

Statement for the Record
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Chairman Hagan, Senator Portman, and other distinguished members of the Subcommittee, I appreciate this opportunity to discuss the Department's counternarcotics (CN) efforts alongside my colleagues DASD Reid and DASD Schear. I am convinced that the complementary efforts across Special Operations/Low-Intensity Conflict and Interdependent Capabilities (SO/LIC&IC) are having a significant impact on our efforts in Afghanistan and Pakistan and on a wide range of other transnational threats around the world.

Before discussing some of the latest trends we are seeing in the threat of transnational organized crime, I would like to provide you with a brief overview of our organization, strategy, budget, and programs.

CN> Program Overview

The Department of Defense supports the Administration's *National Drug Control Strategy* by providing assistance to local, State, Federal, and foreign agencies to confront the drug trade and narco-terrorism. DoD support for law enforcement includes detecting and monitoring drug trafficking, sharing information, and helping countries build their capacity to confront drug trafficking. DoD counternarcotics efforts are also focused on maintaining force readiness through demand reduction programs for the Armed Services.

Through its Combatant Commands, the Military Departments, and the Defense Agencies, DoD provides unique military platforms, personnel, systems, and capabilities that support federal law enforcement agencies and foreign security forces involved in counternarcotics missions. The DoD counternarcotics mission targets those terrorist groups worldwide that use narcotics trafficking to support terrorist activities by deploying counternarcotics assets, in cooperation with foreign governments, in regions where terrorists benefit from illicit drug revenue or use drug smuggling systems.

The Office of the Deputy Assistant Secretary of Defense (DASD) for Counternarcotics and Global Threats (CN>) is the single focal point for DoD's CN activities, reporting to the Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict and Interdependent Capabilities and the Under Secretary of Defense for Policy. The office of the DASD (CN>) was established to ensure that DoD develops and implements a focused counternarcotics program with clear priorities and measured results. Consistent with applicable laws, authorities, regulations, and funding, the office ensures that sufficient resources are allocated to the counternarcotics mission to achieve high-impact results.

All DoD counternarcotics programs, with the exception of Active Duty military pay and Service operations tempo ("OPTEMPO"), are funded through the DoD Counternarcotics Central Transfer Account (CTA). The CTA was established by the FY 1989 Defense Appropriations Act and designed to allow for maximum flexibility to respond to ever-changing drug trafficking patterns. In FY 2012, the Department has requested \$1.16 billion for CN efforts through the CTA. Of this total, approximately 13 percent would go to support demand reduction, 20 percent

to support domestic law enforcement assistance, 18 percent to support intelligence and technology programs, and 48 percent to support international counternarcotics activities.

We take pride in our efforts to reduce drug abuse in the Armed Forces and Defense workforce and in providing outreach to DoD families and their communities. The DoD role in illegal drug demand reduction concentrates principally on eliminating drug abuse in the U.S. Armed Forces and Defense civilian workforce as well as reaching out to DoD families and their communities to reduce drug abuse. To address rising prescription drug abuse rates, DoD plans to implement recommendations from the Chairman of the Joint Chiefs of Staff for its Drug Demand Reduction Program to expand testing to include commonly abused prescription drugs, establish random unannounced drug testing in-theater, establish mobile collection teams, complete the prescription drug verification portal, and make drug prosecution statistics part of readiness reporting. The National Guard, acting under the authority of the State and territorial governors, also plays an especially important role through community outreach and helping at-risk youth resist drug-related temptation. These programs are consistent with the President's *National Drug Control Strategy*, which points out:

The demand for drugs can be further decreased by comprehensive, evidence-based prevention programs focused on the adolescent years, which science confirms is the peak period for substance use initiation and escalation into addiction. We have a shared responsibility to educate our young people about the risks of drug use, and we must do so not only at home, but also in schools, sports leagues, faith communities, places of work, and other settings and activities that attract youth.

We are in the final stages of developing a DoD Counternarcotics and Global Threats Strategy that will more clearly align our efforts with President's National Security Strategy, the National Drug Control Strategy, as well as with the Quadrennial Defense Review's four priority

objectives: 1) Prevail in Today's Wars, 2) Prevent and Deter Conflict, 3) Prepare to Defeat Adversaries and succeed in a wide range of contingencies, and 4) Preserve and Enhance the All-Volunteer Force. This Strategy will be based on national-level guidance and will establish an integrated set of strategic goals and objectives to address the national security implications of drug trafficking and other forms of organized crime and to help prioritize programs and activities. The Strategy will outline where Defense capabilities can be brought to bear in support of a whole-of-government approach to address this national security concern. I would welcome the opportunity to brief you or your staff on the Strategy as soon as it is made available.

Efforts in USCENTCOM Area of Responsibility

In Afghanistan, DoD's counternarcotics efforts are focused on building Afghan capacity, through information sharing, training and equipping, and infrastructure. While DoD has provided military support, as needed, to counternarcotics law enforcement activities, in Afghanistan the opposite is also true. In Afghanistan, the expertise and authorities of our law enforcement partners also contributes to advancing essential national security objectives. While relatively little of the heroin produced in Afghanistan is ultimately bound for the United States today, U.S. law enforcement agencies such as DEA have been at the forefront of our counternarcotics efforts in support of broader U.S. national security interests.

Narcotics account for a large proportion of Afghanistan's economy, and they contribute to insecurity, corruption, poor governance, and stagnation of economic development. It is essential to address the drug trade and its effects in order to conduct a successful counter-insurgency campaign. Approximately 84% of all Afghanistan's poppy production is

concentrated in the south and southwestern provinces. These areas are primarily controlled by the Taliban, which benefits financially from this trade.

Building on what worked in Colombia, while recognizing regional differences, our revised counternarcotics strategy for Afghanistan emphasizes support for a “whole-of-government” approach that is incorporated into the overall stabilization strategy and places greater emphasis on interdiction and agriculture and rural development. In 2010, Afghan National Security Forces conducted approximately 300 operations supported by DoD, primarily in the South. These operations led to the destruction of approximately 55 tons of opium, 2 tons of morphine, 12 tons of heroin, 74 tons of hashish, 34 tons of chemicals used to produce heroin, and numerous weapons and munitions. In Pakistan and Central Asia, DoD counternarcotics activities focus on containing the flow of narcotics emanating from Afghanistan by supporting improved border security and interdiction capacity and improved information sharing.

CN>’s efforts in the region complement other SO/LIC&IC activities to support the warfighter. In many ways, CN authorities and funding act as a bridge between law enforcement efforts and more traditional military operations. For instance, CN> programs also support counter-narcoterrorism training provided by U.S. Special Operations Forces in the region that directly support counter-terrorism (CT) and counter-insurgency (COIN) objectives. In FY2009, CN> provided counternarcotics-funded helicopters in support of broader CT/COIN objectives in Pakistan. CN> also joins DHS (CBP/ICE) in providing critical support for Operation Global Shield, a World Customs Organization (WCO) effort to combat the illicit

transport and use of precursor chemicals by terrorist and other criminal organizations some of which are used to manufacture improvised explosive devices (IEDs).

Where Partnership Strategy and Security Operations' Ministry of Defense Advisors (MODA) program provides support to the Ministry of Defense, CN> efforts are focused on building capacity of law enforcement units within the Ministry of Interior such as the Counternarcotics Police of Afghanistan (CNPA), the National Interdiction Unit (NIU), the Sensitive Investigative Unit (SIU), and Aviation Interdiction Unit (AIU).

CN efforts in the USCENTCOM area of responsibility complement counter-terrorism, DoD's partnership strategy, and stability operations. All three of these pillars need to be coordinated for greater effect. Often, as in the case of Pakistan, CN efforts allow DoD to establish a base for follow-on CT/COIN and stability operations. In 2006, CN funding was used to begin building-up Pakistan's border security forces in the FATA region based on the amount of drugs transiting this region headed to the Makron Coast from Afghanistan. The drug trade is inherently associated with creating instability and is often a localized funding source for insurgent and criminal groups.

CN> coordinates with SO/CT on 1206 reporting requirements. This annual review of CT funding by CN experts helps to eliminate overlaps and identify areas for improved coordination. Leveraging the expertise of the Counter-Narcoterrorism Technology Program Office and its relationship with CN>, SO/CT was able to procure a utility aircraft for Yemeni security forces with Section 1206 funding at the end of FY2010.

Emerging Threats

Closer to home, Mexico continues to confront escalating drug-fueled violence particularly along its northern border with the U.S. Gunmen associated with drug trafficking organizations routinely carry out sophisticated attacks against Mexican law enforcement and military personnel. The Department of Defense's counternarcotics support to Mexico is implemented primarily through U.S. Northern Command (USNORTHCOM) and includes training, equipment, and information sharing as well as indirect support to units of the Mexican armed forces with counter-narcoterrorism missions. We are also working with U.S. Southern Command (USSOUTHCOM) and USNORTHCOM to develop a joint security effort in the border region of Mexico, Guatemala, and Belize. Most of DoD's cooperation with Mexico falls under the Department's counternarcotics program, and we expect to allocate approximately \$51 million in FY2011 to support Mexico. This allocation is a dramatic increase from previous funding levels for Mexico. Before 2009, for example, funding for Mexico was closer to \$3 million a year.

Central America continues to face increasing pressure from drug trafficking and related violent crime, largely as a result of the progress that has been made by the Governments of Mexico and Colombia in confronting these organizations. A Congressional Research Service report published this March illustrated this graphically by mentioning that, despite the incredible drug-fueled violence in Mexico, the homicide rate per 100,000 inhabitants for all Central American nations is significantly higher (with the exception of Costa Rica). These trends are directly attributable to illicit trafficking of all forms of contraband such as drugs, weapons, bulk

cash, counterfeit and stolen goods, and persons. These law enforcement issues have important ramifications for the national security of Mexico, the nations of Central America, and the United States. The Central American Citizen Security Partnership, announced by President Obama in El Salvador last month, seeks to “address the social and economic forces that drive young people toward criminality.” The implication for DoD is that we will work even harder to broaden and deepen our interagency and international partnership approach and take a holistic view of security. As always, DoD will play a supporting role to the overall strategy, led by the White House and the State Department, avoiding any over-emphasis on military responses.

I recently traveled to West Africa to get a first-hand look at a region where weak governance is increasingly being exploited by drug traffickers as they target the lucrative and growing European market for cocaine. This trend has a number of important national security implications, such as undermining governance and stability in the region and providing a funding stream to Western Hemisphere criminal organizations that traffic drugs to the United State.

Drug trafficking and other forms of organized crime have become a truly global phenomenon. The globalization of the legitimate economy has benefitted the illicit economy in many of the same ways. Today, nearly every country in the world now suffers to some degree from illegal drug consumption, production, or drug-related corruption and violence. Where once DoD’s counternarcotics efforts were focused in the Western Hemisphere, today we are supporting counternarcotics activities worldwide -- most notably in Afghanistan and with its neighbors, but also in places such as West Africa and Central and Southeast Asia.

Transnational criminal organizations, or TCOs, are becoming increasingly networked as they form relationships with each other and at times with insurgent or terrorist groups. These relationships range from tactical, episodic interactions at one end of the spectrum, to full narcoterrorism on the other. This “threat networking” also undermines legitimate institutions in ways that create opportunities for other threats. TCOs are increasingly diversifying into other forms of criminal activity in order to spread risk and maximize potential profit. In some regions, for example, drug trafficking TCOs also engage in kidnapping, armed robbery, extortion, financial crime and other activities.

It is important to note that DoD counternarcotics support activities are carried out at the request of and in coordination with U.S. or foreign law enforcement officials. DoD support includes training, equipment, information sharing, communications, intelligence analysis, and other cooperation. I give the Congress the credit for having had the vision to recognize the important role DoD can and should play to counter the threat of drug trafficking, and particularly in supporting broader law enforcement efforts.

DoD counternarcotics activities employ two principal “force multipliers” to make the best use of finite resources available. These are particularly important in the current fiscal environment. First, we emphasize networked partnership, both with other countries and among U.S. institutions. Through building capacity among our international partners, we enhance their ability to work with their U.S. counterparts and maximize the value of taxpayer dollars. Second, we stress intelligence and information-driven operations. For example, DoD increasingly provides detection, monitoring, and law enforcement “end game” support, based on

“cued” intelligence. Such targeting is more cost-effective than trying to patrol vast areas with limited air, maritime, or other assets.

It is important to recognize that when we discuss the transnational nature of this threat, this includes criminal activities that take place outside as well as within the United States. For instance, the influence of Mexican TCOs extends well beyond the Southwest border to cities across the country such as Atlanta, Chicago, and Detroit. Unfortunately, coordination of domestic and international activities can be especially challenging. Such coordination is, however, also increasingly important in an age when criminal globalization, threat networking, and diversification are making distance and borders less important. In this regard, DoD can play an important role in facilitating coordination and information sharing through mechanisms such as Joint Task Force – North in El Paso and Joint Interagency Task Force – South in Key West – both of which are models of interagency and international cooperation.

Conclusion

The transnational illicit drug trade is a multi-faceted national security concern for the United States. The drug trade is a powerful corrosive force that weakens the rule of law in affected countries, preventing governments from effectively addressing other transnational threats, such as terrorism, insurgency, organized crime, weapons trafficking, money laundering, human trafficking, and piracy. Many of the global and regional terrorists who threaten interests of the United States finance their activities with the proceeds from narcotics trafficking. The inability of many nations to police themselves effectively and to work with their neighbors to ensure regional security represents a challenge to global security. Extremists and international criminal networks frequently exploit local geographical, political, or social conditions to establish safe havens from which they can operate with impunity.

Thank you for the opportunity to testify. I welcome your questions and comments.