



Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington DC 20515

Peter A. DeFazio  
Chairman

Katherine W. Dedrick  
Staff Director

Sam Graves  
Ranking Member

Paul J. Sass  
Republican Staff Director

May 30, 2019

**SUMMARY OF SUBJECT MATTER**

**TO:** Members, Subcommittee on Coast Guard and Maritime Transportation  
**FROM:** Staff, Subcommittee on Coast Guard and Maritime Transportation  
**RE:** Hearing on “Western Hemisphere Drug Interdictions: Why Maintaining Coast Guard Operations Matter.”

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**PURPOSE**

The Subcommittee on Coast Guard and Maritime Transportation will meet on Tuesday, June 4, 2019, at 10:00 a.m. in 2167 Rayburn House Office Building to examine the federal government’s efforts to confront transnational drug smuggling and stem the flow of illegal drugs to the United States. The Subcommittee will hear from the United States Coast Guard (Coast Guard or Service), United States Southern Command (SOUTHCOM), and the Office of National Drug Control Policy.

**BACKGROUND**

Illegal drug trafficking continues to threaten the safety, security, and public health of U.S. citizens and destabilize foreign governments. Such trafficking places significant strain on our Nation’s health care and criminal justice systems, costing U.S. taxpayers hundreds of billions of dollars annually. The ability to intercept these drugs before they enter the U.S. enables agencies responsible for interdiction, like the Coast Guard, to leverage assets and seize drugs in bulk before they are broken into smaller packages inside the United States. Such seizures use drug law enforcement assets much more efficiently than trying to pursue smaller, less pure drugs closer to the end user.

In an effort to combat the adverse impacts of drugs and coordinate the federal government’s drug control activities, Congress established the Office of National Drug Control Policy (ONDCP) as part of the Anti-Drug Abuse Act of 1988 (P.L. 100-690). Section 1705 of title 21, United States Code, requires the ONDCP to submit to Congress a National Drug Control Strategy (NDCS) on an annual basis. The latest NDCS, released in May 2019, focuses on reducing the use, production, and trafficking of illegal drugs, as well as lessening drug-related crime, violence, and health consequences.

## *Interdiction Activities*

The majority of illegal drugs entering the United States originate in South America. The Coast Guard primarily confiscates cocaine, marijuana and methamphetamine with cocaine being the most commonly confiscated substance.<sup>1</sup> Other drugs such as Opiates, Fentanyl and similar substances that are smuggled into the country move primarily on land, air, or by commercial maritime conveyances whose cargos are regulated by Customs and Border Protection (CBP).<sup>2</sup> According to the Drug Enforcement Administration, Colombia is the source of 93% of the cocaine in the United States.<sup>3</sup> The drugs pass through a seven million square-mile area called the Transit Zone. Roughly twice the size of the continental United States, the Transit Zone includes the Caribbean Sea, the Gulf of Mexico, and the Eastern Pacific Ocean.

Typically, in the Eastern Pacific Ocean, fishing vessels carrying multi-ton loads of cocaine depart Colombian and Ecuadorian ports for delivery points along the Central American or Mexican coasts. In the Caribbean, high-speed “go-fast” vessels haul as much as two metric tons of cocaine at a time. These vessels generally leave Colombia's north coast heading for points along the Central American and Mexican coastlines, or leave Venezuela's north coast to island nations such as the Dominican Republic, Haiti, Jamaica, and the Lesser Antilles. Smugglers have also turned to semi- and fully-submersible vessels to move large shipments of cocaine from South America to distribution points in Central America. These vessels are effective tools to move large quantities of illegal drugs and other illicit goods because their low profile makes them difficult to detect.

Once the drugs land in Central American nations, they are broken down into multiple smaller packages for transshipment to the United States. Mexican drug cartels have recently been using panga boats (e.g., small, open-air, outboard-powered fishing boats) to move drugs into the United States. While illegal drugs can enter the United States through the southern land border, a majority of those drugs are transported at some point via boats. Consequently, the NDCS focuses on interdicting bulk shipments of drugs in the Transit Zone prior to reaching the United States.

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<sup>1</sup> U.S. Coast Guard, *Annual Performance Report: Fiscal Year 2017*.  
<https://www.uscg.mil/Portals/0/documents/budget/FY17%20APR%2015%20May%2018%20-%20Final%20-%20POSTED.pdf>

<sup>2</sup> Ibid. Page 14, paragraph 4.

<sup>3</sup> See page 41 <https://www.dea.gov/sites/default/files/2018-11/DIR-032-18%202018%20NDA%20%5Bfinal%5D%20low%20resolution11-20.pdf>

Figure 1. Fiscal Year 2017 Drug Seizures and Movement<sup>4</sup>

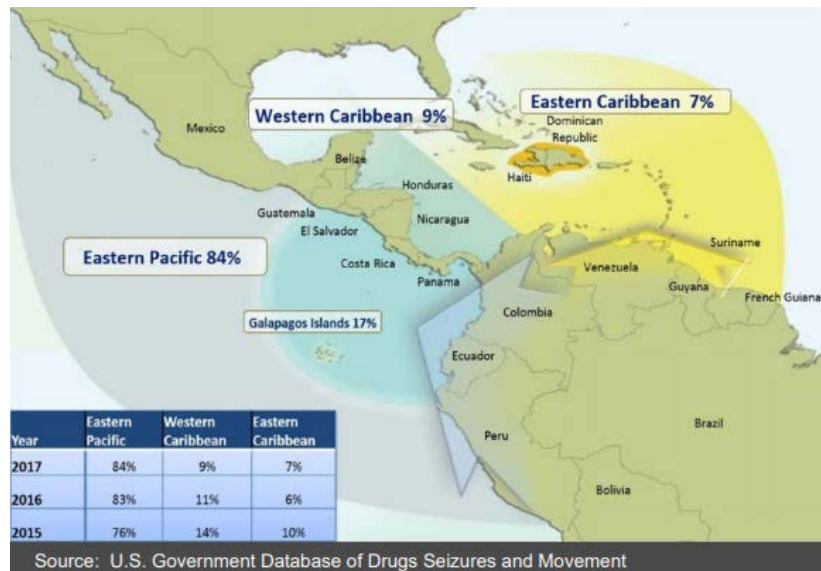
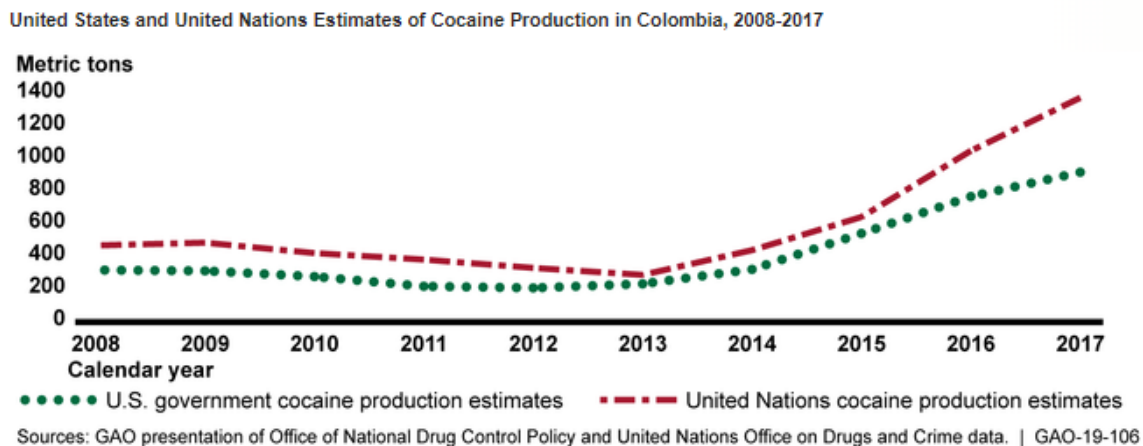


Figure 2. Cocaine Production Estimates in Colombia



*Agency Roles and Responsibilities*

The National Defense Authorization Act for fiscal years 1990 and 1991 (P.L. 101-189) designated the Department of Defense (DoD) as the lead agency for the detection and monitoring of aerial and maritime trafficking of illegal drugs into the United States. The U.S. Coast Guard is designated as the lead agency for the interdiction and apprehension of illegal drug traffickers on the high seas.

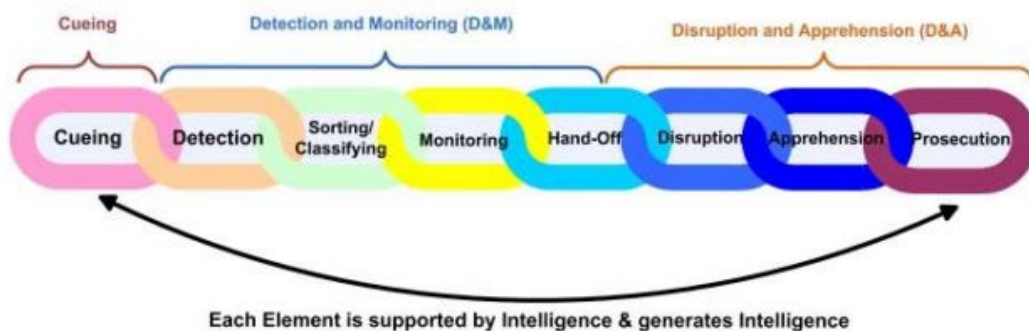
Detection and monitoring activities in the Transit Zone are coordinated by the Joint Inter-Agency Task Force South (JIATF-South). A subordinate command of SOUTHCOM, JIATF-South is led by a Coast Guard Rear Admiral (currently RADM Pat DeQuattro) and composed of

<sup>4</sup> See page 51 of <https://www.dea.gov/sites/default/files/2018-11/DIR-032-18%202018%20NDTA%20%5Bfinal%5D%20low%20resolution11-20.pdf>.

representatives from DoD and other departments of the federal government, including the Departments of Homeland Security (DHS), Justice, and State. Canada, the United Kingdom, France, the Netherlands, and Spain provide ships, aircraft, and liaison officers to JIATF-South. A number of Central and South American countries also have assigned liaison officers to JIATF-South. To provide JIATF-South and the Coast Guard with the ability to conduct its mission effectively, the State Department has negotiated maritime counterdrug bilateral agreements or operational procedures with 43 foreign nations to coordinate detection, monitoring, interdiction, and apprehension activities.

The interdiction continuum (Figure 3) depicts how joint interdiction operations have been used to reduce the supply of cocaine to the United States. A typical operation begins with the collection of actionable intelligence on drug trafficking activities. This is used to help *cue* or tip the operational unit to narrow its patrol area and decrease response time. Next, CBP, Coast Guard, DoD, or allied nation Maritime Patrol Aircraft (MPA) are launched to *detect* drug smuggling activities, *sort* through potential targets, and *monitor* the suspect vessel(s). The MPA will then contact a nearby Coast Guard, Navy, or allied nation’s surface asset (e.g., a cutter, frigate, etc.) and *hand-off* the vessel. The surface asset will launch a small boat or an armed Coast Guard helicopter manned with Coast Guard Law Enforcement Detachment (LEDET) personnel to disable the vessel. The vessel is then *interdicted*, the drugs are seized, and the crew is *apprehended*. Final disposition of the vessel, drugs, and crew is coordinated between the U.S. State and Justice Departments and the flag state of the vessel who handles the *prosecution*.

**Figure 3. The Interdiction Continuum**



Operation Martillo (Hammer) is the name of the current JIATF-South counter-drug operation which brings together 14 countries to disrupt drug smuggling in the Transit Zone, including Belize, Canada, Colombia, Costa Rica, El Salvador, France, Guatemala, Honduras, the Netherlands, Nicaragua, Panama, Spain, United Kingdom and the United States. Chile has also assisted Operation Martillo. Since its launch on January 15, 2012, Operation Martillo has supported the seizure of 693 metric tons of cocaine, \$25 million in bulk cash, 581 vessels and aircraft detained and the arrest of 1,863 detainees.<sup>5</sup>

### *Goals and Performance*

In the 2019 NDCS released in May, ONDCP calls for a significant reduction in the availability of illicit drugs in the U.S. with a goal of increasing the amount of cocaine removals (in

<sup>5</sup> See <https://www.southcom.mil/Media/Special-Coverage/Operation-Martillo>.

metric tons) in the transit zone by 10 percent within 5 years.<sup>6</sup> In his May 1, 2019, testimony to the U.S. House Committee on Armed Services, SOUTHCOM Commander Admiral Craig Faller stated that last year JIATF-South was only able to disrupt about 6% of known drug movements.<sup>7</sup> He also stated that “doing more would require additional ships and maritime patrol aircraft and greater participation by interagency and international partners...”<sup>8</sup> While the Coast Guard may have resources to interdict up to 20-30% of drugs flowing through the Transit Zone, the U.S. Government Accountability Office (GAO) noted that for the period of FY 2009 – FY 2013, the Coast Guard deployed cutters (used for drug interdiction) for fewer days than planned and that maritime patrol aircraft hours were below target levels. These factors likely contributed to the lower actual percentage of cocaine removed.<sup>9</sup> In addition to the nearly 224 metric tons of cocaine removed in FY 2017, the Coast Guard also removed 31,190 pounds of marijuana, 6 kilograms of heroin and other opiates, and 168 kilograms of methamphetamines. Estimates of cocaine moving through the Transit Zone toward the United States come from the Consolidated Counter Drug Database (CCDB).<sup>10</sup>

Since FY 2009, the Coast Guard has set its own internal annual performance target for cocaine removal from noncommercial vessels in the Transit Zone. The annual target varies from year to year based on the Coast Guard’s own review of intelligence, logistics, policy, capability, emerging trends, and past performance. The Service has achieved its performance target only once since FY 2009. For FY 2018, the Coast Guard set its annual performance target for cocaine removal at 10.0%. This is the lowest the Coast Guard has set its performance target since FY 2010 and has remained as the target for FY 2019 and FY 2020. The lowered target rate could be due to an increase in the flow of cocaine or the enhanced awareness of the quantity of cocaine flowing thru the Transit Zone; as the flow of cocaine increases, the Coast Guard interdiction rate can decrease since tonnage increased over time.

**Table 1. Coast Guard Performance Target and Results for Cocaine Removal in Relation to Non-Commercial Maritime Movement of Cocaine**

<b>Year</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Target</b>	13.8%	11.5%	11.5%	10.0%	10.0%	10.0%
<b>Actual</b>	11.5%	7.1%	8.2%	7.4%	TBD	TBD

<sup>6</sup> See [https://www.whitehouse.gov/wp-content/uploads/2019/05/ONDCP\\_PR5.pdf](https://www.whitehouse.gov/wp-content/uploads/2019/05/ONDCP_PR5.pdf).

<sup>7</sup> See [https://www.southcom.mil/Portals/7/Documents/Posture%20Statements/SOUTHCOM\\_2019\\_Posture\\_Statement\\_HASC\\_Final.pdf?ver=2019-05-01-095639-453](https://www.southcom.mil/Portals/7/Documents/Posture%20Statements/SOUTHCOM_2019_Posture_Statement_HASC_Final.pdf?ver=2019-05-01-095639-453).

<sup>8</sup> Ibid.

<sup>9</sup> Christopher Woody, “Billions of Dollars of Cocaine are Smuggled into the US by Sea Every Year, and the Coast Guard Says It Can Only Stop One-Quarter of It,” *Business Insider*, November 19, 2018; also remarks by Admiral Paul F. Zukunft, Commandant of the Coast Guard, at Center for Strategic & International Studies, “A Cooperative Strategy for 21st Century Seapower: Forward, Engaged, Ready,” March 13, 2015. U.S. Government Accountability Office, *Coast Guard: Resources Provided for Drug Interdiction Operations in the Transit Zone, Puerto Rico, and the U.S. Virgin Islands*, GAO-14-527, June 2014.

<sup>10</sup> U.S. Coast Guard, *Annual Performance Report: Fiscal Year 2017*.

<https://www.uscg.mil/Portals/0/documents/budget/FY17%20APR%2015%20May%2018%20-%20Final%20-%20POSTED.pdf>.

**Table 2. Non-Commercial Maritime Cocaine Flow and Tonnage Removed  
(In Metric Tons)<sup>11</sup>**

<b>Year</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Flow</b>	577	945	1,254	2,834	2,738	2,827.3
<b>Removed</b>	88.4	90	144.8	201.3	223.8	209.6

The Coast Guard has committed to increasing capabilities in the Transit Zone. Their FY 2020 Congressional Budget Justification proposed the expansion of Counter Transnational Criminal Organizations Initiatives requesting funding for 48 positions, 26 FTE, at a cost of \$6.5M, to expand the Coast Guard’s capacity to execute a multi-layered approach in the Western Hemisphere maritime transit zone, and dismantle TCOs.<sup>12</sup> Currently, Coast Guard personnel are posted as attachés, liaisons and drug interdiction specialists at several U.S. embassies in the Western Hemisphere.

*Factors Impacting Performance*

Several factors impact the ability of JIATF-South and the Coast Guard to meet drug interdiction performance targets, including continuously changing modes, tactics, and routes by drug smugglers; the inability of allied nations to consistently commit assets; and the availability, quality, and timeliness of actionable intelligence. However, according to the leaders of the Coast Guard and SOUTHCOM, the largest factor in the recent decline and ongoing inability to meet drug interdiction performance targets has been the insufficient inventory of vessels and aircraft available to support operations.

The Coast Guard is a multi-mission branch of the military where many of their assets oversee multiple missions. In September 2013, the DHS Inspector General (IG) reported that the primary cause of the failure of the Service to meet its FY 2012 drug interdiction performance target was due to decreased asset availability from aging and deteriorating assets (OIG 13-122). The DHS IG again reported that the Coast Guard failed to meet its drug removal rate in FY 2014 (OIG 15-27). In a June 2014 report to Congress entitled “Coast Guard: Resources Provided for Drug Interdiction Operations in the Transit Zone, Puerto Rico, and the U.S. Virgin Islands” (GAO 14-527), GAO reiterated the Coast Guard’s challenge in maintaining and operating legacy cutters and cited concerns in the timely replacement of these vessels. Despite years of Congressional questioning, the Service is only now undertaking work to extend the useful life of 270 foot Medium Endurance Cutters.

The Coast Guard's program of record (POR) calls for procuring 8 National Security Cutters (NSCs), 25 Offshore Patrol Cutters (OPCs), and 58 Fast Response Cutters (FRCs) as replacements for 90 aging Coast Guard high-endurance cutters, medium-endurance cutters, and patrol craft. While the procurement of these 91 cutters will replace the aging fleet, Coast Guard studies have concluded that they would only provide 61% of the cutters needed to fully perform the service’s statutory missions in the coming years.<sup>13</sup> Congress has funded 11 NSCs; 7 of which are now in service with 3 more under construction. Funding and contracts have been awarded for 2 OPCs while procurement funding for additional OPCs was included in the Coast Guard FY 2020 budget request. At the end

<sup>11</sup> See <https://www.oig.dhs.gov/sites/default/files/assets/2019-03/OIG-19-27-Mar19.pdf>.

<sup>12</sup> See page USCG-O&S-24.

[https://www.uscg.mil/Portals/0/documents/budget/FY\\_2020\\_CJ\\_Combined\\_Chapters\\_FINAL.pdf](https://www.uscg.mil/Portals/0/documents/budget/FY_2020_CJ_Combined_Chapters_FINAL.pdf).

<sup>13</sup> R. O’Rourke. CRS R42567 Coast Guard Cutter Procurement: Background and Issues for Congress.

of May, a report is due to the Coast Guard from the contract building the OPC's detailing whether the contractor can meet the terms of the contract. 56 FRCs have been funded through FY 2019.

### *Unmanned Systems*

In addition, the Coast Guard Research and Development Center has agreements with certain private companies to help evaluate the use of small unmanned aircraft systems for a variety of missions, including law enforcement. They are actively looking into the use of unmanned aerial systems for counter-drug and smuggling surveillance operations as it expands maritime domain awareness.<sup>14</sup> The Coast Guard has used the ScanEagle—an unmanned aircraft manufactured by Insitu Inc.<sup>15</sup>—to help detect illicit drug smuggling. Unmanned aircraft have been used on the National Security Cutter (NSC) Stratton, where they have “provided real-time imagery of suspected smuggling vessels, which helped minimize safety concerns for interdiction assets and allowed the Stratton crew to better track jettisoned material.”<sup>16</sup> While Coast Guard officials have noted successes in having this system aboard an NSC to aid in drug interdiction, they have noted challenges in acquiring other unmanned aircraft systems.<sup>17</sup>

### **WITNESS LIST**

Vice Admiral Daniel B. Abel  
*Deputy Commandant for Operations*  
*United States Coast Guard*

Rear Admiral Steven D. Poulin  
*Director of Operations*  
*United States Southern Command*

Mr. Thomas W. Padden  
*United States Interdiction Coordinator*  
*Office of National Drug Control Policy*

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<sup>14</sup> Sean T. Pribyl, “Drones: Is the Maritime Industry Ready?,” MarineLink, July 27, 2016.

<sup>15</sup> <https://www.boeing.com/defense/autonomous-systems/scaneagle/index.page>.

<sup>16</sup> U.S. Coast Guard, Acquisition Directorate, Small Unmanned Aircraft System Assists National Security Cutter Drug Interdictions, January 29, 2018.

<sup>17</sup> U.S. Coast Guard, Acquisition Directorate, Unmanned Aircraft System, <https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Acquisitions-CG-9/Programs/Air-Programs/UAS/>.