

STATEMENT OF
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AT A HEARING BEFORE
THE
HOUSE SUBCOMMITTEE ON COAST GUARD AND
MARITIME TRANSPORTATION

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Mr. Chairman, I would now like to figuratively remove my Coast Guard "hat" and say a few words about my role and activities during the past year as the United States Interdiction Coordinator, or "USIC" - as the acronym goes.

A little more than a year ago, under authority vested in him by the President, Dr. Lee Brown, the director of the Office of National Drug Control Policy designated me the U.S. Interdiction Coordinator for counterdrug matters in the Western Hemisphere, but outside of the territory of the U.S. According to the President's guidance, my task has been to ensure that the U.S. resources committed to international interdiction are adequate - and that their location and scheduling are optimal. This non-operational oversight coordination of drug interdiction is to be consistent with the objectives of the National Drug Control Strategy. Moreover, under the President's comprehensive and balanced approach to international drug control, coordination of U.S. international interdiction efforts is designed to maximize the disruption of the flow of drugs to the U.S. in direct support of our domestic efforts to reduce the availability of and demand for illicit drugs.

So how do I perform this function, especially on a "collateral duty" basis? To begin with, in full cooperation with the DOD Joint Chiefs of Staff, we have restructured the quarterly J-3 planning conference that has met since 1989. General Estes - the Director for Operations - and I now co-host it as the J-3/USIC Quarterly Counterdrug Conference. This coordinating forum allows us to regularly bring together the interagency staffs in Washington and the operational commander's staffs. I have found this process to be informative, productive, and highly valuable in matching operations and tactics with strategy and policy.

Incorporated into this forum is a new project of ours entitled the Operational Performance Assessment. Briefed quarterly at our conference, this assessment enables us - through operations analysis of a comprehensive multi-agency data base - to examine trafficking patterns, gaps in coverage, the effects of route denial, inconsistencies for further exploration, and assists in matching Detection & Monitoring resources with apprehension resources. Although still in its early stages of development, we hope that this assessment will prove to be a very valuable tool in coordinating the activities of the scarce resources available for international interdiction - and maximizing their impact on the traffickers.

Dr. Brown and I meet regularly and often, so that I may update him on current initiatives, progress, impediments encountered, and future plans of the organizations involved in international interdiction. I also use The Interdiction Committee, chaired by Commissioner Weise of the U.S. Customs Service, as an advisory body for the resolution of interagency issues and to achieve seamless integration with other Federal strategies. We also participate actively in the Counternarcotics Interagency Working Group, which is chaired by Ambassador Robert Gelbard, the Assistant Secretary of State for International Narcotics & Law Enforcement Affairs. This group's focus is on facilitating implementation of the international drug control strategy and myriad initiatives such as "endgame" enhancements. In addition, we work closely with the operational commanders, participate in their planning conferences and other forums such as the DEA/CNC-sponsored Linear and Linkage committee and working groups.

Last October, Dr. Brown and I hosted a "Senior Level Interdiction Conference" that, for the first time, brought together the counterdrug agency heads (the members of The Interdiction Committee) with the operational commanders and directors from the field. Our primary goal was to assess the

adequacy of interdiction resources and our collective ability to execute the National Drug Control Strategy in this era of fiscal restraint, deficit reduction initiatives, and declining budgets. We took a hard look at the effects of congressional budget cuts on our resources and the national policy of executing a "controlled shift" in emphasis from transit zone interdiction to source country programs and initiatives. We agreed that the term "controlled shift" is used to describe the flexibility needed to preclude exploitation by narco-trafficking organizations of any gaps in our strategy or methodology; exploitation that would require a realignment of resources in theater. Our review determined that due to congressional budget reductions, resources in the transit zone had been reduced without the planned buildup or even sustainment of resources for source country programs, thus delaying full implementation of our Strategy. We need to work very hard to turn this around, to enable us to attack the production and distribution of drugs as close to the source as possible. We need Congress's full support for the administration's budget request for source country initiatives. At the same time, reducing our transit zone capability below the President's budget request, prior to giving new programs in the source countries the opportunity to take hold can overwhelm domestic demand reduction programs by making drugs more readily available and less expensive.

Source country initiatives require a long-term effort. Historical perspective would dictate that these initiatives - which include institution building, judicial reform, development of indigenous military and law enforcement capabilities, crop eradication and alternative development programs, and dismantling the trafficker's organizations and industrial infrastructure - will take many years to develop and come to maturity, especially given the Congress' cuts to the State Department's counter-drug budget. We should be in this for the long haul and I am sure that our combined efforts will be worthwhile. Our National Drug Control

Strategy (and its international component) is a good one. But I must articulate my belief that, for the time being, our demand reduction programs in the United States, source country initiatives, and interdiction programs (in the source countries, in transit, and at the border) and domestic law enforcement efforts are each important. The loss of appropriate emphasis on any one of these areas could defeat the basic premise of the strategy and render it ineffective.

Of some interest to me is that interdiction efforts were characterized some time ago as a very expensive failure because interdiction alone did not seriously reduce the amount of drugs available on the streets. It was never intended to. In fact, international interdiction, while a vital part of a "balanced" strategy, represents just 5-6% of the total drug control budget. Interdiction alone could never "cure" the Nation's drug problem. The transit zone and our borders are too vast. There will never be enough resources to completely seal the borders or blanket the wide expanse of the oceans with surface and aerial patrol coverage. But as an integral, vital component of our strategy, interdiction resources and efforts must remain effective and flexible. No country can afford to have its borders unprotected. In this sense, interdiction makes a major contribution in demonstrating to foreign nations and trafficking organizations that we are committed to combating the drug trade while introducing another level of risk to those who attempt to bring illicit drugs into our country.

Why is this so? Because interdiction is a counterdrug activity that works in "holding the line." It buys us the time required for other, complementary programs to take hold and produce results. Interdiction is a process over which we can exercise the greatest span of control if properly supported. An effective capability gives us the best chance for our Strategy to be fully implemented; it disrupts narcotrafficking at all points along the route, keeping pressure on the

drug mafias, producing valuable intelligence, and increases their risks and costs of doing business. In terms of "political will," the deterrent presence of interdiction forces displays strong U.S. Government resolve for other nations to follow.

So why are illegal drugs still so readily available in our country? The narcotrafficking industry is persevering at the present time because it has the capability to produce its illicit product far in excess of the demand and can - at present, albeit at significant cost - absorb losses from interdiction as part of the cost of doing business. These drug mafias are sophisticated and adaptable; they are privy to exceptional intelligence; they utilize a number of "safe havens" along their routes; they can corrupt officials with huge amounts of money or with threats to their security; they have a decentralized and flexible control structure; they engage in global cooperative ventures with other criminal organizations, and they have one of the largest financial bases in the world.

How do we counter this? I believe that the three components of our strategy will prevail if we:

- Use multi-faceted source country programs to disrupt the narcotraffickers to the point that they can no longer produce sufficient quantity to absorb losses and the risk of arrest becomes unacceptable, and-
- Develop interdiction capability to the point that serious losses can be inflicted on them, i.e., when disruption plus interdiction combine to raise their costs and risks of operation, and-
- Reduce domestic demand to diminish the market and thus, the enormous influence and financial base of the industry.

Our national policy and strategy identify narcotrafficking as a serious threat to the national security of the United States. So let's talk about that for a moment. Even with the end of the "Cold War" and the demise of the former Soviet Union and Warsaw Pact, we still live in a potentially unstable world. There are lots of threats out there: nuclear proliferation in developing countries, terrorism, continued instability or regional conflicts in the Balkans, the Middle East, and Africa. However, as serious as these global problems are, on a daily basis narcotrafficking directly impacts the American people, our social structures, societal values, and our economy.

Drug trafficking and drug abuse threaten the human rights of all Americans. These problems are directly linked to violent crime, the incredible growth of our prison population, and they pose a tremendous challenge to national health care. Drug trafficking and drug abuse account for a one-way outflow of tens of billions of dollars from the U.S. annually; money that is laundered and re-invested by criminals. Moreover, when the costs of response programs for crime and health care are added, and an estimate of lost productivity is added to that, a conservative estimate brings the **potential loss of as much as \$200 billion annually.** Some would estimate much higher. To counter this threat, the U.S. invests approximately \$13 billion annually, of which only \$1 billion is for source country initiatives and international interdiction. Some analysis of the effectiveness of our efforts has been accomplished, specifically regarding interdiction efforts in the Transit Zone. On balance, our investment in interdiction efforts there is weighed against the "disruptive" effect of those efforts resulting in seizure of illicit narcotics and other unrecoverable losses to the narcotrafficking operations. Conservative estimates place our "rate of return" simply in product kept from the marketplace at approximately 25 to 1; 25 dollars worth of cocaine is kept off the streets of the United States for every dollar invested.

As a career Coast Guard officer, I have long believed that the American people expect their government to apprehend drug traffickers and counter emerging threats from criminal activities. Supporting this, the Chicago Council on Foreign Relations, who conducted a 1995 American public opinion survey on foreign policy, found that stopping the flow of illegal drugs into the United States is the top foreign policy goal of the general public.

Let's discuss a few issues of positive note. We have in fact made some improvements and had some successes in the past year, and I would like to tell you about them. We now have better interagency counterdrug coordination. We have streamlined our interagency command & control systems, prioritized intelligence collection requirements, removed a few operational impediments, and brought some new, cost-effective technology (such as ROTH and ion scanners) to bear. We have entered into a number of bilateral counterdrug agreements with Caribbean Basin nations, and naval forces from the UK and the Netherlands actively participate in interdiction efforts with us in the Caribbean. They are a valuable force multiplier. We have recently seen significant efforts by Colombia and Peru in denying the traffickers illegal use of their airspace. And as you are aware, the recent arrests by Colombian forces of Cali mafia boss Gilberto Rodriguez Orejuela and major Peruvian trafficker Abelardo Cachique Rivera, coupled with the 59 Federal indictments handed out a few weeks ago against the Cali bosses and their infrastructure in the U.S., represent a major step toward the National Strategy goal of dismantling the cartels.

We remain the most powerful country in the world, and with your complete support, I believe that we can capitalize on these positives and ultimately defeat the threat to our people posed by these insidious criminal organizations and their

activities. This concludes my prepared statement. I would be happy to answer your questions.