitled to our own opinions, but Mexico is not a drug cartel, and to say that it is, is an insult to the Mexican people and to President Calderon's administration, which has made fighting the drug cartels and confronting drug violence priorities.

Secretary Shannon, we have always had a very modest counter-narcotics assistance program with Mexico. Now you are proposing, as we hear, a \$1.4 billion effort over the next few years. What are you planning to do to beef up both the staff and the senior level of those who will be handling this larger, more important effort than we had in the past, both in Mexico City and here at the Bureau on International Narcotics and Law Enforcement, INL, which will be managing this account?

And related to that, Ambassador Johnson, are you open to appointing, as I said in my opening statement, a senior-level coordinator for this program who has experience with major counter-narcotics-assistance programs and managing air assets and parts and training programs, as will be the case here? Mr. Secretary?

Mr. SHANNON. Thank you very much. I will respond to the first part of the question and then turn to my colleague for additional comment.

The \$550 million that we are requesting, both for Mexico and Central America, of course, would come through an INCLE account, and the vast majority would be managed by the Bureau of International Narcotics and Law Enforcement. Ambassador Johnson is well placed to discuss the typical administrative requirements that would be used to manage a package of this size.

I would note, however, that you began by indicating the relatively modest levels of assistance previously and the higher levels now. This difference, this delta, between previous assistance levels and current assistance levels really underscores a fundamental change in how Mexico approaches this problem and how Central America approaches this problem and a willingness to work with us in ways that historically they have been unable or unwilling to do, and this, again, underscores for us the urgency and emergency nature of this, since Mexico is prepared to cooperate with us and work with us in a way that it has not done so in the past.

I will turn to Ambassador Johnson to discuss the management requirements.

Ambassador JOHNSON. Thank you, Congresswoman. The program, as proposed to the Congress, includes approximately \$37 million in order to provide the program support, management, and oversight. While it is impossible to say exactly how many individuals might be required, given the fact that we do not have yet an

appropriation, and the package is not finally determined as to what its contours would be, my estimate is that, at this point, it would require a minimum of about 50 individuals in Washington, Mexico, and in Central America, in addition to the people that we already have on the ground there, in order to provide the kind of oversight to a program of this size and scope and character.

The question of how best to do this, I think, is something I would like to give further thought as to whether the way the program eventually emerges is best managed by someone who is a single individual, if you will, or the issues that we are dealing with will be distributed in such a way that the individual agencies working with them will be better placed to do them. If I could get back to you on that, I would appreciate it.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE DAVID T. JOHNSON TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ILEANA ROS-LEHTINEN

A senior State Department official, Bureau of Western Hemisphere Affairs Deputy Assistant Secretary Roberta Jacobson, is already overseeing the process of integrating the multi-faceted aspects of the Merida Initiative. Once funding is approved, we will work with individual agencies, and possibly contractors, in implementing the Initiative through our Narcotics Affairs Section at the Embassy in Mexico City as well as various offices and bureaus of the Department of State.

Ms. ROS-LEHTINEN. Thank you. Following up on the issues that many members have raised about the nonconsultation with Congress, and they have rightfully addressed that issue, I wanted you to state for the record, if you had waited for Fiscal Year 2009 for this budget appropriations request time, how much time would we have lost in preventing drugs from entering our cities and schools?

Mr. SHANNON. I believe that we would have lost the time that the Calderon administration needs in order to be successful in this fight. This is why we chose to use the supplemental request and to define this as an emergency because of the nature of the fight that is taking place in Mexico right now.

This year alone, over 250 Mexican law enforcement and military officials have been killed in the fight against organized crime, and we estimate that violence, especially in the northern part of Mexico, has claimed upwards of 2,000 lives in total. This really is a conflict, a war, between a democratic state and a neighbor and organized crime. Again, the effort that President Calderon has made, the commitment he has made, is unprecedented.

Never before has a President committed Mexico's military to help and assist police in this kind of battle, and never before has a Mexican President approached the United States, in the manner that President Calderon has, to make the request for assistance that he has.

We need to understand this and, I believe, respect it for the outreach that it is and respond in a timely fashion. It was our assessment that unless we responded quickly and effectively, that Mexico is in grave danger.

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman, for the time.

Secretary Johnson, for nearly 9 months, since January, in fact, the committee staff members have been trying to get a very small training project, \$80,000 OAS training project, on the Culture of Lawfulness program going at the new, International Law Enforce-

ment Academy, ILEA, in El Salvador, which could help in Central America, in Mexico with the corruption and crime issues.

How can you assure us that we can do a better job with \$550 million more in monies for these areas of corruption fighting, and what is the status of this small, \$80,000 fund that you provided to OAS for this effort?

Ambassador JOHNSON. Thank you, Madam Congresswoman. We, too, are frustrated by the amount of time that has elapsed as we have worked on this program. We originally envisaged providing this funding through the OAS as a means of speeding it up, only to discover that their own internal procedures for such a program, which had only one bidder, required them to go through some additional procedures.

We are told now that this program will be on the ILEA program for the forthcoming year, and I will remain in touch with you and make sure that you know exactly when it takes place.

Ms. ROS-LEHTINEN. I am very interested in that project. Thank you.

Ambassador JOHNSON. Thank you.

Ms. ROS-LEHTINEN. One last question for both of the gentlemen, thank you: What impact will this initiative have on the Caribbean? Often, we use the analogy of a balloon, where you squeeze it in one area, and then it just goes to the other area. Will we be squeezing the drug trafficking in Central America so that then it just shifts from one area, Central America, to the Caribbean? And as a south Floridian, that is of great concern to me. Please tell us the impact of this initiative on the Caribbean nations.

Mr. SHANNON. An excellent question and one that we are addressing with our Caribbean colleagues. As you know, earlier this year, the President and Secretary Rice hosted a conference on the Caribbean with the heads of government and foreign ministers of the Caribbean to discuss a variety of issues, but chief among them was security in the region. And we have established a security dialogue with the CARICOM countries to take a deeper look at what we can do to enhance our security cooperation, not only in terms of drug trafficking and organized crime but also terrorism, and we have had an opportunity to work with them very closely in the run up to the World Cricket Cup, which, I believe, produced some very important results in terms of security cooperation.

These conversations continue. We do have security programs in the region, through our Third Border Initiative, but also in regard to Chairman Engel's concerns about Haiti and the Dominican Republic, Rum Punch was a success. We do want to continue these kinds of operations. We recognize that they do protect Haiti and the Dominican Republic from drug traffickers.

Also, in the course of renewing MINUSTAH, we were able to incorporate a maritime interdiction aspect for MINUSTAH, and we will be working with the U.N. in this regard.

I would also note that, as we address the struggle against organized crime and drug trafficking in the region, not only will we have to improve our cooperation with Caribbean countries, but we are also going to have to take a very close look at Venezuela. Right now, nearly all of the drugs that are moving through the Caribbean transit through Venezuela, at this point in time.



We have approached the Government of Venezuela, indicated a willingness to enhance our drug cooperation. We have negotiated a memorandum of understanding with the Government of Venezuela to improve the activity of the Drug Enforcement Agency and other United States agencies in Venezuela, but, at this point in time, the Government of Venezuela, although the agreement is negotiated, still has not signed it. So we will continue to work in an effort to involve Venezuela in the larger Caribbean drug initiative.

Ambassador JOHNSON. Just a couple of quick points. First of all, in terms of the assistance that we have provided for the Caribbean, we have provided more than \$10 million to CARICOM since Fiscal Year 2005 in direct security assistance. We are going to be augmenting our staff in the Dominican Republic this year in order to oversee our programs there, and I would also underscore what Mr. Shannon said about Venezuela, which has proven to be a challenge, not just through the Caribbean but also into Africa and vectored up into Europe. Thank you.

Ms. ROS-LEHTINEN. Thank you. Thank you to the panelists, and thank you to the chairman for giving me so much time. Thank you, Eliot.

Mr. ENGEL [presiding]. Thank you, Congresswoman. I do not want to beat a dead horse, and, Secretary Shannon, I think you know that I think that the work you do personally is just superb, but I am thankful for the remarks made by my colleague, Mr. Rohrabacher, and others in the committee. You see that this is a bipartisan concern. It has got nothing to do with beating up on the administration for politics or anything like that.

It is very, very frustrating for members of this committee who take this policy seriously when the plan was being developed, we sent indications—more than indications; we were specific with the administration—that we had been hearing about this plan and had not been consulted and sent messages that we wanted to be consulted.

I heard your explanation, but, frankly, it does not make me feel wonderful because, as I mentioned in my opening statement, my staff had been asked for a budget justification for the program for weeks, weeks, and weeks and just received it yesterday at 5 p.m.

So it is not a matter of not being consulted, for good reason, as this program was being developed; it is a matter, as far as I am concerned, of still not being consulted or taken seriously or wanting to be a partner with this committee and with the members of the House Foreign Affairs Committee. It continues. It may be one thing that you had a reason why you, as you explained, did not want us to know, but as far as I am concerned, it continues, and it is not acceptable to have to beg for weeks and just get this budgetary justification yesterday.

So I just hope that that will change, and, as you can see, it is bipartisan.

Let me piggy-back onto a question that Congresswoman Ros-Lehtinen mentioned, and I mentioned in my opening remarks. We do not want to find, 3 years from now, that the Mexican drug cartels would be eradicated only to have it move elsewhere, and you sort of answered it, but I just want to reiterate it.

Why should we not be one step ahead of the drug trade by simultaneously, as we are doing this, putting greater resources into counterdrug operations in countries like Haiti and the Dominican Republic? Do you intend to do that simultaneously?

Mr. SHANNON. Well, sir, we do have some funds in that area already. We have begun consultations with CARICOM that started really with the Third Border Initiative but intensified with the President's meeting with Caribbean heads of government and foreign ministers in June. It is our intention to make sure, as we work in Mexico and Central America, that the Caribbean suddenly does not find itself bearing a burden.

Part of what we are dealing with, though, is also the changing nature of organized crime in the region and understanding that change and understanding how cartels are operating, and it is our intention to work closely with our Caribbean counterparts now and anticipate what will happen if we are successful in the fight against organized crime in Mexico and Central America.

Mr. ENGEL. Let me ask you a question about weapons. I mentioned that in my opening statement as well.

As you know, Mr. Secretary, Mexican authorities estimate that more than 90 percent of the weapons that they confiscate are originally purchased in the United States. Many States, including the border States—Texas, Arizona, and New Mexico—do not at all limit the number of purchases of handguns and assault weapons.

The Merida Initiative includes funding, and I am going to quote it, "to support member states in reaching full compliance with the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials." That is CIFTA.

I applaud this. I think that is very important, but I am unclear if the United States is currently in compliance with CIFTA. So my question to you is, is the United States in compliance with all parts of CIFTA? What are we doing, if not, to fully comply with CIFTA? The U.S. has signed, but not ratified, CIFTA. Will the President press the Senate to ratify this treaty?

Mr. SHANNON. Thank you very much, sir. We are a signatory to CIFTA. It is my understanding that we are complying with all aspects of CIFTA. CIFTA is before the Senate now. It is my hope that the Senate can ratify CIFTA in a quick and effective fashion.

Part of our shared responsibility in the Merida Initiative and in our broader organized crime strategy is to not only prevent the movement of drugs but also the movement of weapons. We recognize that, especially in northern Mexico, many of the weapons do originate in the United States.

We are working with Mexican authorities to attempt to identify weapons when they are interdicted by Mexican police and Mexican army in order to understand where the weapons came from and to determine whether or not the weapons have been exported illegally or purchased illegally in order to initiate prosecutions in the United States.

This is part of our national Southwest Border Counternarcotics Strategy, which also focuses on weapons trafficking and the movement of bulk cash across the frontier. We recognize that weapons

trafficking is a problem for the United States and is a problem for Mexico, and it has a serious consequence. Ambassador Johnson?

Ambassador JOHNSON. Just one point, I would add to this. Not included in this package because it is foreign assistance, but an issue that we are exploring with Treasury and Justice is an augmentation of funds for Alcohol, Tobacco and Firearms to improve their tracing system and make it more easily adaptable for the naming conventions that are used in Spanish. So if we can accomplish that, I think it would have an effect on this problem as well.

Mr. ENGEL. I am glad you mentioned that, Mr. Ambassador, because, obviously, I have discussed this with the Bureau of Alcohol, Tobacco, Firearms and Explosives, and they will not, obviously, as you mentioned, receive any additional funding from the Merida Initiative, but we have made a specific commitment to the Mexicans to help curb the flow of small arms into Mexico, so let me ask you this. Beyond tracing the origins of weapons after they have been used, and we said 90 percent from the United States, how can we assist the Mexicans on this front, and what are we doing to stop the flow of weapons before they get to the Mexican border?

Ambassador JOHNSON. I think, if we can identify the weapons and where they are coming from, I think that it would allow us to have the type of investigations that will reach back into the United States, which could help us address this problem.

Mr. ENGEL. Let me ask a final question, and it involves Central America. The Merida Initiative provides funds to El Salvador, Guatemala, and Honduras, through the Department of Homeland Security, for an electronic travel document system and a repatriation notification system. Can you tell me if this system provides information on the full criminal history of all deported criminal aliens?

We had a hearing, at the subcommittee level, and found out that countries who get the people back who we deport are not given the full rap sheet in terms of what they may have been convicted for but not the full criminal history, and they just get one or two convictions, which may be minor, and there may be major convictions that they are not aware of.

So does this system provide information on the full criminal history of all deported criminal aliens, and, if not, why not, and why won't we provide the full rap sheet of criminal conviction history of all criminal deportees to a recipient country?

Ambassador JOHNSON. Mr. Chairman, I do know that we have improved our cooperation with the Central American states on the deportation issue, but your question is quite technical, and I would appreciate the opportunity to get back with you after consulting with DHS and with the Department of Justice.

Mr. ENGEL. That is fine. It is a very serious problem, and we had a whole hearing on that, and it was even more serious than we had imagined before the hearing. Mr. Tancredo?

Mr. TANCREDO. Thank you, Mr. Chairman. I repeat my concern about doing anything of this nature with the Government of Mexico when it is hard to determine where the government ends and these drug cartels begin, and I say that because there are so many instances of where we have observed people coming across the border, as I mentioned in my earlier statement, people who were, at least, dressed in the military garb. Some of them may be what I

am told are called "madeiras," individuals who are essentially employed by the military who are civilian but are given military uniforms and military equipment and are used to facilitate the drug-dealing activities on the border.

So I do not know which of these groups is responsible for most of the incursions into the United States that we have documented over years, but it has happened. We look at the incredible chaos that is going on on the border, Nuevo Laredo, in particular, where dozens of Americans have been kidnapped over the last several years, where two young girls, 1½ years ago, two teenaged girls coming from the United States going over the border and going to some sort of concert were kidnapped by the police and were then given to some drug dealer as a gift.

This was by the police in the city, and these are the people that we are going to entrust, or we are going to believe are going to help us in this battle against drugs and narcotics.

There are so many stories of this nature that even the weapons and the equipment that we provide end up in the hands of the people who are, unfortunately, dealing the drugs. We have, at least, many reports of that.

We have areas all they way into the United States, sometimes 70 miles into the United States, of look-out positions where illegal aliens and drug traffickers have taken up a station to observe the surroundings to find out where our Border Patrol activities are and where DEA activities are, and their equipment, I am told, is better than anything we have, and, by the way, not just their communications equipment but the firearms that they employ are better than the stuff that we have on the ground down there.

We have so many reports of people coming into the country dressed, again, not just in military garb but in the garb of the Federal Police, bringing in drugs, smuggling in people. It is just impossible for me to understand how we can advance with an agenda item of this nature with a government that does seem to be corrupt, from the cop on the street to the highest levels.

Now, I am not certainly saying that every single person is that way. There are plenty of good, honest people serving in those capacities, I am sure, but it is just that the bulk of it—there is so much evidence that corruption goes so deep into the government that it is very, very worrisome for me that we are going to be providing them with a lot more money and equipment when it seems so difficult to be able to track it and maintain any control over the equipment and the money once we deliver it to the Government of Mexico.

Those are really my major concerns, and to the extent that I have been able to follow and read your statement here, it seems that you are saying that we are going to dedicate about \$36 million—am I correct?—to hiring personnel and beefing up that section that would be doing the required research necessary to see whether the stuff is going the right way. Is that correct? Is that it? Is that what we have got, just a commitment of an extra \$36 million for that?

Ambassador JOHNSON. We do have contained within the request a request for approximately \$37 million to be used for oversight and implementation of this. A significant effort in that will be in-

ternal control and to ensure that the materials that we are providing are being provided correctly to oversight is correct.

With respect to one of the issues you raised, though, the suggestion of weapons, none of this material is lethal. It is equipment, training, things of that nature.

Mr. TANCREDO. Well, it is not just the lethal weaponry that I was concerned about. Even the communications stuff is sometimes used, to my understanding, sometimes used by drug dealers to communicate with each other. It gets into their hands, and they end up having some of the best equipment available to them.

Oftentimes, it is because it actually came from the United States in some sort of aid package. At least, that has been my understanding. That is what I have been told, and I am just trying to determine how safe you feel about doing something like this under these kinds of situations.

Ambassador JOHNSON. We believe that this is the type of program which, given the kind of safeguards we intend to put in place, we can oversee what goes on. I cannot promise you that no piece of equipment, no matter how small, will ever go missing, but I think that we do fully intend to work through this with the proper internal controls, that we are working with a Federal Police system that is being completely reorganized, that a vetting program will be brought in place to make sure, as best we can, that the people that we are working with are trustworthy. We intend to keep our eyes on this.

Mr. ENGEL. The gentleman's time has expired.

Without objection, I would like to submit the following item into the record: A written statement by Leo W. Gerard, the international president of the United Steelworkers, on the Merida Initiative, "Mexico's Violations of Labor and Human Rights Call Security Assistance into Question." Without objection, I will submit the following item into the record.

[The information referred to follows:]

STATEMENT OF MR. LEO W. GERARD, INTERNATIONAL PRESIDENT, UNITED  
STEELWORKERS

CONGRESS SHOULD NOT PROVIDE FUNDING FOR PLAN MEXICO UNTIL THE GOVERNMENT  
ENDS ITS POLITICAL PERSECUTION OF THE NATIONAL MINERS' AND METALWORKERS'  
UNION

*Introduction*

The United Steel Workers ("USW") is deeply concerned that an emergency funding package the Administration recently requested for the Government of Mexico ("GOM") may be used to undermine labor rights, civil rights and human rights in that country and further may be used to target political opposition arising from labor and other social movements in Mexico. Like Plan Colombia, a Plan Mexico could result in gross violations of human rights, which would have the effect of undermining the rule of law in Mexico and creating a climate of terror and fear instead of cultivating individual freedom and justice for all Mexicans. As leading human rights organizations such as Amnesty International and Human Rights Watch have documented, Mexican security forces operate in an environment of impunity which has given them a free rein to commit serious human rights violations.<sup>1</sup> Indeed, on October 11th a U.S. immigration judge stopped the deportation proceedings of a former drug informant based on the grounds that under the UN Con-

<sup>1</sup>See Amnesty International, *Laws without Justice* (Feb. 7, 2007); Human Rights Watch, *Lost in Transition* (2006).

vention Against Torture the informant would be at risk of torture by the Mexican government if deported to Mexico.<sup>2</sup>

Mexico has systematically repressed independent, democratic labor unions who have attempted to challenge the government-dominated system of labor relations—a system established under 70 years of one-party rule and which continues to this day.<sup>3</sup> In particular, the USW is very concerned about the political persecution of the National Miners' and Metalworkers' Union (“Los Mineros”) and its democratically-elected leader, Napoleon Gómez Urrutia (“Gómez”). This persecution has led to continued labor strife, the wrongful killing of three union members and the willful disregard of mine safety, which caused a horrific mine explosion at the Pasta de Conchos mine in 2006 leaving 65 miners dead. Continuing impunity has also meant a complete failure to hold accountable the parties responsible for the deaths of those 65 mineworkers.

Gómez was illegally removed from office and threatened with arrest on trumped up charges because he was fighting hard for better wages and working conditions, forming alliances with other international unions to increase the bargaining power of Los Mineros, and opposing labor law reforms promoted by the government that would have weakened workers' rights. While the Mexican federal courts have reinstated Gómez to his union position and acquitted him of baseless criminal charges, the GOM has appealed that acquittal,<sup>4</sup> and at the same time is working to undermine Los Mineros. Thus, it is imperative that the GOM understand that its blatant abuse of power against legitimate unions and their leaders will not be condoned.

#### *Background of Plan Mexico*

On October 22, 2007, the Administration sent Congress a supplemental war spending proposal exceeding 1.96 billion dollars. That emergency spending request includes \$500 million dollars for the Mexican government to combat transnational crime and illicit drugs. The \$500 million is a down-payment on a multi-year, \$1.4 billion aid package to Mexico and is the culmination of a deal struck behind closed doors between Presidents Bush and Calderon without consultation with or advice from the members of the U.S. or Mexican Congress. The Administration has released few details about Plan Mexico, preferring to simply ram it through Congress by wrapping it into other war spending.

According to news stories, the bulk of the first tranche of funding would be for several transport helicopters and two surveillance planes, with lesser amounts to purchase inspection equipment and upgrade technology for the Mexican attorney general's office. Yet, how the funds would be spent is a matter of conjecture, as the monies provided under Plan Mexico come with no human rights or other conditions attached.

#### *The Political Persecution of Napoleon Gómez Urrutia and Los Mineros*

The plight of Napoleon Gómez is a wake-up call to all in Congress who are concerned with labor and civil rights in Mexico and with that government's establishing and adhering to a rule of law and not men. Independent labor unions have been a particular target of government repression. Before any funding is approved, Congress should understand the story of Mr. Gómez and should call upon the GOM to end its persecution of this union leader by dropping its appeal of his acquittal on criminal charges—charges that were blatantly false—so that he may return to Mexico and resume his rightful position as the democratically-elected leader of Los Mineros union. The GOM also should cease in its efforts to undermine Los Mineros by supporting pro-company unions, and should act immediately to enforce and to strengthen health and safety protections in the mining industry.

As described in detail below, the GOM and Grupo Mexico, a privately-owned Mexican-multinational that is the third largest privately-held copper mining company in the world, engaged in a broad-scale attack aimed at eviscerating the union and eliminating Gómez as the head of Los Mineros by:

- Improperly withdrawing legal recognition of Gómez as a union official;
- Using excessive force during a strike that wrongfully killed union members;
- Installing a pro-company union once Gómez was illegally ousted;

<sup>2</sup>See El Paso Times, “Judge halts deportation of Juárez drug informant,” October 26, 2007.

<sup>3</sup>See Lance Compa, *Justice for All: The Struggle for Worker Rights in Mexico*, AFL-CIO Solidarity Center 2004; Public Communication to the U.S. National Administrative Office under the North American Agreement on Labor Cooperation (NAALC) Concerning the Introduction of Reforms to the Federal Labor Code of Mexico, 17 February 2005.

<sup>4</sup>See “Impugna PGR amparo a Gómez Urrutia” (translation: PGR challenges Gómez Urrutia on appeal), Reforma, Nov. 6, 2007.

- Ignoring life-threatening mine safety problems that lead to the mine explosion at Pasta de Conchos mine and 65 dead miners;
- Filing baseless charges in federal and state courts against Gómez.

*Los Mineros Under the Leadership of Napoleon Gómez: A New Direction*

Los Mineros<sup>5</sup> was founded in 1934 and represents Mexican workers in the mine and metal industries under some 80 collective bargaining agreements with Mexican employers. Los Mineros was led for 40 years by Napoleon Gómez Sada and during that time maintained a close relationship with the ruling Institutional Revolutionary Party (PRI). In 2002, Napoleon Gómez Urrutia, the son of Gómez Sada, became the new General Secretary of Los Mineros.

Gómez, an Oxford-trained economist, had a different approach; he instituted a democratic union structure and started to fight for improved wages, benefits and working conditions. Gómez demanded that jobs that had been contracted out by the mining companies be “contracted in,” thereby adding thousands of new members for Los Mineros.<sup>6</sup> Gómez fought for increased wages arguing that Mexican and multinational companies were reaping immense profits from the global boom in basic metals fueled by demand from China, yet wage increases were stuck at levels negotiated from an earlier time when the Mexican government owned the mines. With Mr. Gómez in power, in 2005 steelworkers at the Sicartsa mill, Mexico’s largest steel producer, went on strike and finally gained a 42 percent increase in wages and benefits that reflected the market boom in basic metals.<sup>7</sup>

In addition, Gómez recognized the need to forge international alliances with mining unions in other countries to counter an industry increasingly dominated by large multinational companies. Los Mineros became active in the International Metalworkers Federation and entered into a strategic alliance with the United Steel Workers.<sup>8</sup> When the USW struck Asarco in July 2005, Los Mineros held a one-day nationwide solidarity strike.<sup>9</sup>

Finally, Gómez was able to help bring closure to a protracted 15-year court battle between Los Mineros and the company, Grupo Mexico, over monies owed to the union by the company.<sup>10</sup> When the Cananea and Nacozari mines were privatized in 1990, as part of the privatization agreement Grupo Mexico was required to pay five percent of the purchase price into a trust fund to be administered by Los Mineros in accordance with the union’s by-laws.<sup>11</sup> The company simply refused. Los Mineros sued, but it was not until Gómez took over and carried out a strike in 2004, that the company, after a court order, agreed to pay the funds into the union trust.<sup>12</sup>

What ensued was a campaign by the GOM and Grupo Mexico to eviscerate the union’s hard-fought gains and to strip all power from Gómez in his leadership position. The result has been continued labor strife, the wrongful killings of union mem-

<sup>5</sup>The formal abbreviation for the National Union of Mine and Metal Workers is SNTMMSRM.

<sup>6</sup>“Exigen a AHMSA sindicalizar a subcontratados” (translation: Demand that AHMSA unionize subcontractors), *El Siglo de Torreon*, June 29, 2004.

<sup>7</sup>“Huelga en Sicartsa, por ‘anomalías’ de Villaceró” (translation: Strike in SICARTSA over ‘anomalies’ of Villaceró), *La Jornada Michoacán*, 1 August 2005; *Termina huelga en la siderúrgica Sicartsa que duró mes y medio* (translation: Strike at SICARTSA that lasted a month and a half ends), *EFE*, September 19, 2005; “Sindicato minero ganó en conflictos” (translation: Miners’ union wins in conflicts), *Excelsior*, February 23, 2007. See *CEREAL, A CIEN AÑOS DE CANANEA: EL PROTAGONISMO MINERO BAJO EL ACOSO DEL ESTADO MEXICANO* (translation: A hundred years after Cananea, the mineworkers’ actions under attack by the Mexican state), December 2006.

<sup>8</sup>Gómez’s actions brought him into conflict with the PRI-dominated national union body, the Labor Congress, which favored a more conciliatory approach. Gómez upset the party leadership by opposing proposed labor law reforms which, he argued, would impose labor flexibility measures on workers with little in return. On February 15, 2006, a group of dissident unions, including Los Mineros, split off from the Labor Congress. See “Fractura en el CT; entre golpes eligieron a dos líderes” (translation: Rupture in the CT; two leaders elected amid blows), *La Jornada*, February 16, 2006.

<sup>9</sup>See “Normalidad en Grupo México tras huelga en apoyo a otros mineros” (translation: Situation normal at Grupo Mexico after strike in support of other mineworkers) *EFE*, August 16, 2005.

<sup>10</sup>Grupo Mexico, which is owned by the Larrea family, is the third largest copper producer in the world with major holdings in Peru, including the Southern Peru Copper Company, as well as the largest copper mine in Mexico, the Cananea mine. All told, Grupo Mexico owns eleven mines in Mexico, many acquired through government privatization. It also owns Asarco, a mining company with properties in Arizona and Texas.

<sup>11</sup>See International Metalworkers’ Federation (“IMF”): Report of IMF Fact Finding Mission to Mexico at (2006); see also IMF complaint to the ILO Committee on Freedom of Association, Case No. 2478.

<sup>12</sup>See “Guerra minera” (translation: Mine war), *El Norte*, July 6, 2007.

bers, and the willful ignoring of mine safety, which led to a terrible explosion in 2006 that left 65 miners dead at Grupo Mexico's Pasta de Conchos mine.

*GOM's Illegal Ouster of Gómez as Head of Los Mineros*

The GOM illegally ousted Gómez and the entire Executive Committee on February 17, 2006. At that time the GOM also froze all union assets, as well as the personal assets of Gómez. The alleged basis for the removal was a letter from members of the union's oversight committee<sup>13</sup> to the Labor Secretariat alleging embezzlement of the trust fund monies. The GOM's action was not made public until February 28, after Gómez had denounced the Government for "industrial homicide" in the deaths of 65 mineworkers at Pasta de Conchos.<sup>14</sup>

Gómez was not restored to office until April, 2007, when a Mexican federal court ruled that the signatures on the letter used to remove him were forged and ordered the Secretary of Labor to officially recognize Gómez as the General Secretary of Los Mineros.<sup>15</sup>

The GOM's action was a blatant violation of Mexican and international labor law. *First*, under Mexican labor law, the election and removal of union officers is governed by union constitutions. The constitution of Los Mineros states that officers can be removed for malfeasance only by the union's national convention and only following an investigation and trial conducted by the union's Vigilance and Justice Commission. That did not occur here.<sup>16</sup>

*Second*, the GOM has a long-standing practice requiring government authorization for union officials to enter into contracts. The infamous "*toma de nota*" (the name given to the authorization) obviously interferes with union governance and thus is subject to political manipulation. Such a requirement violates the International Labor Organization Convention No. 87, which mandates that public authorities refrain from any interference that would impede the right of unions to elect their representatives and to organize and conduct their activities and programs.<sup>17</sup>

*Third*, the underlying allegation which formed the basis for his ouster from the union by the Labor Secretariat—embezzlement of the union trust fund—was a blatant fabrication.<sup>18</sup> On April 11, 2007, a Mexican federal court found signatures on the letter at issue were forged. A unanimous three-judge panel ordered the Secretary of Labor, Javier Lozano Alarcon, to officially recognize Gomez as the General Secretary of Los Mineros. The court specifically found that the Labor Secretariat had overstepped its authority and failed to comply with established procedures.<sup>19</sup> Indeed, in a bizarre twist that indicates an attempt to tamper with the evidence, the key documents used to allege the forgery actually were stolen from the federal prosecutor's office.<sup>20</sup> While copies were made which were then shown to be forgeries, the theft of the original forged documents essentially means that no one could be prosecuted for the forgery.

*New Pro-Company Union Results in Labor Strife and Union Members Killed in Strike*

When the GOM illegally ousted Gómez and the Executive Committee, it replaced them with a new slate headed by Elias Morales, a former union member. Morales

<sup>13</sup>The oversight committee is termed the Vigilance and Justice Commission of Los Mineros.

<sup>14</sup>See "Gómez Urrutia acusa a Minera México de 'homicidio industrial' y mentir a deudos" (translation: Gómez Urrutia accuses Grupo Mexico of "industrial homicide" and lying to the survivors), *La Jornada*, February 28, 2006; see also "La STPS desconoce a Gómez Urrutia como dirigente nacional de mineros" (translation: The STPS de-recognizes Gómez Urrutia as national leader of the mineworkers), *La Jornada*, March 1, 2006.

<sup>15</sup>See "Mexican Court Reinstates Union Leader," Associated Press, April 11, 2007; "Court orders restoration of Gómez U.," *El Universal*, April 12, 2007.

<sup>16</sup>The Vigilance and Justice Commission had no legal authority to elect a new slate of officers—this may be done only by the union convention. See Submission of the United Steelworkers to the National Administrative Office under the North American Agreement on Labor Cooperation, November 9, 2006.

<sup>17</sup>The GOM is a signatory to ILO Convention No. 87. The International Metalworkers Federation filed a complaint with the ILO Committee on Freedom of Association in October 2006 (ILO Case No. 2487), claiming violations of the Convention by the GOM in its dealings with Gómez and Los Mineros.

<sup>18</sup>See "PGR confirms that Elias Morales falsified a signature to replace Gomez-Urrutia," *La Jornada*, April 10, 2007.

<sup>19</sup>See "Mexican Court Reinstates Union Leader," Associated Press, April 11, 2007; "Court orders restoration of Gómez U.," *El Universal*, April 12, 2007.

<sup>20</sup>See "Evidence of forgery pilfered from PGR," *El Universal*, April 14, 2007.



proceeded to re-negotiate a number of union contracts on terms more favorable to the companies.<sup>21</sup> Morales also purged union members who supported Gómez.<sup>22</sup>

The union fought back against the government's interference. In response to the attacks on Gómez and the union leadership, the union called a nationwide strike. In the town of Lázaro Cardenas workers struck the largest steel mill in Mexico, Sicartsa. As thousands gathered in the streets in support, federal and state police surrounded the strikers and on April 20, 2006, shot and killed two union members—José Luis Castillo Zúñiga and Héctor Alvarez Gómez—and many were injured.<sup>23</sup>

The GOM's National Human Rights Commission investigated the killings and found that; (1) the police operation was not approved by the courts in direct violation of the Mexican Constitution, (2) the police engaged in excessive force,<sup>24</sup> and there was a lack of diligence and professionalism in investigating the excessive force used.<sup>25</sup> No one has ever been charged.

#### *Grupo Mexico's Continued Efforts to Break Los Mineros*

With Gómez on the defensive, Grupo Mexico used its control over his government-appointed replacement, Elias Morales, to slash payrolls, wages and benefits. At the La Caridad mine in Nacozari, Grupo Mexico broke its contract with the union in the summer of 2006 and fired 900 of its 1,300 workers. The company then rehired some of the workers as contractors with lower pay and no benefits, while carefully screening out supporters of Gómez.<sup>26</sup> When workers who had been fired attempted to meet with company officials on August 11, 2007, they were attacked and one union member, Reynaldo Hernández González, was shot and killed.<sup>27</sup>

After these efforts to oust Los Mineros failed, Grupo Mexico began setting up company unions to further undermine that union.<sup>28</sup> The Federal Labor Board ordered "elections" in eight Grupo Mexico mines across the country with only 36 hours notice to Los Mineros. Workers were locked in the mines, intimidated, and forced to cast their votes publicly in front of Grupo Mexico officials.<sup>29</sup> Los Mineros is appealing this ham-fisted power grab by Grupo Mexico.

#### *The Pasta de Conchos Coal Mine Disaster: A Ticking Time Bomb Waiting to Explode*

On February 19, 2006, an explosion of methane gas in Grupo Mexico's Pasta de Conchos coal mine in the north of Mexico brought into sharp focus what is at stake in this labor battle. Sixty-five miners were trapped inside. To date, the bodies of 63 dead have not been recovered.<sup>30</sup> After the explosion, Gómez spoke out forcefully, accusing Grupo Mexico and the minister of Labor of "industrial homicide."

<sup>21</sup>See "La negociación de contratos, con Elias" (translation: The negotiation of contracts, with Elias, Milenio, January 19, 2007; "Continúan disputas en el sindicato minero" (translation: Disputes in mineworkers' union continue), El Economista, 1 February 2007.

<sup>22</sup>See "Estalla violencia en al 14," (translation: Violence flares in Section 14), Zócalo, January 13, 2007; "Despiden a 7 mineros; denuncian represión de Minera Mexico," (translation: Seven miners fired; they denounce repression in Grupo Mexico), Zócalo, 14 January 2007.

<sup>23</sup>See "Steel Workers in Mexico Clash with Police," upsidetown.org, April 26, 2006.

<sup>24</sup>The National Human Rights Commission found that excessive force resulted in two workers killed, 21 wounded by gunfire and 33 others injured. On the other hand, the police sustained only minor injuries. See National Human Rights Commission: Recommendation 037/2006, Oct. 11, 2006.

<sup>25</sup>National Human Rights Commission: Recommendation 037/2006, Oct. 11, 2006.

<sup>26</sup>See "Termina Grupo México relación con mineros de Sonora" (translation: Grupo Mexico terminates its relation with miners in Sonora), La Jornada, June 10, 2006; "Comienza GM la reconstrucción de ex obreros en la mina La Caridad" (translation: GM begins rehiring exworkers at the La Caridad mine), La Jornada, August 2, 2006.

<sup>27</sup>See "Mexico Mine Disputes Intensify; Miner Killed In Clash," Dow Jones Newswires, 13 August 2007; "One dead after miners fight at Mexico copper pit," Reuters, 12 August 2007.

<sup>28</sup>See "Mexico's Cananea Copper Miners To Set Up New Union—Report," Dow Jones Newswires, July 12, 2007; "Labor Unions Demand Mexico Drop Charges Vs Miners Leader," Dow Jones Newswires, September 5, 2007; "Otorgan toma de nota a otro sindicato minero" (translation: Toma de nota authorized for another miners' union), Milenio, November 1, 2007; "Consigne registro cuarto sindicato minero" (translation: Fourth mineworkers' union obtains registration), El Imparcial, November 6, 2007.

<sup>29</sup>CEREAL Bulletin, September 4, 2007. The GOM's undemocratic practice of forcing workers to vote publicly in union elections has continued despite the lack of any legal foundation and despite the Joint Declaration signed by the U.S. and Mexican Labor Secretaries in which Mexico pledged to "promote secret ballots and neutral voting places." Agreement on Ministerial Consultations, U.S. NAO Submissions 9702 and 9703, May 18, 2000.

<sup>30</sup>In December 2006, Grupo Mexico summarily fired all of its union employees at Pasta de Conchos and replaced them with independent contract employees. See "Pierden derechos con tal de trabajar" (translation: Right to work is lost), Excelsior, 16 January 2007; "Emplean a novatos en mina" (translation: Newcomers hired at mine) Excelsior, 17 January 2007.

Several investigations were conducted, including one by a special committee of the Mexican Legislature.<sup>31</sup> The investigations uncovered a pattern of negligence and gross omission. For instance, the National Human Rights Commission (CNDH) found that the Labor Secretariat was responsible for failing to properly provide adequate resources to enforce mine safety and for allowing Grupo Mexico to operate despite so many mining safety violations.<sup>32</sup> The special investigative committee of the Mexican Congress, in a report presented last month, reached the same conclusions,<sup>33</sup> as did the Labor Secretariat's own report on the disaster.<sup>34</sup>

In fact, the mine had a history of serious violations.<sup>35</sup> In July of 2004, Federal inspectors found numerous safety violations, including, most critically, failure to use anti-static powder that prevents machine sparks from igniting a methane gas explosion, as well as other potential fire hazards. Apparently, none of these violations was corrected.<sup>36</sup> In February 2006, just two weeks before the disaster, the inspectors determined that Grupo Mexico had not taken several required corrective measures, most importantly measures to contain methane gas within acceptable levels and the use of anti-static powder to contain sparking that could ignite methane gas. *See Attachment A: Conclusions of the Special Congressional Committee to Determine the Responsibility for the Explosion at Pasta De Conchos Mine (Mexican Legislature).*

#### *Trumped Up Corruption Charges Brought to Silence Gómez*

On March 2, 2006, the GOM brought criminal charges for alleged fraud and embezzlement of the \$55 million dollar Los Mineros trust fund.<sup>37</sup> The GOM froze the bank accounts of Los Mineros and Gómez and seized his personal property. Fearing for the safety of himself and his family, Gómez took refuge in Canada, where he remains.

Over the past year, the GOM's legal case against Gómez has slowly collapsed.<sup>38</sup> In October of 2007, a Mexican federal court acquitted Gómez of criminality with regard to the trust fund.<sup>39</sup> The GOM, however, continues its attack by appealing this decision. Likewise, similar charges were rejected by state courts<sup>40</sup> or simply abandoned by prosecutors.<sup>41</sup>

Additionally, an independent audit conducted by the Swiss auditing firm of Horwath Berney, S.A.<sup>42</sup> determined that all of the trust fund monies were accounted for and that payments made from the trust fund were made with the approval of the union's Executive Committee, as required by the original privatization agreement.

#### *Conclusion*

The USW urges the GOM to drop its appeal of the acquittal by the Mexican federal court, which, as described above, cleared Gomez of wrongdoing and instead to let Gómez return home to resume his duties as the head of Los Mineros without

<sup>31</sup> INFORME DE LA COMISIÓN ESPECIAL PARA CONOCER LAS RESPONSABILIDADES Y ORIGEN DE LA TRAGEDIA DE LA MINA PASTA DE CONCHOS, DE RESULTADOS FINALES DE LAS INVESTIGACIONES OBJETO DE ESTE ÓRGANO LEGISLATIVO, Gaceta Parlamentaria, Cámara de Diputados, número 2308-I, martes 31 de julio de 2007.

<sup>32</sup> Comisión Nacional de Derechos Humanos, RECOMENDACIÓN No. 26/2006, SOBRE EL CASO DE LOS TRABAJADORES DE LA EMPRESA INDUSTRIAL MINERA MEXICO, S.A DE C.V. (UNIDAD PASTA DE CONCHOS), 17 July 2006.

<sup>33</sup> *See* Attachment A, CONCLUSIONS OF THE SPECIAL CONGRESSIONAL COMMITTEE TO DETERMINE THE RESPONSIBILITY FOR THE EXPLOSION AT PASTA DE CONCHOS MINE (MEXICAN LEGISLATURE).

<sup>34</sup> "Arbitrators order Mexican miners back to work," San Antonio Express-News, August 8, 2007.

<sup>35</sup> In the six years prior to the 2006 explosion, it was reported that the federal government had found 188 safety violations at Pasta de Conchos. *See* "Gov't was aware of safety violations." El Universal, 26 February 2007.

<sup>36</sup> *See* "Gov't was aware of safety violations." El Universal, 26 February 2007.

<sup>37</sup> *See* "Investiga la PGR a Gómez Urrutia por corrupción, informa Presidencia" (translation: The PGR is investigating Gómez Urrutia, says the Presidency), La Jornada, March 3, 2007.

<sup>38</sup> For instance, state claims that the \$55 million trust was created on behalf of the workers at the privatized mines and not the union—have been systematically rejected by the courts, which have held that the funds were rightfully the union's property. *See* "Napo gana en definitiva la libertad via amparo" (translation: Napo definitively wins freedom on appeal), Milenio, June 14, 2007.

<sup>39</sup> *See* "Mexican union leader cleared of graft," San Antonio Express-News, 18 October 2007.

<sup>40</sup> *See* "Napo gana en definitiva la libertad via amparo" (translation: Napo definitively wins freedom on appeal), Milenio, June 14, 2007.

<sup>41</sup> *See* "Gómez Urrutia, exculpado de fraude contra el gremio minero" (translation: Gómez Urrutia exonerated of fraud against miners' union), La Jornada, June 8, 2007.

<sup>42</sup> Horwath Berney Audit S.A: Special review of the use of funds received by Los Mineros from Grupo Mexico, August 3, 2007. The study was conducted on behalf of the International Metalworkers' Federation.

fear of further persecution. As discussed above, in April 2007 a federal court in Mexico ruled that Gomez was improperly removed as head of the union and has ordered him reinstated.

Mexico needs strong, independent union leaders to honestly represent workers and fight for their well-being and dignity and to prevent tragic disasters. Gómez is such a leader. It seems evident that labor strife and serious safety problems will continue if independent union leaders like Gómez are not permitted to conduct lawful union activities. In fact, a report issued this week about the mine safety issues at Grupo Mexico's Cananea copper mine shows that the GOM is still not enforcing basic mine safety, and that workers' health and lives are being needlessly jeopardized. See Attachment B: *Executive Summary of Cananea Mine Safety Report by the Maquiladora Health and Safety Support Network (MHSSN)* available at <http://mhssn.igc.org/CananeaOHSReport.pdf>. Mexican mine workers deserve better.

Congress should not provide funding for Plan Mexico until Gómez is permitted to return to Mexico without fear of further politically motivated retribution. The USW urges Congress to hold hearings on violations of labor rights and human rights in Mexico to allow for the victims of this and other cases to speak to you directly. Intimidation and violence against workers and unions and reckless indifference to safe working conditions should be part of Mexico's past, not its future.

ATTACHMENT A—CONCLUSIONS OF THE SPECIAL CONGRESSIONAL COMMITTEE TO DETERMINE THE RESPONSIBILITY FOR THE EXPLOSION AT PASTA DE CONCHOS MINE (MEXICAN LEGISLATURE)

The following conclusions were presented to the Chamber of Deputies on October 3, 2007:

1. The established hypothesis of an event caused by negligence and omission was proved, and responsibility was established
2. The tragedy of the Pasta de Conchos Mine was the product of a great explosion caused by an excessive concentration of methane gas and coal dust, which caused the collapse of practically the entire mine.
3. The presence of methane gas was a product of the negligence and omission of the company holding the concession [Grupo México], based on the following considerations:
  - a. Failure to complete the blocking off of the old passages 1 East and West, which generated the concentration of methane
  - b. The lack of continuous spraying to avoid the suspension of coal dust, which is a highly flammable material
  - c. Inadequate spreading of anti-static powder throughout the entire mine
  - d. Inefficient ventilation, and
  - e. The lack of sufficient methane meters, which had been requested repeatedly by the Joint Safety and Health Committee
  - f. The failure to isolate high-voltage electrical lines inside the mine, as well as the failure to isolate the control panels and to keep them clean, as reflected in the Minutes of the Joint Safety and Health Committee
4. There was no system of internal communication within the mine, resulting in the trapped group of miners being cut off and the failure of the watchman to notify the mine manager until 30 minutes after the explosion. The manager, in turn, did not notify the federal and state authorities until after 7 in the morning.
5. There were no emergency exits or alarm systems, which would have given the trapped miners a better chance of survival.
6. The authorities of the Federal Labor Delegation in Coahuila committed serious and culpable negligence and omission by ignoring the non-compliance with safety measures by the concession holder Industrial Minera México, S.A. de C.V., which cut short the lives of the workers on the third shift. They have administrative and criminal responsibility for not carrying out their duty as established by the Political Constitution of the United Mexican States, the Federal Law of Administrative Responsibility of Public Functionaries, the Federal Labor Law and other applicable norms.
7. The Secretariat of the Economy did not comply with its duties established in the Mining Law (artículo 7, fracción XII, 53 y 58); and concealed the reports of the Mexican Geological Service concerning the compliance by the concession holder Industrial Minera México with safety norms at the Pasta de Conchos Mine.

8. There is responsibility on the part of Industrial Minera México, and therefore of Grupo México, as the parent company of IMMSA with mutual responsibility, and of General de Hulla, in the deaths of the Pasta de Conchos miners.
9. The Federal Labor Delegation in the State of Coahuila is also responsible for the deaths of the miners at Pasta de Conchos.
10. There is responsibility on the part of the Secretariat of Labor and Social Welfare and the Secretariat of the Economy, for non-compliance with their duties, which is subject to the sanctions established in the Political Constitution of the United Mexican States in its Article 109 and 110, the Law of Administrative Responsibilities of Public Functionaries, the Federal Penal Code and applicable legislation.
11. From the Recommendation No. 26/2006 of the CNDH we infer the responsibility of the Mexican State for the negligent behavior of the public servants of the STPS, Coahuila Delegation. For this reason the CNDH recommends the payment of compensation to the families of the deceased workers. It should be mentioned that this recommendation was accepted on behalf of the STPS by the responsible officials. Nonetheless as of today the corresponding payments have not been made, with the result that the families have been forced to file lawsuits in the Federal Tribunal of Fiscal and Administrative Justice. It is necessary to state that this Special Commission infers that the recommendation of the CNDH is correct in the facts that it establishes and in the corresponding legal conclusions. For this reason we concur that the State must take responsibility based on the negligence of the aforementioned public servants.

ATTACHMENT B—EXECUTIVE SUMMARY OF CANANEA MINE SAFETY REPORT BY THE  
MAQUILADORA HEALTH AND SAFETY SUPPORT NETWORK

An independent team of safety and health professionals organized by the Maquiladora Health and Safety Support Network (MHSSN) conducted an inspection of the Cananea mine from October 5–8, 2007, and performed tests on a sample population of 68 workers (available at <http://mhssn.igc.org/CananeaOHSReport.pdf>). The conclusion of the survey team is that there are serious health and safety hazards at the Cananea mine that require *immediate* attention and other that require long-term corrections in order to protect workers at the facility from both instantaneous accidents and chronic exposures generating occupational diseases. The MHSSN investigation revealed:

- The conditions observed inside the mine and processing plants, and the work practices reported by the interviewed workers, paint a clear picture of a *workplace being “deliberately run into the ground.”* A serious lack of preventive maintenance, failure to repair equipment and correct visible safety hazards, and a conspicuous lack of basic housekeeping has created a work site workers have been exposed to high levels of toxic dusts and acid mists, operate malfunctioning and poorly maintained equipment, and work in simply dangerous surroundings.
- The deliberate dismantling of dust collectors in the Concentrator area processing plants by Grupo Mexico approximately two years ago means that workers in these areas have been subjected to *high concentrations of dust* containing 23% quartz silica, with 51% of sampled dust in the respirable particle size range, protected only by completely inadequate personal respirators. Occupational exposures to silica can lead to debilitating, fatal respiratory diseases including silicosis and lung cancer.
- Semi-quantitative calculations indicate workers in the Concentrator area are exposed to dust levels of at least 10 milligrams per cubic meter of air (mg/m<sup>3</sup>). The *respirable quartz silica* component of this dust would be at least 1.2 mg/m<sup>3</sup>, or 10 times greater than the Mexican Maximum Permissible Exposure Limit (LMPE) of 0.1 mg/m<sup>3</sup>. Without any operating dust collection equipment, workers in the Concentrator area must be provided with Powered Air-Purifying Respirators (PAPRs), or supplied-air respirators in continuous flow mode, to protect them against inhalation exposures to silica dust, instead of the paper filtering face pieces currently in use.
- Implementation of Grupo Mexico’s *overall safety program* at the mine has not resulted in effective, comprehensive protection of workers. There are serious health and safety hazards created by industrial-scale mining, crushing and pulverizing, acid leaching and electro-plating, and milling operations to

produce fine powder copper ore from a huge open-pit, hard rock mine. The required Joint Management-Labor Safety Committee is small—six members total—and unable to conduct or oversee effective safety inspections, hazard corrections, accident investigations and employee training.

- Grupo Mexico has not conducted sufficient *industrial hygiene monitoring* to identify, evaluate, and later control health hazards to miners including exposure to mineral dusts (including silica), acid mists, airborne solvents, high noise levels, high vibration levels, hot and cold conditions. The employer has failed to inform, as required by Mexican law, monitored employees of their measured exposures to hazardous substances.
- Grupo Mexico has not conducted a comprehensive *medical surveillance* program to determine the health status of workers exposed to airborne contaminants (silica, heavy metals like lead, acid mist, solvents) and physical hazards such as noise and vibration. The employer has failed to inform, as required by Mexican law, the few workers who have been examined of the results of the medical tests.
- Grupo Mexico has not provided the *training required by Mexican law* to workers with hazardous exposures that trigger the training requirement. Despite high noise levels, exposure to chemicals, and exposures to energized machines, 91% of the interviewed mines had not received noise training, 58% had not received chemical hazards training, 70% had not received electrical hazards training, and 75% did not get training on lockout/tagout procedures for operating and repairing energized equipment.
- Grupo Mexico has failed to install effective *ventilation and source pollution controls* in the two ESDE plants to prevent hazardous exposures to sulfuric acid mists to workers. One marker of the levels of acid mist is that the floors and structural steel frame of ESDE II building have been eaten away by highly concentrated acid mist.
- In addition to disassembling or failing to install effective local exhaust ventilation to reduce worker exposure to airborne contaminants, Grupo Mexico has relied on *personal protective equipment* (PPE), inappropriate N-95 paper respirators, to protect workers from particulates, acids and vapors. Moreover, respirator users have not been medically evaluated, fit-tested and trained in the use of the PPE.
- Although the OHS survey team could not verify the exact circumstances of the 50 separate *accidents* reported to have occurred on site in the last 12 months, the anecdotal reports of broken limbs, amputations, electrocutions, falls, burns, and at least one fatality, suggest these incidents were the result of unsafe working conditions, poorly maintained machinery and equipment, and inadequate safety procedures. Such root causes of the reported accidents would closely coincide with the on-site observations of the OHS survey team.

Mr. ENGEL. Mr. Hinojosa.

Mr. HINOJOSA. Thank you, Mr. Chairman. Mr. Johnson and Mr. Shannon, thank you for coming to be presenters. We thank you for being with us today, and we thank you for your service to our country.

As you know, the criminal drug cartels that pervade Mexico are not purely a Mexican phenomenon. To the contrary, these drug cartels depend upon American consumption of illegal drugs and are fueled by American weaponry smuggled south across the border.

To confront the problems posed by these crime syndicates, it is not sufficient to demand that the Mexicans do all of the work. I am concerned that our American Government is not helping Mexico stop the flow of arms across the border into Mexico.

I have two questions for Ambassador Johnson. What will be done with this money to train Mexican policemen and undercover Mexican agents to reduce the corruption?

The second question: How can the judiciary officials—local, state, and Federal judges—be trained to strengthen and ensure that they will try those captured involved in the smuggling of drugs?

Ambassador JOHNSON. Congressman, there are funds here that are for the training of the police, and they are embedded in various aspects of this program. Broken out, it is almost \$7 million for the Mexican Attorney General's Office. I am unaware of a specific request for funding that is directed at training judges, but if you could give me an opportunity to look into that, I would be pleased to get back to you on that point because I think it is an important one.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE DAVID T. JOHNSON TO  
QUESTION ASKED DURING THE HEARING BY THE HONORABLE RUBÉN HINOJOSA

With regard to your question on funding directed at training judges, our aim is to work with the Government of Mexico to strengthen its overall criminal justice sector. We have requested over \$80 million to give prosecutors, defense, court personnel, and police investigators tools to help prosecute arrests effectively through the judicial system. Of that sum amount, \$15 million would be dedicated to courts management and prosecutorial capacity building, \$2 million for extradition training, and \$2 million to advance alternative case resolution to reduce court congestion.

We have also budgeted \$3 million for improved courts and prosecutor training in Central America. Technical assistance will address criminal court management techniques to centralize and standardize case administration, limiting opportunities for administrative corruption.

Merida Initiative funds will also contribute to a rule of law project to support comprehensive judicial reforms. The project currently works with selected states that are transforming their criminal justice systems to adopt oral adversarial trials and includes a training component for judges, prosecutors, and defense counsel. Because the reformed system requires the presentation of forensic evidence, the states must also train police in managing evidence and maintaining proper records.

The reforms go far beyond trial methodology—these require a fundamental shift in how crimes are investigated, how evidence is collected and analyzed, and how defendants are brought to trial, including amended standards of proof that previously rested on confessions. For example, key to supporting human rights concerns, the reforms adopted to date also require that defendants be represented by legal counsel.

Mexico is currently considering criminal justice reforms at the federal level. With additional funding under the Merida Initiative, there will be programs to offer similar assistance to support implementation of comprehensive federal reforms.

We will continue to engage the Mexican government concerning provisions for training judges and promoting bi-lateral exchanges between non-governmental judicial associations and institutions.

Mr. HINOJOSA. The perception is that oftentimes judges, at every level that I mentioned, are threatened in ways that they will find ways to not allow all of the evidence to be presented so that they can then bring them to court and try them, as we do here in the United States.

So I wish you would give that consideration because certainly that is a perception that many of my colleagues here in the Congress have of the situation in Mexico. I yield back, Mr. Chairman.

Mr. ENGEL. Mr. Rohrabacher?

Mr. ROHRABACHER. Thank you very much. Could you tell me how much money goes to the criminal element in Mexico for supplying drugs to the people of the United States?

Ambassador JOHNSON. Congressman, I did not quite understand.

Mr. ROHRABACHER. How much money flows from the United States to the criminal element in Mexico because we are buying illegal drugs, Americans are buying illegal drugs, from Mexico? What are we talking about, \$1 billion, \$2 billion, \$3 billion, \$5 billion?

Ambassador JOHNSON. Congressman, it is in the billions, but I do not have an exact figure or even an approximation that, I think, would be reliable to put before you.

Mr. ROHRABACHER. So we have no approximation as to the value of the drugs that flow from Mexico into the United States.

Ambassador JOHNSON. We believe that almost nine-tenths of the cocaine that comes into the United States comes through Mexico.

Mr. ROHRABACHER. So what would that price tag be?

Ambassador JOHNSON. Congressman, I do not want to tell you something I do not know. I do not have an estimate for that.

Mr. ROHRABACHER. But we are talking about many billions of dollars.

Ambassador JOHNSON. Yes, sir.

Mr. ROHRABACHER. All right. We are suggesting today that we are going to spend a couple of hundred million dollars bolstering the Mexicans' ability to try to deal with that at a time when billions of dollars are flowing into the criminal elements from our private sector, you might say.

Ambassador JOHNSON. Well, how much of it stays in Mexico and how much of it goes on to the original source countries, I think, is subject to some consideration, but the fractions are, as you point out, they are quite different.

Mr. ROHRABACHER. Right, and Mexico is, in some cases, a supply country as well.

Ambassador JOHNSON. That is correct.

Mr. ROHRABACHER. Well, let me just note that I think that the drug war that we have been witnessing in this country over the last 20 years has been a colossal failure, a colossal failure.

I am just as frustrated with my Mexican counterparts as Mr. Tancredo is, and we have a lot of issues there, but I believe that one argument that they make successfully is that it is the American appetite for these illegal drugs that is the real problem, and it seems to me that money could be better spent trying to curb our demand side. That is the only thing that I have seen in my lifetime that has worked, to decrease the amount of drug use in the United States.

Ronald Reagan, when I worked for him, was able to decrease the demand for drugs among children, young people, by 50 percent. That was not done by beefing up enforcement and interdiction. It was based on the demand side, not the supply side, by making it unacceptable socially for people to use drugs.

It just seems to me that we are destined, by the program that you are suggesting, to be putting resources into a monstrous problem, as Mr. Tancredo said. I remember when we were giving money to Marcos to try to combat the communist guerrillas in the Philippines, and, of course, almost all of it was being stolen, and we had to get rid of Marcos, or the Philippines would have been overwhelmed.

The fact is that, in this particular challenge, we need to work with the Mexican Government, but perhaps working with them, the best thing we could possibly do is perhaps curb our appetite.

Let me ask you about the fence. How much of a fence do we have built right now between Mexico and the United States? How long is that fence?

Mr. SHANNON. I do not know the exact length, but we will contact the Department of Homeland Security and get back to you.  
[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE THOMAS A. SHANNON, JR. TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE DANA ROHRABACHER

The Department of Homeland Security has informed us that, as of the end of September 2007, 150 miles of pedestrian fence and 115 miles of vehicle barrier fence have been constructed.

Mr. ROHRABACHER. Mr. Tancredo, do you know how long?

Mr. TANCREDO. I was just going to say, they do not know either.

Mr. ROHRABACHER. They do not know either. So here we have billions of dollars flowing across our border in the drug trade. Do you think that a fence that would be built, an impenetrable fence, between Mexico and the United States would have an impact on drug importation, as well as illegal immigration?

Mr. SHANNON. If an impenetrable fence could be built along the entire length of the frontier, it would have an impact on moving drugs across that frontier.

Mr. ROHRABACHER. Right.

Mr. ENGEL. The gentleman's time has expired.

Mr. ROHRABACHER. Thank you very much. This is a perplexing issue, and we do deserve to have a much greater degree of cooperation and consultation on this. Thank you, Mr. Engel.

Mr. ENGEL. Thank you, Mr. Rohrabacher.

As you have heard, we have four votes, and then we will have one more person asking questions, and then we will recess until immediately after the four votes.

Mr. Miller? Is he still around? Mr. Scott.

Mr. SCOTT. Thank you very much, Mr. Chairman. First of all, I want to associate my remarks with Mr. Rohrabacher, who made what I think is the salient point. The answer to the drug problem is to stop the appetite in the United States, without question.

I do want to revisit, just for a moment, because a lot of the questions and the entire discussion is predicated upon the mistake that the President continues to make in failing to consult Congress, in violation of the Constitution of the United States. There are 435 Members of Congress, there are 100 Members of the Senate, and there is one President. Each of us goes out and asks people to vote for us and get elected on our own, and they send us up here to do our duties.

The Congress is not a bank just for the President to come to and get money. We are appropriators. By the Constitution, we are it that determines where the money goes, how it goes. We are here to ask questions, to be deliberative, to have the oversight.

This cowboyism, this go-it-alone, this kind of foreign policy is what has put the United States in the position it is in right now across this world, and it has got to change, and this hearing, if it does nothing else, it ought to send a powerful message back to President Bush, at least, in his final year, to correct some of the things that he has been doing.

We are not just here as a rubber stamp, and I know I speak not only for Democrats but my Republican colleagues as well, for when he insults the Senate, as he does, and the Congress, as he does,



he is not just insulting and disrespecting the Democrats; he is disrespecting members of his own party as well.

So I think that and hope this is a holistic problem of dealing with Mexico and Central America as a primary route of so much of the problems that are deposited here in the United States, of drug trafficking and immigration. These are the most fundamental domestic issues facing the United States, and for the President of the United States to sit over there, and then to use an excuse about time.

He had time to consult the Secretary of State. He had time to consult whoever he wanted to, but not the duly elected people that are sent here by the people of America, and he is absolutely wrong in doing that. And I hope that you will take that message back, and, at least, in his final year of administration, we can respond to that.

Let me just ask briefly a few questions, though. What is going on with the journalists? How many have been killed, and have there been any American journalists killed?

Mr. SHANNON. I will get you the exact number of journalists killed, but it is significant, and there have been American journalists killed, some of which we heard today in this room regarding the case of Brad Will.

Violence against journalists in Mexico is a big problem, not just for the larger profession of journalism but for what Mexico is attempting to do in fighting organized crime, because much of the violence against journalism and journalists is directed by organized crime, and it has a purpose, and that is to—

Mr. ENGEL. Excuse me. The chair notes that there is a disturbance of the committee proceedings. May I ask anyone in the audience to please cease? If not, that person will be removed. Ambassador?

Mr. SHANNON. Thank you, Mr. Chairman. As I noted earlier, organized crime has the ability to corrupt and influence political parties, local police forces, and other state institutions, and the role that journalism plays is in exposing this.

Mr. SCOTT. I have another question I want to get to. What I needed to know is how many journalists have been killed?

Mr. SHANNON. We do not know the exact number, but we will get it to you. It is a significant number. It is a worrisome number, both American and Mexican journalists.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE THOMAS A. SHANNON, JR. TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE DAVID SCOTT

Reporters Without Borders lists eight journalists killed in Mexico from September 2006 to September 2007. They rank Mexico as the most dangerous country for reporters in Latin America during this time period. They also rank Mexico as 15th in the world for reporters killed from January 1992 through October 2007—with 13 deaths.

The Committee for the Protection of Journalists reports six journalists killed in Mexico in direct relation to their work since 2000, with a total of 11 journalists murdered in “unclear circumstances” during this period.

We understand that many of these killings are reportedly carried out by organized crime groups against investigative journalists in an effort to intimidate them.

The murder of Brad Will in October 2006 is the only case we know of where an American journalist was killed in direct relation to his work. No one has been charged in the Will case, but the Embassy remains actively engaged in pressing authorities at both the state and federal level for resolution. We are also aware of the

case of Phillip True, another American journalist, who was killed while hiking in Jalisco in 1998, but we have seen no evidence linking his death to his profession as a reporter.

Mr. SCOTT. Let me ask you about the labor and human rights going on in Mexico. What is the status of that?

Mr. SHANNON. Do you have particular cases that you want to look at or the larger—

Mr. SCOTT. Just your own assessment. There is a great deal of concern in this country about the labor rights and human rights in Mexico and in Central America. It has a great impact on our trade policies. We are moving very forthrightly to deal with those, and I thought that you might have some fresh information to give us an update on the status of the labor rights and human rights in Mexico and Central America, as we are moving forward to make this decision for the \$550 million.

Mr. SHANNON. In both Mexico and Central America, you have to address human rights on two levels. First is the larger level of political involvement and political participation, and what we are seeing in Mexico and in Central America are openings of political systems and more involvement from all sectors of Mexican and Central American society.

This is a positive thing. This really allows sectors which historically have been excluded to demand results from their government and to demand protection from their police and from their judiciary.

We have also seen an effort by governments to address human rights abuses by state officials, military and police, against individuals.

Mr. SCOTT. Let me ask my final question.

Mr. ENGEL. The gentleman's time has expired, and we have a vote now. We have four votes.

The committee will stand in recess until immediately after the votes, when we will come back and resume with Mr. Poe on the Republican side and Mr. Sires on the Democratic side. So the committee stands in recess until after the votes.

[Whereupon, a short recess was taken.]

Mr. ENGEL [presiding]. The committee will come to order. I call upon Ms. Ros-Lehtinen for purposes of unanimous consent statement.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman, and I respectfully request unanimous consent to introduce into the record a statement of November 8th by USDA Administrator Karen Tandy that shows that cocaine prices are up 44 percent, and purity is down 15 percent here, to show that this is not a failed U.S. drug policy. It is, indeed, a success. Thank you, Mr. Chairman.

Mr. ENGEL. Without objection, so ordered.

[The information referred to follows:]

DEA ANALYSIS SHOWS PRICE OF COCAINE IN THE U.S. JUMPED 44 PERCENT OVER THE PAST NINE MONTHS, PURITY DECREASED 15 PERCENT; U.S. PRICE OF METHAMPHETAMINE INCREASES BY NEARLY 75 PERCENT, PURITY DOWN BY A THIRD

(Bogotá, Colombia)—Today, DEA Administrator Karen Tandy and John Walters, Director of National Drug Control Policy (ONDCP) joined high-level Colombian and Mexican officials to release an analysis showing a disruption of the cocaine and methamphetamine market in the United States.

According to the Drug Enforcement Administration's System to Retrieve Information on Drug Evidence (STRIDE), the average price per pure gram of cocaine in the United States has increased by 44 percent between January and September of 2007. The average price per pure gram of cocaine is now \$136.93 (compared to \$95.35 in Jan). This increase in price has been accompanied by a 15 percent reduction in the average purity of cocaine. Additionally, the average price per pure gram of methamphetamine in the United States has increased by 73 percent during the same period of time (Jan–Sept 2007) from \$141.42 in January of 2007 to \$244.53 in September 2007. This increase in price has been accompanied by 31 percent reduction in the purity of meth. This disruption in the cocaine and meth market in the United States has occurred following unprecedented pressure against narcotrafficking groups through coordinated efforts of the Governments of Colombia, Mexico and the United States.

Director Walters stated, "This report is the best evidence yet that counter-drug programs undertaken throughout the Hemisphere, from Colombia to the United States, can break the machine that delivers violence, corruption, and addiction to every country in this hemisphere. These results will be sustainable if we continue to cooperate and continue to invest. This is not yet victory, but it is a sign that we are on the right track and that we must continue."

"Increasing purchase prices for cocaine and methamphetamine in the U.S. market and decreasing purity mean one thing—these drugs are less available on the streets of America," said DEA Administrator Karen P. Tandy. "Drug kingpins are having a harder time moving illegal drugs and chemicals and pocketing the illicit proceeds because they are up against the full court press of sustained, joint initiatives by a historic three-way partnership among Colombia, Mexico, and the United States. This rock solid, international lineup has disrupted the world's highest level narcotraffickers, made illegal drugs costlier and less pure, forced traffickers into an uncertain reactive mode, and formed the linchpin to greater stability throughout the Western Hemisphere."

In Colombia, President Uribe has aggressively attacked the production, cultivation, and trafficking of cocaine. In 2007, Colombia had a sixth consecutive record year for illicit crop eradication and continued its aggressive interdiction programs and strong commitment to extradite persons charged with crimes outside of Colombia. Since President Alvaro Uribe took office, Colombia's public security forces have prevented hundreds of tons of cocaine and heroin from reaching their intended markets, including the seizure of nearly 100 metric tons of cocaine and base inside Colombia already in 2007. This drains money and power from the international illegal drug conspiracies. In 2006, the U.S.-supported Colombian National Police (CNP) Anti-Narcotics Directorate (DIRAN) sprayed 171,613 hectares of illicit coca and opium poppy, and manual eradication accounted for the destruction of an additional 42,111 hectares of coca and 1,697 hectares of poppy.

U.S. cooperation with the Government of Mexico, has also contributed to a substantial disruption of illegal drug flow into both countries. Since taking office in December, Mexican President Felipe Calderon has deployed thousands of Federal troops in an aggressive crackdown on drug trafficking and related violence. More than 12,000 Mexican troops have participated in operations in over a dozen states to include Sonora, Sinaloa, Coahuila, Chihuahua, and the Federal District, among others. Additionally, the arrests of the Arrellano Felix brothers (Tijuana Cartel), and the arrests of Luis Reyes Enriquez and Juan Carlos de la Cruz Reyna (Gulf Cartel), have disrupted the ability of dangerous Mexican drug trafficking organizations to operate. Last week Mexico may have set a world record when their military and law enforcement seized 23.6 metric tons of cocaine in the port of Manzanillo.

Over the past several months, U.S. law enforcement sources have been reporting a reduced availability of cocaine at the wholesale level, with reverberations affecting retail sales on average at the national level. To date, authorities in thirty-seven U.S. cities have reported various levels of decreased cocaine availability. Some of these reports indicate cocaine has been diluted with a variety of substances to stretch limited supplies. The 37 cities reporting cocaine shortages are: Akron, OH; Allentown, PA; Albany, NY; Atlanta, GA; Baltimore, MD; Boston, MA; Buffalo, NY; Chicago, IL; Cleveland, OH; Columbus, OH; Denver, CO; Detroit, MI; El Paso, TX; Grand Rapids, MI; Harrisburg, PA; Houston, TX; Indianapolis, IN; Kansas City, MO; Los Angeles, CA; Memphis, TN; Minneapolis, MN; Nashville, TN; New Haven, CT; New York, NY; Oakland, CA; Philadelphia, PA; Phoenix, AZ; Pittsburgh, PA; Rochester, NY; San Francisco, CA; Scranton, PA; St. Louis, MO; Toledo, OH; Washington, D.C.; Wichita, KS; Wilmington, DE; and Youngstown, OH.

Mr. ENGEL. We will resume the hearing. Mr. Poe.

Mr. POE. Thank you, Mr. Chairman. Thanks for calling this hearing. As a former prosecutor and a longtime judge in Texas, I am concerned about drugs. I do not like drug dealers because they make money off the weaknesses of other people.

The Mexican people, I have great sympathy and compassion for, especially those that live along the violent Texas-Mexico border, those in Nuevo Laredo especially, where, in 2005, according to the DEA, 500 people were murdered in Nuevo Laredo. Most of those cases were never solved. Many of them were peace officers. There have been 400 kidnappings in Nuevo Laredo, 41 of those, American citizens, never solved.

Secretary Shannon, have you been to the Texas-Mexico border?

Mr. SHANNON. I have, indeed, sir, although it has not been recently.

Mr. POE. Nuevo Laredo and Laredo area?

Mr. SHANNON. Yes, yes.

Mr. POE. Then you are probably familiar with the drug cartels that exist in Mexico. What are the names of the drug cartels?

Mr. SHANNON. Sir, there are four major cartels. There is the Sinaloa cartel, there is the Gulf cartel, there are the cartels that work out of Tijuana, the Arellano cartel, and there is a fourth cartel, whose name I cannot give you at this point, but I will.

Mr. POE. So then you are familiar with the Zetas and the Kaibiles.

Mr. SHANNON. Yes, we are.

Mr. POE. Explain briefly what the Zetas are.

Mr. SHANNON. The Zetas is a group of organized criminals, many of whom emerged from the Mexican armed forces, who work as enforcers for the Gulf cartel.

Mr. POE. And the Kaibiles are the same, but they operate from Guatemala. Correct?

Mr. SHANNON. The Kaibiles is an element of the Guatemalan armed forces. They are the Special Forces in the Guatemalan military.

Mr. POE. But they help the drug cartels. Many of them have switched sides and help the drug cartels.

Mr. SHANNON. There might have been individual members trained as Kaibiles who have and are working with drug cartels in Central America, but the Kaibiles, as a unit, are still part of the Guatemalan armed forces.

Mr. POE. I will show you a photograph here furnished to me by the Webb County Sheriff's Department. That is in the Laredo area. Rio Grande River, Mexico, the United States; you have got nine Kaibiles coming over in military uniforms, AK-47—we do not make those in the United States; backpacks on each of those guys bringing in cocaine. Are you familiar with the Kaibiles working with the drug cartels doing things like this, where there is a photograph of it?

Mr. SHANNON. I am not familiar with the Kaibiles as a unit working with drug cartels.

Mr. POE. Does this photograph surprise you?

Mr. SHANNON. It does, indeed, sir.

Mr. POE. All right. We will get you a copy of it, in case the administration does not have one.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE THOMAS A. SHANNON, JR. TO  
QUESTION ASKED DURING THE HEARING BY THE HONORABLE TED POE

[Note unable to respond to actions in photograph because it has not been provided.] “Kaibil” is the term for a member of the elite Guatemalan special forces. Recently, these special forces have contributed to United Nations Peacekeeping Operations. Eight Kaibiles died on January 23, 2006 while serving in the UN Peacekeeping mission in the Democratic Republic of the Congo (MONUC).

Beginning in 2004, in accordance with the 1996 Peace Accords, the Guatemalan military reduced personnel by two-thirds. A number of press and law enforcement sources identify approximately one dozen individuals as ex-Kaibiles working for drug cartels in Mexico and Central America. We have confirmed that none of the individuals so identified received U.S. funded training. We have no evidence of an active member of the Kaibil unit working with or for narcotics traffickers, though we are aware of attempts at recruitment. The Guatemalans run a counter-intelligence program to deter and disrupt these recruitment efforts.

Mr. POE. The Kaibiles and the Zetas were under a program where the United States trained Mexican and Guatemalan military people at Fort Benning, Georgia. Correct? Trained them in the United States.

Mr. SHANNON. I will have to check on the Kaibiles. We have not been training Guatemalan military personnel, but I will check on that, sir.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE THOMAS A. SHANNON, JR. TO  
QUESTION ASKED DURING THE HEARING BY THE HONORABLE TED POE

The United States has never knowingly trained a member of the Zetas, a criminal group that includes former members of the Mexican armed forces. All candidates for U.S. Government-funded training go through a vetting process prior to training. A crosscheck of a list of known Zetas against the database of individuals receiving U.S.-sponsored military and law enforcement training since 1993 reveals no matches.

The U.S. has conducted training programs that include members of the Kaibil unit, but this training has been for limited purposes such as peacekeeping operations and counter-terrorism. Participants are extensively vetted including in several cases with polygraph. As stated previously, we have confirmed that no known former member of the Kaibiles alleged to be involved in narcotics trafficking received U.S. funded training.

Mr. POE. But basically—let us go to the Zetas, then—they are trained in the United States. They are supposed to be working in the Mexican military. They switched sides. Some of them work with the drug cartels. Is that a fair statement?

Mr. SHANNON. For the Zetas, yes, indeed some of them work with the drug cartels.

Mr. POE. And if a Mexican military police officer makes \$20,000 a year, the Zetas, running drugs, make \$30,000 a week, would that statistic surprise you?

Mr. SHANNON. As you note, the movement of drugs, weapons, and other contraband across the border is a lucrative business. There is a lot of money involved.

Mr. POE. Are you familiar with a statement made by an FBI agent regarding the Zetas, that they are operating in Dallas, Texas, now? They have already moved across the border into Dallas.

Mr. SHANNON. I have not seen that.

Mr. POE. For the record, I would like, with unanimous consent, to put this article about the FBI and the Zetas working in Dallas, Texas, in the record.

Mr. ENGEL. Without objection, so moved.  
[The information referred to follows:]

U.S. OFFICIALS SAY ZETAS HAVE KILLED IN TEXAS

Wire services  
*El Universal*  
Domingo 20 de febrero de 2005

INVESTIGATORS SAY THE FEARED BAND OF EX-MILITARY ELITE FORCES ARE OPERATING IN TEXAS AND OTHER PARTS OF THE UNITED STATES.

A team of rogue Mexican commandos blamed for dozens of killings along the U.S.-Mexico border has carried out at least three drug-related slayings in Dallas, a sign that the group is extending its deadly operations into U.S. cities, two U.S. law enforcement officials say.

The men are known as the Zetas, former members of the Mexican army who defected to Mexico's so-called Gulf drug cartel in the late 1990s.

"These guys run like a military," said Arturo A. Fontes, an FBI special investigator for border violence based in Laredo, in south Texas. "They have their hands in everything and they have eyes and ears everywhere. I've seen how they work, and they're good at what they do. They're an impressive bunch of ruthless criminals." Dallas and federal officials said that since late 2003 eight to 10 members of the Zetas have been operating in north Texas, maintaining a "shadowy existence" and sometimes hiring Texas criminal gangs, including the Mexican Mafia and Texas Syndicate, for contract killings. The Texas Syndicate is a prison gang that authorities blame for several murders statewide.

The Zetas' activities in North Texas were described in interviews with two U.S. federal law enforcement agents, two former Drug Enforcement Administration officials, a former Dallas undercover narcotics officer and two undercover informants.

"We're aware of the Zetas' threat to U.S. cities, and we consider it a growing threat," said Johnny Santana, a criminal investigator for the Texas Department of Criminal Justice, Office of the Inspector General. "We're conducting investigations into several cases statewide to establish evidence. We still don't have those links yet, but the telltale signs are there, and they point to the Zetas." The Zetas' presence in Dallas represents a sharp departure from standard practice for Mexican cartels, which traditionally have kept a low profile on U.S. soil and have sought to avoid confrontations with U.S. law enforcement.

The Zetas, who are accused of carrying out killings and acting as drug couriers for the cartel, are regarded by U.S. law enforcement officials as expert assassins who are especially worrisome because of their elite military training and penchant for using AR-15 and AK-47 assault rifles.

"The Zetas are bold, ruthless and won't think twice about pulling the trigger on a cop or anyone else who gets in their way," said the former Dallas narcotics officer, who asked not to be identified.

"And they like to take care of business themselves or, when forced to, hire their own assassin." Gil Cerda, a spokesman for the Dallas Police Department narcotics division, said he had personally not heard of the group and could not comment.

RISK DOWNPLAYED

Mexican authorities have downplayed the threat posed by the Zetas, saying that a major government crackdown has left the group leaderless and on the run.

José Luis Santiago Vasconcelos, the country's deputy attorney general for organized crime, suggested that many of the crimes attributed to the group may have been committed by outsiders emulating the group's violent tactics. "There are many Zetas wannabes," he said.

Still, Fontes of the FBI and other U.S. law enforcement officials said the former commandos are both a potent threat and are bolder and more ambitious than their predecessors.

They are extending their reach and violence beyond the Nuevo Laredo-to-Matamoros border area into Dallas, Houston and San Antonio, where they blend into burgeoning Mexican immigrant communities, state and federal officials said.

The group may have ventured as far as Nashville, Tenn., and Atlanta, Ga., the officials said.

"These guys are anything but wannabes," said Fontes. "They're the real thing, and they're a threat to law enforcement officers on both sides of the border." Dallas and federal law enforcement officials have linked murders and drug violence in Dallas during the past 18 months to cocaine and marijuana trafficking in Laredo and Nuevo Laredo, a base of operations for the Zetas. Dallas and federal investigators have blamed at least three Dallas killings on the Zetas, and some officials said that more than a dozen violent incidents can be attributed to the group.

Federal and Dallas authorities have blamed the following incidents on the Zetas: At 1:20 a.m. on Dec. 5, a gunman stepped out of a red sports car with a semi-automatic weapon and opened fire on three suspected drug traffickers as they played pool in the open garage of a home in the 5100 block of Mimi Court in Oak Cliff. Christian Alejandro Meza, 26, alias Juan Antonio Ortega, a parolee from Wichita, Kan., who was wanted on weapons charges, died of multiple wounds to the abdomen. Two other men were severely wounded and are being held on drug charges.

Law enforcement officials said the men were attacked because they allegedly worked for a rival drug lord, Joaquin "El Chapo" Guzmán, who escaped from the maximum-security Puente Grande prison in Jalisco state in January 2001, hidden in a laundry truck.

#### RIVAL GANG FIGHT

Guzmán is reputed to be a leader of the Juárez cartel, a rival of the Zetas' employer, the Gulf cartel, and is wanted in the United States, said Fontes, the FBI agent.

Dallas police seized 45 kilos of cocaine said to have been smuggled from Monterrey with a street value of US\$2.5 million and about 300,000 in cash from the Oak Cliff home and one next to it.

"The hit was a message to Chapo Guzmán, and the killer is believed to have been a Zetas member," said the former Dallas narcotics officer. "The gunman was very meticulous, didn't shoot a lot because he didn't have to." The case is under investigation, and the gunman remains at large.

On Sept. 28, police found the bodies of Mathew Frank Geisler and Brandon Gallegos, both 19 and from Laredo, in a burning 1996 Chevrolet Tahoe in a field near the corner of Morrell Avenue and Sargent Road, in the Cadillac Heights area of Oak Cliff. Both men had been shot, and the case probably involved drugs, according to police accounts.

A federal investigator said that "without a doubt" both incidents were carried out by the Zetas.

"We're seeing an alarming number of incidents involving the same type of violence that's become all too common in Mexico, right here in Dallas," said the former Dallas narcotics officer. "We're seeing execution-style murders, burned bodies and outright mayhem. It's like the battles being waged in Mexico for turf have reached Dallas."

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Mr. POE. My concern, Mr. Secretary, Mr. Ambassador, is the fact that the United States trains foreign military people. They go back home, they switch sides because of the money, and then they bring drugs into the United States, and they are violent. They kill people, and they are a danger to our Border Patrol. As the Border Patrol has told me in confidence, they have better weapons, they have better intelligence, and they have better equipment than the Border Patrol and especially the sheriff's department.

In this whole program, we have tried to work with Mexico forever in stopping the drug trafficking, and every new President pontificates about how they are going to stop the drug trade, and it does not work. Corruption is rampant, especially in the small, political entities on the border, as you know.

How do we know that this money that we are going to give to Guatemala and to Mexico is not going to be used against America?

Mr. SHANNON. Sir, the package that we are envisioning would not involve transferring money; it would be involved in transferring equipment and training to Mexican entities and Central American entities.

Mr. POE. How do we know the equipment is not going to be used against us?

Mr. SHANNON. Ultimately, we do not, but we hope to have in place, through our letters of agreement and our end-use monitoring requirements, the ability to track which units are using what equipment and how they are using it.

I think it is worth noting, as you said, drug trafficking is an incredibly lucrative business, and these institutions really do not need to get material from us. They can buy the weapons, they can buy the communication equipment, and they can buy very high-caliber equipment on the open market.

Mr. ENGEL. The gentleman's time has expired.

Mr. POE. Thank you, Mr. Chairman.

Mr. ENGEL. Mr. Sires?

Mr. SIRES. Thank you, Mr. Chairman. Mr. Assistant Secretary and Ambassador Johnson, I support all of these initiatives to stop drugs coming into this country, but I have a problem when we concentrate on one country, and we do not concentrate on the region.

I feel that the efforts that we are going to make in Mexico, all it is going to do is put more pressures on those other Central American countries as we eradicate, as we did in Colombia, some of these cartels or some of these drug dealers.

I am sorry for the fact that they negotiated this 9 months without any input from Congress because it would have been wise to take a regional approach. I have very concerned that the pressure that these other, smaller countries—Costa Rica does not even have an army—if we push these drug dealers into those other countries, all we are doing is destabilizing those countries.

So why not take a regional approach? We are putting a lot of money in here, so why not do it regionally? What lessons have we learned from Colombia, the success that we have had in Colombia, that we are applying here?

Mr. SHANNON. I am happy to respond first, and Ambassador Johnson can pick up. From our point of view, sir, we are approaching this issue regionally, in the sense that we have both a Mexico and a South America focus. Central America has \$50 million, at this point in time, but we have worked the Mexico and the Central America Initiatives under parallel tracks but operating at different speeds. Because Mexico is a single country, we are able to conduct more intensive discussions with Mexico.

With Central America, we are actually dealing with seven countries, including Panama and Belize, and we had, first, to construct a regional dialogue on security, which we did through the Central American Integration System, and then develop a larger Central American security strategy, which Central American public security officials have signed off on and now heads of state.

We are now in a position where we can have a deeper conversation with the Central Americans that will allow us to build a regional policy from Mexico to Colombia through Central America.

Mr. SIRES. But, Mr. Assistant Secretary, it just seems to me that the \$50 million was an afterthought, after people from Guatemala and Costa Rica were complaining about it. It just seems that it was added on at the end.



Mr. SHANNON. From our point of view, it was not an afterthought. Following President Bush's trip in March, following a detailed discussion with the Guatemalan President, Berger, about this very issue, we began a deeper dialogue with the Central American countries, and we were able, through the Central American Integration System, to create this internal dialogue in Central America, which is what we needed.

We needed a regional dialogue among the Central Americans so that they could begin to establish their security priorities at a civilian level that would then allow us to take another step forward, and although there is a significant difference between the \$500 million for Mexico and the \$50 million for Central America, it is our hope that, over time, we are going to be able to build a larger program, working with the Central Americans as a regional grouping.

Mr. SIRES. Do you have anything to add, Ambassador?

Ambassador JOHNSON. Two things. One is that it is our intention to use the expenditure of these funds, if they are appropriated, in order to make the cooperation among the Central American countries more cohesive, and we have made some strides in that direction with the creation of an International Law Enforcement Academy in Central America that they can work from.

The second point I would make about the distinction between what we have been doing in Colombia and what we are doing with this proposal, and that is, the Colombian proposal is significantly based on eradication. This is not on eradication; it is on interdiction and capacity building. So it is a slightly different focus, but I think that we will, insofar as the programs are comparable with things such as the use of aircraft, the types of aircraft we are bringing in, the oversight that we will be able to provide, we fully intend to apply the lessons that we, indeed, have learned in Colombia.

Mr. SIRES. Thank you, Mr. Chairman.

Mr. ENGEL. Thank you, Mr. Sires.

Mr. Green?

Mr. GREEN. Thank you, Mr. Chairman. I would like to ask unanimous consent that my statement be placed into the record.

Mr. ENGEL. Without objection, so ordered.

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

On October 22, 2007, after several months of collaboration, the United States and Mexico issued a joint statement announcing a multi-year plan for \$1.4 billion in U.S. assistance to Mexico and Central America in order to combat drug trafficking and other criminal organizations.

In recent years, Mexico has experienced high levels of drug violence, likely due to turf wars among drug cartels.

Mexico's cartels have existed for some time, but have become increasingly powerful in recent years with the demise of the Medellin and Cali cartels in Colombia.

While the Mexican government does not maintain numbers on cartel murders, press reports indicate that between 1,800 and 1,900 Mexicans were killed in cartel related violence in only the first nine months of 2007.

This cartel-related violence has caused much concern in both of our countries, and I applaud the President for his recent request for \$500 million for Mexico and \$50 million for Central America in as a start to addressing this issue.

This is a critical first step to breaking up the cartels and preventing the flow of drugs through Mexico and into the United States.

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

Our talks when I was in Mexico primarily focused on what the United States can do to support President Calderon and the Mexican people, but the Congreso does have some concerns about the plan—primarily that this initiative could turn into something similar to Plan Colombia.

That is why the Mexican government would rather have the money for technology and equipment than U.S. personnel entering the country to address drug smuggling.

The Mexican government welcomes our support, but I do think that we should address their concerns.

The details of this plan must now be shared with the Mexican and U.S. Congress to ensure transparency in the formulation and implementation of the Merida Initiative.

Regardless, 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. Thanks for being here, and I know that a lot of the concern is because of the lack of consultation between the administrative branch and the legislative branch, and I have to admit, 4 weeks ago, I was in Mexico visiting with members of the Senate and the Chamber of Deputies, and that was their complaint, although, from what they told me, President Calderon had spent a lot more time with their Congress than President Bush had with ours.

Be that as it may, I guess the worst part of it, at least we do not have the President of Ecuador, who is trying to abolish the congress, but, oftentimes, chief executives do not like to deal with Members of Congress. Be that as it may, we will fight that out with this administration and probably the next one and the next one after that.

I think the package is important. Coming from an area, and I follow my neighbor from northeast Harris County, Congressman Poe, because I have a district that is an urban area in Houston, but I also recognize the benefit of this and have watched Mexico for many decades and seen, since President Calderon was elected, starting a little bit with President Fox, but particularly with President Calderon, an effort to get control of their country again with the loss of life of police chiefs, of the military, of the police officers. So that is why I was more than willing to visit with the members and learn from the members of congress in Mexico on their needs.

Some of the questions I have: What role did our United States and Mexican and Central American law enforcement agencies play in the development of this package? Did we actually talk with the military and the law enforcement in Mexico and South America, along with our own law enforcement, particularly on the border, to develop this package and suggestions?

Ambassador JOHNSON. The United States Government entities involved in law enforcement were fully part of the development of this program. They were brought in in their areas of expertise, and it was particularly useful in terms of the equipment that was being proposed for this and in doing everything we could to make sure that that equipment was appropriate and supportable.

I am going to ask whether Mr. Shannon can address the question of consultations with our foreign counterparts.

Mr. SHANNON. In terms of our consultations with Mexico and Central America, we did have extensive discussions, especially in Mexico's case, with public security officials, both on the police side and on the military side, in SEDENA, especially the army and the navy, which are the two institutions that have interdiction responsibility.

So not only were we able to fashion, I think, broad interagency discussion among all of the different law enforcement agencies, but we also did have contact with Mexican law enforcement officials.

Our contact with Central Americans had been largely through the Ministries of Public Security and through the vice ministers of public security. Obviously, our Embassies have regular contact with law enforcement officials on the ground, but as we develop our discussion with Central America, we will extend that conversation.

Mr. GREEN. Over the years, I have had the opportunity to go to a memorial service for DEA Agent Enrique Camarena, who was brutally murdered in Mexico. I know this is mostly equipment. It went into personnel costs. I know there is \$37 million in the program for U.S. personnel costs. What does that envision, that there will be United States agents in Mexico, additional agents, because I know there is a relationship that is sometimes pretty rocky?

Ambassador JOHNSON. Depending on the ultimate shape of the appropriation, we will determine the numbers, but we anticipate that there will be continuing cooperation between the DEA and their counterparts in Mexico.

Most of the programs here envisaged will not necessarily require additional DEA agents, additional DEA personnel, within Mexico because of the nature of the training program. There will be some from them, some operating from other government agencies in law enforcement, including ATF and Customs.

Mr. GREEN. The last question, Mr. Chairman. I know I am almost out of time. What benchmarks has the administration set to evaluate the success of this program or the failure of it? Are there benchmarks that are public that the Government of Mexico knows and also the counterparts in Central America?

Ambassador JOHNSON. The ultimate benchmark is going to be lowering the level of imports of narcotics and dangerous drugs into the United States, lowering the level of violence. Some of the things that you can count are the extraditions, which are up significantly over the course of the last year.

In terms of the program itself, the measures that we will be making are how quickly we are moving to implement the program, bringing these aircraft and bringing these training programs online. The outcomes that I think that we are looking for are really a change on the ground in Mexico and the public-security situation that people face there, as well as along our border with your constituents.

Mr. GREEN. Mr. Chairman, thank you. I know that, in the last year, there have been many more extraditions to the United States of these drug lords, and I would hope that would increase because there is much difference between our Department of Corrections in Texas and some of the prisons in Mexico. Thank you.

Mr. ENGEL. Thank you, Mr. Green.

Mr. Secretary, let me ask you a question about the police units. Given the past history of the military and elite police units in Latin America, do you have any concerns that civilians in Mexico might be at risk as a result of more money flowing into the military and the police?

I am talking about human rights conditions. What human rights conditions would the administration like to see in place for the initiative?

Mr. SHANNON. Ambassador Johnson can address some of the specific things we will be doing on the human rights side in this package, but, obviously, what we are trying to do is help the Mexicans create institutions that are accountable and transparent and that are responsive to the communities they live in. This means not only in terms of their law enforcement functions but also in terms of how they do them, and especially any issue related to human rights.

Mr. ENGEL. Excuse me. Excuse me. The chair notes that there is a disturbance of the committee's proceedings. The committee will be in order. I would like to formally request that those in the audience causing the disruption cease their actions immediately, or they will be arrested.

Officer, please remove the protestor.

[Pause.]

Mr. ENGEL. You may continue, Mr. Secretary. I apologize for the disruption.

Mr. SHANNON. Sir, if I could, we recognize and understand the enormous pain that Brad Will's death has caused to his family and to his friends, and we respect their continuing efforts to find justice in this case.

We are committed to this also. Our Ambassador in Mexico is committed to this, and we are disappointed with what we have been able to achieve up to this point in the case of Brad Will. So I would like to put on the record, sir, that this is an important case for us, that this is an issue that we are attempting to address, and that we will continue to address, with our Mexican counterparts.

The well-being of Americans and the well-being of journalists in Mexico are vital to the well-being of Mexico and to our larger bilateral relationship.

But returning to the broader issue of—

Mr. ENGEL. Let me just say, if I just might interrupt you for a minute, I share, certainly, the concerns involved with the Brad Will

case, and when we had our subcommittee hearings, in my opening statement, I mentioned that as well. So I want to make that very clear, and we are all very, very concerned about it. I think that disrupting a hearing is not the right way to go about it, particularly when members of the committee and subcommittee have expressed our concern and our sympathy and our resolve to get to the bottom of it.

So I just want to state that we are certainly in sympathy with it, but I think disrupting proceedings is not acceptable. I am sorry. Please continue.

Mr. SHANNON. That is quite all right. In regards to the larger issue, we see the Merida Initiative as a balanced initiative, in the sense that it works with all of the different security services. There is a military component to it, but it is largely an equipment component which is designed to assist the military in its interdiction capabilities and transport capabilities.

But a full 60 percent of this in Mexico and 100 percent of it in Central America will go to civilian institutions, to civilian law enforcement institutions, and to the courts and to prison management, and we see our ability to work with these civilian institutions as essential to creating the conditions where human rights can be respected because it is only through institution building, it is only through capacity building, that we are going to be able to build institutions that respect the fundamental rights of their citizens as they protect the citizens from organized crime. But I will turn to Ambassador Johnson for specific program details. Ambassador?

Ambassador JOHNSON. On the military side, as Assistant Secretary Shannon was mentioning, it is focused exclusively on equipment and on the pipeline of training and support that is required to ensure that the equipment provided is workable and usable.

That equipment is all to be directed at the interdiction effort. It includes equipment, both helicopters and fixed-wing aircraft, for the military that is compatible with the types that we use in our efforts, especially with the Coast Guard, so that we can cooperate and work effectively together.

With respect to the other issue that he was addressing, fully \$115 million of this program is directed at the types of programs that will help us help the Government of Mexico build the rule of law, work on issues associated with demand reduction, and improve the prosecutorial side of their conduct with respect to their judicial system.

With respect to the training of law enforcement officers, we intend to thoroughly vet these individuals to make sure that we are training individuals who, as best we can tell, have been behaving properly in the past and to integrate human rights training into all of the training initiatives that we undertake. Thank you.

Mr. ENGEL. Thank you. You have mentioned it, I think, a few times. You have mentioned SICA, and I understand the U.S. is going to host the second U.S.–SICA Dialogue on Security in 2008. Where and when will this happen, and what will be on the agenda?

Mr. SHANNON. The follow-on meeting of SICA will take place here in Washington, DC. We have not established a date yet for it, but the agenda will be to deepen the cooperation that we estab-

lished in the first SICA dialogue but also to build on the security-cooperation package that we are proposing at this time.

One of the things we hope to be able to do in the near future is to begin a dialogue at a technical level with SICA and its member states to determine what else we can be doing to help the SICA countries meet the kinds of security problems that they have right now.

The \$50 million that we are proposing in a supplemental request is really about building a regional capacity by working with police departments, by working with prison-management systems, and also building communications capability across law enforcement agencies in that region.

What we hope to be able to do, in our follow-on dialogues, both at a technical and at a political level, is enhance regional integration and enhance interoperability and flow of communication within Central America by providing, in a very targeted way, those kinds of resources that the Central Americans, at this point, do not have.

But we view our follow-on dialogues with SICA as very important. In fact, we have an official in Central America, yesterday and today, meeting with the vice ministers of public security, who are in Guatemala.

Mr. ENGEL. Thank you. To address the problem of corruption, Mexican President Felipe Calderon's government has begun to consolidate various Federal and 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.

He has also created the Federal Police Corps, which combines other police entities into one cohesive, professionalized unit of some 24,000 people. However, this does not affect the majority of Mexico's police forces, estimated to be about 425,000 people. They are essentially state and local employees, the rest of the police.

So, as I understand it, a majority of U.S. funding, under the Merida Initiative, will go toward professionalization of the Federal Police Corps. I am correct about that.

So is it realistic to talk about combating corruption in the Mexican police without professionalizing the majority of the police force, not the 24,000 people but the 425,000 people, and will we consider professionalization of Mexico's state and local police forces in future spending requests for the Merida Initiative?

Mr. SHANNON. We will, and, assuming the Congress can find its way clear to approving this request, we would look, in follow-on tranches, to be able to expand the professionalization.

Recognizing that Mexico is a Federal system and that, therefore, the degree to which Federal law enforcement agencies work with state law enforcement agencies and local law enforcement agencies has a certain legal structure to this. This means not only that the law enforcement agencies themselves need to be connecting, but also, politically, the President needs to be working with governors and municipalities.

We believe that one area where the Federal Government can play a very important role in professionalization is establishing best practices for training and for hiring and also using their vet-

ting experience, both their own vetting experience and ones we can share with them, began working with the state and local levels to begin addressing the issue of corruption.

But this is a long-term effort. This is not something that is going to be resolved overnight because organized crime is so insidious and has been successful in some parts of Mexico in corrupting local and state police officials, and we know that this is a task that is not going to be done only by a new and professionalized Federal police. The courts and political leadership will also be required.

Mr. ENGEL. Thank you. Mrs. Ros-Lehtinen?

Ms. ROS-LEHTINEN. Thank you very much, Chairman Engel, and following up on the corruption issue, but this time at another level, there will be, hopefully, a limited number of contractors in Mexico that we can use for this project. What are we doing to ensure that those contractors are held to a high level of personal and professional conduct, high standards, high integrity, and do nothing to sour this new level of critical cooperation between us and Mexico on the illicit drug front.

Ambassador Johnson, maybe you would be better to address that.

Ambassador JOHNSON. Madam Congresswoman, as you point out, we will be using the private sector of the United States' capabilities in order to implement significant parts of these programs, not all of them, but particularly those associated with the aviation component.

It is our intention to work with the overall contractor to ensure that the types of standards that you point out are adhered to. The last thing that we would want to happen in order for this program to be affected adversely is for something to occur, in terms of personal deportment, which would overshadow the types of effort that we have underway.

The funding that we are requesting here is significant for contractor oversight, and it will include how people behave and how they comport themselves, how they carry out their mission, so that we actually achieve what we are trying to do.

Ms. ROS-LEHTINEN. Thank you. Yes?

Mr. SHANNON. Ma'am, if I could just add briefly, as we envision it, we will not use contractors in Mexico for operational purposes. Contractors, either in the United States or in Mexico, would be used for training purposes. All law enforcement activities and other operations, formal operations, of the Mexican Government would be done by Mexicans.

Ms. ROS-LEHTINEN. Thank you so much.

Secretary Shannon, an editorial in last Friday's *International Herald Tribune* applauded this Mexico-United States cooperation in fighting drug cartels but also asserted, and I will quote, "The Bush administration's \$1.4 billion counternarcotics aid package falls far short of what is needed to truly confront the problem."

Do you believe that the levels proposed by the administration are adequate to address this issue?

Mr. SHANNON. They are adequate for the moment, ma'am. However, we have to recognize that this is not only our fight; it is also the fight of Mexico, and the Mexicans are putting significant resources behind it. This year alone, President Calderon has identi-

fied \$2.5 billion that it is using with its security services to fight organized crime, which is a 24 percent increase over the previous year.

But they are also conducting this fight, not just with money but also with personnel, and I highlighted earlier the 250 Mexican officials that have already been killed this year in the course of this fight.

Ms. ROS-LEHTINEN. Thank you very much. Thank you, Congressman Engel.

Mr. ENGEL. Thank you very much. Well, you can hear again, we have some more votes. The bells have gone. I want to thank Secretary Shannon and Ambassador Johnson for testimony. I want to conclude by restating what many of us said when we opened, that we cannot redo what is done, but, from here on in, I hope that the administration will treat this committee as an equal partner and that we will work together to clarify, make suggestions, change some of the initiative because I think it is very, very important that we do this together.

So I thank both of you for attending and for your testimony, and the hearing is now adjourned.

[Whereupon, at 12:58 p.m., the committee was adjourned.]





# APPENDIX

## MATERIAL SUBMITTED FOR THE HEARING RECORD

### DÉJÀ VU ALL OVER AGAIN? PRECEDENTS TO AN “UNPRECEDENTED” COCAINE PRICE SPIKE

John Walsh, Senior Associate, Andes and Drug Policy  
Washington Office on Latin America  
November 12, 2007

The White House Office of National Drug Control Policy (ONDCP) announced last Thursday that the average retail price of cocaine in the United States had increased by 44 percent between January and September 2007, indicating scarcer cocaine supplies.<sup>1</sup>

“This is not only the deepest [cocaine] shortage but it’s the longest we’ve ever seen,” said ONDCP Director John Walters in *The Washington Post*, describing the disruption as “unprecedented.”<sup>2</sup> He made the announcement in Bogotá, where he told reporters that “we’ve never had disruptions of this magnitude before.”<sup>3</sup>

But is the reported spike in cocaine’s price in fact “unprecedented,” as Walters claims? Are any previous examples of U.S. cocaine retail price increases comparable in duration and magnitude to the 44 percent increase reported for the first three quarters of 2007? And if so, what happened next in those cases?

According to cocaine price and purity estimates published by ONDCP covering 1981 through mid-2003,<sup>4</sup> there have in fact been four such previous instances: in 1981–1982 (when prices rose a cumulative 53 percent), 1990 (prices rose 55 percent), 1994–1995 (prices rose 39 percent), and 1999–2000 (prices rose 36 percent).

In these previous cases, cocaine’s retail price subsequently fell—over the course of the next five to nine quarters—to a level below that of the quarter immediately preceding the three consecutive quarterly increases. In other words, within a year or two, all four of the previously detected cocaine price increases comparable or greater than the current spike had been fully reversed. In all these cases, prices ended lower than before the increases began.

Three-Quarter Period	Price Increase	Preceding Quarter	Subsequent Decline
1981Q4–1982Q2	53%	\$437 in 1981Q3	\$424 in 1983Q3 (5 quarters)
1990Q1–1990Q3	55%	\$179 in 1989Q4	\$147 in 1992Q1 (6 quarters)
1994Q4–1995Q2	39%	\$139 in 1994Q3	\$107 in 1996Q4 (6 quarters)
1999Q3–2000Q1	36%	\$118 in 1999Q2	\$106 in 2002Q2 (9 quarters)

<sup>1</sup>Office of National Drug Control Policy (ONDCP), press release: “White House Drug Czar, DEA Administrator Release New Data Showing Significant Disruptions in U.S. Cocaine and Methamphetamine Markets,” November 8, 2007, at [http://www.whitehousedrugpolicy.gov/news/press07/110807\\_2.html](http://www.whitehousedrugpolicy.gov/news/press07/110807_2.html)

<sup>2</sup>Allison Klein and Clarence Williams, “In D.C., Price of Cocaine Soars as Supply Declines,” *Washington Post*, November 9, 2007.

<sup>3</sup>Joshua Goodman (Associated Press), “US drug czar touts cocaine shortage, despite conflicting supply data,” *International Herald Tribune*, November 8, 2007.

<sup>4</sup>ONDCP, *The Price and Purity of Illicit Drugs: 1981 Through the Second Quarter of 2003*, November 2004, at [http://www.whitehousedrugpolicy.gov/publications/price\\_purity/](http://www.whitehousedrugpolicy.gov/publications/price_purity/)

Is it possible that this time will be different, that the detected increase will be sustained for a longer period, and that cocaine's price will not subsequently fall to new lows? The possibility cannot be discounted.

But based on the historical record, it would be more realistic to expect that, sooner rather than later, cocaine prices will fall again as suppliers adjust and availability rebounds. Indeed, the Justice Department's National Drug Intelligence Center (NDIC), in an assessment released on Wednesday—the day before ONDCP's announcement—already suggested that “cocaine availability levels may be returning to normal levels in some markets.”<sup>5</sup> NDIC noted, moreover, that “because cocaine production in South America appears to be stable or increasing, cocaine availability could return to normal levels during late 2007 and early 2008.”



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<sup>5</sup> U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment 2008*, November 7, 2007, at <http://www.usdoj.gov/ndic/pubs25/25921/25921p.pdf>