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Before the House Government Reform and Oversight Committee
Subcommittee on Criminal Justice, Drug Policy, and Human Resources
March 2, 2004
“Andean Counterdrug Initiative”

Chairman Souder, Ranking Member Cummings, and distinguished members of the subcommittee. I am honored to appear before you again to discuss the President’s *National Drug Control Strategy*, and particularly how the Administration’s budget request is designed to fund the implementation of that strategy in the Western Hemisphere. This subcommittee is well known for its unwavering support of a strong policy to reduce drug use and availability in America, especially among young people. I appreciate this opportunity to continue our productive collaboration toward that end.

This year, as before, our *National Drug Control Strategy* is designed to reduce the number of victims of drug use in America through a combination of measures to educate non-users and casual users; and provide treatment for drug-dependant persons. We have undertaken an aggressive campaign to broadly disseminate scientific and medical facts about the harm caused by illegal drugs that some cynically portray as medicine. We are taking our message to the state and local level, and once again we will invest in advertising to reach those populations most likely to become involved in drug abuse. In fact, we have had some considerable success.

Drug use is going down among America’s youth, and just-released results show that the decline is gaining momentum. Monitoring The Future (MTF), a national survey that measures drug use in the 8th, 10th, and 12th grades, revealed the first comprehensive decline (across all three grades) in drug use in over a decade. Moreover, it is a decline now in its second year.

The two-year findings affect nearly every one of the most commonly used substances, with particular impact on marijuana and dangerous hallucinogens. So remarkable is the decrease in the “Rave” drug Ecstasy that current use has been cut in half, while LSD use dropped nearly two-thirds (to the lowest level ever measured in almost three decades). These efforts caused an 11 percent decline over the last two years in the number of young people using all categories of drugs. That includes an 11 percent decline in marijuana use, which is especially significant because marijuana is by far the most commonly abused drug.¹

In February, 2001, President Bush set a national goal of reducing drug use by young people by ten percent within two years. This was an ambitious goal, especially against the backdrop of the

¹ Monitoring the Future Study: An annual survey measure of drug, alcohol, and cigarette use and related attitudes among adolescent students nationwide. Funded by HHS National Institute on Drug Abuse and conducted by the University of Michigan. Its website is: <http://monitoringthefuture.org>

nineties, when hard-won declines were reversed and drug use almost doubled. Our results, however, show the nation we have not only met the President's goal, we exceeded it.

Our next goal is to reduce drug use by 25 percent over 5 years. That, too, will be a challenge, but we know how to achieve it. We will continue to reduce the demand for drugs by increasing knowledge of the risks they pose; encouraging intervention to stop youth drug use as soon as it starts; providing effective treatment to more of the addicted; and by breaking the global market for each of the illegal drugs that threaten our nation.

These gains are a new foundation for saving more lives. We need to follow through just as we do with other responsibilities of public safety, education, and public health. The difference we are now making will be felt in the life of each young person not victimized by drugs, and in the families and communities in which they live. When the nation pushes back against illegal drugs, the problem recedes.

Market Disruption Approach

The National Drug Control Strategy applies a market model of illegal drug production to identify where the production chain is vulnerable to disruption. We focus anti-drug programs at those key points, whether agricultural production, financing, transportation, or a criminal command and control structure, where we can interfere with the sequence of events necessary for illegal drugs to reach our shores.

For example, the key vulnerability of the cocaine industry is the cultivation phase, which is attacked through coca eradication in source countries such as Colombia. Other vulnerabilities include elements of the transportation network, which are attacked through interdiction, seizures, and arrests—such as those that in the past have been directed against smuggling via large fishing vessels in the Eastern Pacific. Another vulnerability is the major trafficking organizations and their communications and decision-making processes, which are attacked through arrests, extraditions, prosecutions, seizures, forfeitures, and revenue denial activities such as those targeting major drug trafficking organizations in Mexico. Dependent drug users are quite conscious of the price and purity of the drugs they consume, and our objective is to make drugs as expensive and impure as possible, as well as difficult and risky to obtain.

The budget request this year for supply reduction focuses on strengthening enforcement and interdiction efforts, maintaining strong support for coca and opium poppy eradication in Colombia, and providing resources for promising new approaches.

Western Hemisphere Threat

All of the cocaine, most of the heroin, and virtually all of the marijuana that Americans consume is produced in the Western hemisphere. In the case of marijuana, a significant amount of it is produced in the United States. Methamphetamine manufacture and distribution to U.S. abusers is largely controlled by criminal organizations based in the United States and Mexico. As a country

we have been consuming about 250 metric tons (mt) of cocaine, 13-18mt of heroin, about 50-100mt of methamphetamines, and over 8,000mt of marijuana annually.

Cocaine

Nearly all the cocaine consumed in the U.S. is manufactured in Colombia. Most of it is shipped from Colombia, but it also departs South America from Venezuela and Ecuador. About 75 percent of it transits Mexico and is handled by Mexican trafficking organizations before it crosses our Southwest Border. The rest enters the U.S. through the Caribbean.

Most of the cocaine leaving South America for the U.S. is shipped aboard inexpensive high-powered vessels capable of carrying 500 to 3,000 kilograms each. They can sustain speeds of more than 25 knots and are difficult to find at sea. One of our most important interdiction requirements is to be able to identify these vessels when they are underway and have maritime and helicopter assets in the area to bring them to a stop and arrest the operators. In recent months our success rate against fast boats has increased notably, especially against targets departing from the North Coast of Colombia. Coast Guard Operation New Frontier "use of force" helicopters have proven to be an effective new capability that use disabling fire to stop fast boats. Last year, Operation New Frontier assets helped in the seizure of 35 percent of all cocaine interdicted by the Coast Guard. We need to continue our coordinated attack on this smuggling conveyance and force traffickers to seek new and less certain means of transporting cocaine to Mexico, Central America, and the United States.

Cocaine production in Colombia is primarily controlled by two narco-terrorist organizations, the Revolutionary Armed Forces of Colombia (FARC) and the Self Defense Forces of Colombia (AUC). Another Colombian terrorist organization, the National Liberation Army (ELN), is also involved in cocaine production and trafficking, but does not control as much as the first two. With the demise of Colombia's major criminal cartels in the 1980s and 1990s, control of coca fields and cocaine manufacturing was taken over by Colombia's most powerful illegal armed groups. The narco-terrorists secured control of territory for coca production, and benefited greatly from cocaine profits.

The United States and the Government of Colombia have developed a strategy which focuses on eradicating almost the entire illegal drug crop each year (despite replanting efforts), stopping financial returns by intercepting the flow of money, and intercepting and arresting drug shipments and the involved traffickers. In 2003, the Colombians sprayed over 127,000 hectares of coca crops.

Heroin

U.S. consumed heroin is produced by criminal enterprises located in Colombia, Mexico, Southeast Asia, Europe, and Southwest Asia. On a world scale, the U.S. remains a small consumer. U.S. addicts consume under 5 percent of the world's production. But, with the vast amount of international trade, commerce, and visitors crossing our borders annually, the U.S. is vulnerable to the illicit movement of numerous small shipments of heroin. Most heroin is smuggled into the U.S.

in quantities ranging from 1-5 kilograms, quantities easily concealed in luggage, on one's person, swallowed, hidden easily in trucks and automobiles, or "lost" in large cargo shipments.

According to U.S. domestic indicators, Colombia and Mexico are the major sources of heroin consumed in the United States. Colombian heroin is produced by small, independent drug trafficking organizations and distributed to the United States via airline couriers and maritime traffickers. Heroin trafficking is being attacked through airport interdiction efforts and bilateral organizational attack activities in Colombia. As Colombia has improved its airport security, Colombian drug traffickers have begun utilizing South American and Central American countries, such as Ecuador and Venezuela, as transshipment points through which the contraband passes on its way to the United States. Mexican heroin is produced and distributed by polydrug drug trafficking organizations which transport Mexican black tar heroin across the Southwest border via privately owned vehicles and illegally crossing the border between points of entry. The key distinction between heroin and cocaine trafficking patterns is that heroin has traditionally been transported in much smaller quantities, making it much more difficult to find within the millions of private and commercial conveyances that cross our borders annually.

In 2002 Colombia had as much as 4,900 hectares of opium poppy under cultivation. U.S. supported eradication programs sprayed in excess of 3,300 hectares. In 2003 Colombia aeri ally sprayed nearly 3,000 hectares and about 1,000 more were eradicated voluntarily in connection with alternative development programs. In 2002, Colombia's pure heroin production potential was 11.3 metric tons (down 25 percent from 15.3 metric tons in 2001). In a longer-term perspective, over the past 5 years, Colombian production has remained relatively constant at 12 metric tons/year. In 2002, Mexico's potential pure heroin production was 5.6 metric tons (down from 8.4 metric tons in 2001 and well below the 7-8 metric tons average for the past 5 years). Colombia and Mexico have active and effective opium poppy eradication programs that destroy over 70 percent of the potential opium poppy crop, and, to a large extent, keep the heroin production in these countries in-check.

Colombian heroin dominates the heroin supply in the Northeast and Southern United States, while Mexican heroin predominates in the West. Heroin from Southwest Asia and Southeast Asia holds a small share of the U.S. market (approximately 10 percent, 1-2 metric tons) and does not dominate in any region of the country at this time.

Marijuana

The marijuana Americans smoke comes from three main sources: U.S. outdoor and indoor cultivation, Mexican outdoor cultivation, and high-potency indoor cultivation from Canada. Although estimating marijuana production is an imprecise science, and while formal estimates of domestic production on public lands are a work in progress, a rough estimate for marijuana consumed in the United States per year would place U.S. imports from Mexico at approximately 5,000 metric tons, roughly another 1,000 metric tons coming from Canada, and more than 2,500 metric tons produced domestically.

Mexico's marijuana interdiction program seized 2,100 metric tons in 2003, and the United States seized another 863 metric tons along the Southwest border during the first nine months of 2003—meaning that eradication and interdiction removed more than four-fifths of Mexico's

marijuana supply stream, leaving approximately 5,000 metric tons of Mexican marijuana for distribution to the U.S. market.

Mexican marijuana includes both the relatively low-THC commercial grade (1–6 percent THC) and more potent sinsemilla varieties (averaging 10–15 percent THC). The government of Mexico has maintained an aggressive eradication program to counter marijuana production, with Mexican military and police units historically eradicating almost 80 percent of the total estimated cultivation—some 30,000 hectares of cannabis during 2002. While production estimates are not yet available for 2003, in recent years Mexico has produced roughly 7,000 - 8,000 total metric tons of marijuana.

Mexican cannabis growers employ small, widely dispersed plots in remote, inaccessible regions, such as the western Sierra Madre mountains. Cultivators used the dispersion and remoteness of the fields to evade aerial and manual eradication programs. Given the favorable climate and terrain, cultivators produce cannabis harvests yearly in the primary growing regions. Military and Mexican Attorney General's Office (PGR) personnel maintained robust eradication efforts throughout the year. The Mexican Secretariat of National Defense (SDN) reported the deployment of 20,000 to 30,000 troops in the field at peak times to eradicate drug crops (cannabis and opium) manually, while the PGR employed helicopters to apply herbicides in inaccessible areas. The military accounted for about 80 percent of the eradication results, while the PGR accounted for the remaining 20 percent. During 2003, the PGR Air Fleet suffered the loss of two aircraft and crews engaged in aerial eradication activities, one as the result of hostile fire.

The United States remains concerned about widespread Canadian cultivation of high potency marijuana, significant amounts of which are smuggled into the United States. The Royal Canadian Mounted Police, Customs Canada, and other dedicated Canadian law enforcement agencies have worked hard to close down grow houses and to arrest and prosecute their operators. Despite their efforts, the problem remains extremely serious. Consider the sheer numbers of producers. In 2001, more than 2,000 grow operations were seized throughout the entire United States. In Canada, the previous year, 2,800 indoor grow operations were seized in British Columbia alone, according to the Royal Canadian Mounted Police. Nor are such grow operations confined to western Canada—one Canadian Government report estimated that there may be “as many as 15,000 grow ops active in Ontario.” The United States is the market for a large percentage of the high-potency marijuana produced at such sites. Building on Canadian government estimates for the number of indoor cultivation sites and their average size, we estimate that Canadian shipments of marijuana to the United States could exceed 1,000 metric tons annually.

Synthetics

Recent years have seen a significant rise in the use of synthetic drugs, a worldwide trend implicating Europe, China, Thailand, and other countries. In the United States, the synthetic drug market has centered around methamphetamine and Ecstasy. Methamphetamine use has been migrating from the West Coast eastward, leaving devastating social consequences wherever it takes hold. Ecstasy remains a serious concern but appears to have peaked in popularity among American youth.

By their very nature, synthetic drugs present special challenges. Production often takes place in industrialized nations, and because the drugs are made in small laboratories and not harvested from fields, there are no crops to eradicate, as with marijuana, heroin, and cocaine. Supply reduction efforts must instead focus on limiting access to precursor chemicals, shutting down illegal labs, and breaking up the organized criminal groups that manufacture and distribute the drugs. Disrupting the synthetic drug market requires strengthening international and domestic law enforcement mechanisms, with emphasis on flexible and rapid communications at the operational level. We must be as nimble as the traffickers who fuel the market, developing across the Southwest border and ship it to major methamphetamine labs in the United States, many of which are managed by Mexican traffickers. During just two months last year, authorities made seizures totaling 22 million pseudoephedrine tablets that were being shipped to Mexico from a single city in Asia. In addition to the pseudoephedrine threat from Mexico, methamphetamine is produced in Mexico for onward shipment to the United States—more than 1mt of methamphetamine was seized on the Southwest border last year.

Most of the methamphetamine consumed in the United States is manufactured using diverted pseudoephedrine and ephedrine. This internal production is dispersed among thousands of labs operating throughout the United States, although a relatively small number of “super labs” are responsible for most of the methamphetamine produced. To counter the threat from methamphetamine, we and our neighbors, Mexico and Canada, must continue to tighten regulatory controls on pseudoephedrine and ephedrine, thousands of tons of which are smuggled illegally into the United States each year. Controls on other precursor chemicals, such as iodine and red phosphorus, are equally important. In recent years, an inadequate chemical control regime has enabled individuals and firms in Canada to become major suppliers of diverted pseudoephedrine to methamphetamine producers in the United States. The imposition of a regulatory regime last January, combined with U.S.-Canadian law enforcement investigations such as Operation Northern Star, appears for the moment to have reduced the large-scale flow of pseudoephedrine from Canada into the United States. There are signs that some of this reduction has been offset by the diversion from Canada of ephedrine. Pseudoephedrine diversion from Mexico is also a serious threat to the United States. Once the drug is diverted from legal applications, numerous drug trafficking organizations efficiently smuggle it.

The National Methamphetamine Chemical Initiative, which began as a regional HITDA project in California, targets domestic methamphetamine production by fostering nationwide sharing of information between law enforcement agencies and providing training to investigators and prosecutors. The initiative focuses on stopping the illegal sale and distribution of methamphetamine precursors. It also maintains a national database that tracks clandestine laboratory seizures, providing Federal, state, and local law enforcement with up-to-date information on methamphetamine production methods, trends, and cases.

Roughly two-thirds of the MDMA/Ecstasy seized worldwide can be traced to the Netherlands. Smugglers use methods such as express mail service, commercial air couriers, and air freight, with shipments to the United States typically containing 10,000 tablets or more. The United States is working closely with the Netherlands to disrupt this trade. Results from bilateral meetings last year include collaboration on more Ecstasy investigations, an exchange of information on Ecstasy seizures, and Dutch development of a risk indicator and profiles for targeting traffickers.

More remains to be done, however, to dismantle the criminal organizations responsible for this illicit trade.

Because the chemical industry is highly international, multilateral cooperation in chemical control is critical. DEA has encouraged international consensus for voluntary, informal, flexible, and rapid systems of international information exchange on precursor chemical shipments. For example, under the Multilateral Chemical Reporting Initiative, countries report chemical transactions to the International Narcotics Control Board, a UN-based body that tracks licit and illicit chemicals worldwide.

Budget

In fiscal year 2005, almost 30 percent of the federal drug budget request is devoted to international drug supply reduction programs and drug interdiction. Particularly valuable programs include:

Department of State—Andean Counterdrug Initiative (ACI): \$731.0 million. The fiscal year 2005 request will fund projects needed to continue the enforcement, border control, crop reduction, alternative development, institution building, and administration of justice and human rights programs in the region. The ACI budget provides support to Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela and Panama.

DEA—Priority Targeting Initiative: +\$34.7 million. This initiative will strengthen DEA's efforts toward disrupting or dismantling Priority Target Organizations, including those linked to organizations on the Consolidated Priority Organization Target (CPOT) list.

Immigration and Customs Enforcement—Increase P-3 Flight Hours: +\$28.0 million. P-3 aircraft are critical to interdiction operations in the source and transit zones, as they provide vital radar coverage in regions where mountainous terrain, expansive jungles and large bodies of water limit the effectiveness of ground-based radar. This request will increase P-3 flight hours from 200 to 600 hours per month.

U.S. Coast Guard—Integrated Deepwater System: \$678.0 million (\$140.9 million drug-related). This request continues support for the Coast Guard's Deepwater Project. This project is a system-of-systems acquisition project. Deepwater will serve to recapitalize and modernize the Coast Guard's aging and obsolete assets, including cutters, aircraft, command, control, communication, computers, intelligence, surveillance, and reconnaissance (C4ISR) assets, and logistics support system. Because of its broad range of responsibilities, only a portion of Coast Guard resources are actively involved with drug interdiction at any given time. However, this initiative greatly impacts drug control, because the re-capitalization of its assets will significantly enhance the Coast Guard's ability to conduct counterdrug activities, such as its airborne use of force program. In fiscal year 2005, Deepwater will continue to re-engine the HH-65 helicopter fleet as part of an effort to ensure unrestricted safe and reliable operations for all missions, including drug interdiction.

Program Performance

The greatest amounts of foreign-produced drugs entering the U.S. originate in Colombia and Mexico. Due to outstanding cooperation from the governments of both of these countries and U.S. support, there has been significant progress in reducing the amount of drugs available for the U.S. market.

Drug Crop Eradication

In Colombia, coca cultivation and production dropped 15 percent in 2002 – the first decrease in over a decade. The Putumayo growing region, which in 2001 produced almost 20 percent of the world’s coca, was left with just 1,500 hectares of coca in April 2003. This number was down from over 40,000 hectares two years before—a 96 percent reduction. Opium poppy cultivation dropped as well, by 25 percent.

The effect of massive coca aerial eradication that continued in 2003 is still being evaluated, but if the Colombian coca reconstitution rate was about the same as it has been during Colombia's coca boom, the production potential in that country will be significantly reduced. On average, 270 hectares of coca are required to produce a metric ton of cocaine HCl. Thus, the spray program may have kept hundreds of metric tons of cocaine out of the international market in 2003.

Perhaps most important in evaluating the record in the Andean region is that we are not seeing a resurgence of coca production in Peru and Bolivia, the so-called balloon effect. Peru actually reduced coca and cocaine production potential in 2003, while in Bolivia coca cultivation increased somewhat but cocaine potential stayed flat because the new fields had not come into production. Total coca cultivation for both countries declined from an estimated 61,000 hectares in 2002 to 59,600 hectares at the end of 2003. In Bolivia, the government forcibly eradicated most of the crop in the Chapare region, the center of the illicit Bolivian coca trade. At the same time, however, coca cultivation increased by 4,500 hectares in the Yungas region, where most of the country’s traditional, legal coca is also grown. Even so, at 28,450 hectares Bolivian cultivation levels are barely half the 52,900 hectares registered during the peak year of 1989.

Peru’s coca cultivation in 2003 fell to 31,150 hectares, the lowest level since the mid-1980’s when we first were able to measure illicit crops with a high degree of accuracy. This 5,450-hectare reduction in Peruvian coca more than offset the small increase in Bolivia, leaving open the prospect that the total Andean coca crop may be one of the smallest in years. Since 1995, our programs have caused coca cultivation in Peru and Bolivia to drop by 73 percent and 42 percent respectively. Both countries, however, face growing domestic political challenges from *cocalero* groups that link coca cultivation with national identity and sovereignty. With the relatively small, but vocal coca-growing segments of the population in both countries becoming more politically active, both face strong resistance to involuntary coca eradication and law enforcement in coca regions.

The government of Mexico, at considerable cost, has continued its successful marijuana and opium poppy eradication program and reduced by some 80 percent the amount of marijuana that is harvested. Mexico’s interdiction efforts were also outstanding, seizing approximately 2,000mt of a total production capacity of about 7,000-8,000mt.

Environmental Consequences of Illicit Coca Cultivation

One of the perennial issues in pursuing a program that supports heavy drug-crop eradication is the environmental impact of approved herbicides used in spraying. That impact must be weighed against the devastating potential of all aspects of coca cultivation. Aerial eradication using the non-persistent and naturally degrading commercial product glyphosate, actually dramatically reduces the toxic contamination of the environment in Colombia by reducing coca cultivation and coca processing. When coca cultivation is reduced, the very hazardous and persistent insecticides, fungicides, and herbicides—that the farmers use themselves for coca agriculture—is also dramatically reduced. Likewise, when coca base and cocaine processing is reduced the vast amounts of processing chemicals that are dumped on to the land and in to the rivers are dramatically reduced.

Typical coca farmers in Colombia use three major categories of environmentally damaging and persistent chemicals: (1) various mixes of class I to III insecticides and fungicides (usually applied without safety protection), (2) gasoline and acids used by the farmers to produce their saleable coca base, and (3) various fertilizers and herbicides (including paraquat and tamaron). Most of these coca farming chemicals do not readily degrade into harmless by-products (like glyphosate does in 3-4 days), but these agriculture and processing chemicals remain in the soil and water for very long periods. Also, the toxicity of these chemicals is very different from glyphosate—many are extremely toxic for humans, birds, and other fauna and flora. Glyphosate, on the other hand, is a category IV chemical that degrades in the soil in 3-4 days into harmless by-products that do not effect the environment.

As an example of the coca farmers use of toxic chemicals, the average farmer typically spend upwards of 200 working days per year per hectare applying different chemicals including what is known as a “BOMB”—a very dangerous insecticide/fungicide mixture of Tamaron, Manzate, and Sevin. Quantitatively, for each typical hectare of coca cultivation in Colombia: over 250 kgs of gasoline and 2 kgs acids end up in the soil, over 15 kgs of insecticides and fungicides end up in the soil and water, over 30 kgs of fertilizers are dispersed, and over 15 kgs of herbicides (mostly paraquat) contaminates the soil and water. To put this in perspective, only about 2.5 kg per hectare of glyphosate is being used for aerial eradication of coca in Colombia. Interestingly, on a national basis, the typical coca farmer uses almost as much glyphosate for weed control in his coca plot, about 1.4 kg per hectare.

Over more than two decades, coca cultivation in the Andean region has led to the destruction of approximately six million acres of rainforest. Working in remote areas beyond settled populations, coca growers routinely slash and burn virgin forestland to make way for their illegal crops. Tropical rains quickly erode the thin topsoil of the fields, increasing soil runoff, depleting soil nutrients, and, by destroying timber and other resources that would otherwise be available for more sustainable uses, decreasing biological diversity. The destructive cycle continues as growers regularly abandon non-productive parcels to prepare new plots. At the same time, traffickers destroy jungle forests to build clandestine landing strips and laboratories for processing raw coca and poppy into cocaine and heroin.

USG studies conducted in the early 1990s in Bolivia and Peru indicated that one kilogram of cocaine base required the use of three liters of concentrated sulfuric acid, 10 kilos of lime, 60 to 80 liters of kerosene, 200 grams of potassium permanganate, and one liter of concentrated ammonia. These toxic pesticides, fertilizers, and processing chemicals are then dumped into the nearest waterway or on the ground. They saturate the soil and contaminate waterways, poisoning water systems and dependent species in the process.

Compared to the weight of aerial eradication glyphosate sprayed, over 10 times more kilograms of toxic insecticides, fungicides, and herbicides are used by coca farmers per hectare and over 100 times more kilograms of gasoline and acids are released into the soil and rivers. Moreover, the acids, gasoline, and toxic insecticides, herbicides, and fungicides are much more persistent and hazardous to the environment than is the aerial-sprayed glyphosate.

Interdiction

Colombian antidrug forces destroyed 83 HCl laboratories in 2003, surpassing their 2001 record of 63 HCl labs destroyed. They also captured more than 48 metric tons of cocaine/cocaine base, 1,500 metric tons of solid precursors and 750,000 gallons of liquid precursor processing chemicals. The greatest amount of cocaine was interdicted at sea. In the last quarter of 2003 Colombian forces increased their success rate against fast boats. At the same time, the reintroduction, in August 2003, of the Air Bridge Denial (ABD) program after a two-year hiatus, offered additional assurance that air trafficking would not easily take up the gap from interrupted maritime transit. In general, with eradication continuing to reduce the ultimate supply of cocaine, we would expect to see interdiction drop off as the flow diminished. Interdiction should never drop dramatically enough to allow traffickers to make up the loss of product through eradication by an increase in flow efficiency. In fact, interdiction was comparable in 2003 to cocaine seized in 2002 and 2001.

Mexican authorities seized over 20 metric tons of cocaine hydrochloride during 2003. Marijuana interdiction continued at an impressive pace, with authorities confiscating over 2,000 metric tons. In addition, authorities confiscated 165 kilograms of heroin, 189 kilograms of opium gum, and 652 kilograms of ATS drugs.

While discussing our nation's interdiction efforts I would be remiss not to convey my concerns about the viability and sustainability of the Tethered Aerostat Radar System. While TARS is not the ultimate solution, no system, including ground-based radars, can provide the much needed early warning against low flying illicit traffickers near our borders. It would take a new fleet of new P-3-Airborne Early Warning aircraft to substitute for the TARS network, a substitute that is not viable and is clearly cost prohibitive. The TARS program is the only realistic alternative available to secure our borders against illicit air smuggling. The program must be fully funded and maintained in a healthy status until a suitable follow-on system is developed and operational.

Attacking Trafficking Organizations

With the demise of the largest Colombian drug cartels, control of production of cocaine has largely passed to the illegal armed groups, while the Colombian criminal drug organizations still

control most of the international marketing and distribution of cocaine. Our continuing support for the Government of Colombia is crucial as that country presses on two fronts to end drug-financed violence through military victory or negotiation. The Andean Counterdrug Initiative, is well designed to maintain an essential level of support in fiscal year 2005 and prepare Colombia to finish its task of expanding democracy and the rule of law throughout its national territory.

Colombia has also attacked drug trafficking organizations effectively. Under President Uribe, 104 traffickers have been extradited to the U.S., 68 in 2003 and 14 just this year. Indictments for the Rodriguez-Orejuela brothers were recently unsealed and we hope to see them extradited soon. The government of Colombia has further disrupted the operations of many of the cartels, including the FARC and AUC, by arresting or removing operational leaders, such as: FARC General staff member Simon Trinidad, FARC Cundinamarca Mini-Bloc commander Buendia, Buendia's replacement, and the accountant for the Cali cartel.

Mexico continues to be the source and entry point of most illegal drugs that are smuggled into the United States. Mexican drug trafficking organizations control most of the wholesale distribution in the Western and Midwestern United States and much of the illegal drug brokerage throughout the United States. In this context, the international criminal organizations based in Mexico control most of the cocaine broker-level distribution to the United States; a majority of methamphetamine production and distribution; about 1/3 of the heroin distribution; and a major portion of marijuana distribution. Mexican drug syndicates oversee much of the drug trafficking in the United States. They have a strong presence in most of the primary distribution centers in the United States, directing the movement of cocaine, heroin, ATS drugs, and marijuana.

In 2003, U.S. and Mexican officials developed a common targeting plan against major drug trafficking organizations in Mexico and the United States and developed secure mechanisms for two-way sharing of sensitive intelligence data without compromise. Mexican federal enforcement and military authorities damaged several important trafficking syndicates. They arrested, among others, senior figures in the Juarez cartel, the head of the Milenio cartel of Michoacán, and the leaders of the trafficking group that controlled large-scale cocaine and cannabis trafficking through the Matamoros-Brownsville, Texas, smuggling corridor, as well as high-ranking members of other drug syndicates.

The situation in Mexico is both a great challenge and a great opportunity which offers more hope than at any time in many years. President Vicente Fox has taken serious action against them, targeting the murderous Arellano Felix Organization, among others. President Fox has also strengthened law enforcement cooperation with the United States and has begun the process of reforming dysfunctional and sometimes corrupt institutions.

As a result of this renewed commitment to countering the illicit drug trade, since President Fox assumed office in December 2000, Mexican law enforcement agencies and military personnel have arrested over 6,000 drug traffickers. The most notable recent arrests include:

- The January 2003 capture of Jaime Arturo Ladino Avila alias "El Ojon." Authorities considered him to be the main money launderer for the Amezcua Contreras brothers, the presumed leaders of the Colima Cartel.

- The March 2003 arrest of reputed drug lord Osiel Cardenas Guillen after a shoot-out in the border city of Matamoros. Known as "El Loco," Cardenas controlled smuggling through Matamoros, Nuevo Laredo and Reynosa. He was a key facilitator for the Gulf Cartel, which controls the flow of tons of marijuana, cocaine and heroin from Mexico's eastern coast into the United States.
- The August 2003 arrest of Armando Valencia, a major operator along the U.S. border with contacts in the Juarez and Tijuana cartels.

We continue to help the Mexican government improve its ability to succeed against a very serious drug threat to both countries. The office of the Mexican Attorney General and the military services are targeting the leadership of all major drug trafficking organizations, with the goal of disrupting their production, transport, and sale of drugs. The PGR's newly formed Federal Investigative Agency (AFI) and the National Planning, Analysis, and Information Center for Combating Crime (CENAPI) have developed more investigators to collect and analyze information on drug trafficking and other organized crimes.

Conclusion

The greatest threat to the United States from foreign-produced drugs comes from the cocaine and opium producing Andean region, particularly Colombia; and the poly-drug syndicates in Mexico. Our strategy focuses on these two areas in an effort to disrupt key nodes in the drug production and distribution system. If we are successful in reducing the raw materials available for drug manufacture, if we can interdict as much as we are now, and if we keep up the pressure on major traffickers, the attractiveness of the drug business will diminish. Considering the overhead and uncertainty of selling large quantities of drugs, the business is hardly invincible. We believe we are near to having a major impact on cocaine availability, and we would expect to follow this up with a more concentrated effort against marijuana, heroin, and synthetics. With the support this subcommittee has always provided, we expect to meet the President's five-year goal of a 25 percent reduction in the number of American drug users.