



Committee on Transportation and Infrastructure
U.S. House of Representatives

Washington, DC 20515

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June 12, 2015

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 Interdiction Efforts”

PURPOSE

The Subcommittee on Coast Guard and Maritime Transportation will meet on Tuesday, June 16, 2015, at 2:00 p.m. in 2253 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 and the United States Southern Command (SOUTHCOM).

BACKGROUND

Illegal drug trafficking continues to threaten the safety, security, and public health of U.S. society. Illegal drugs also place significant strain on our Nation’s health care and criminal justice systems, costing U.S. taxpayers hundreds of billions of dollars annually.

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 July 2014, focuses on reducing the use, manufacturing, 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 come from South America. According to the Drug Enforcement Administration, Colombia is the source of 90 percent of the cocaine in the United States. 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 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. Although Mexican drug cartels have recently been using panga boats (small, open-air, outboard-powered fishing boats) to move drugs into the United States, the vast majority of the drugs enter through the United States-Mexico land border. Interdicting these smaller packages at the Mexican border is extremely difficult. Consequently, the NDCS focuses on interdicting bulk shipments of drugs in the Transit Zone.

Figure 1. Fiscal Year 2014 Western Hemisphere Drug Smuggling Vectors



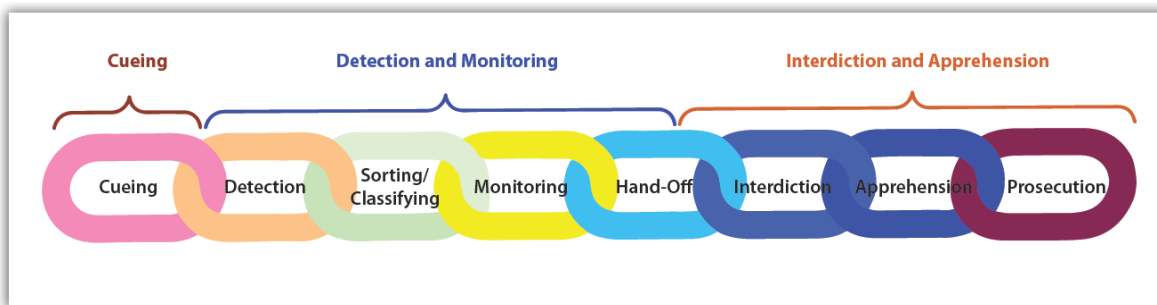
Agency Roles and Responsibilities

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.

Interdiction activities in the Transit Zone are coordinated by the Joint Inter-Agency Task Force South (JIATF-South). A subordinate of SOUTHCOM, JIATF-South is led by a Coast Guard Rear Admiral (currently RADM Christopher J. Tomney) and composed of representatives from the DoD and other departments of the federal government, including the Departments of Homeland Security (DHS), Justice, and State. Canada, Great Britain, France, the Netherlands, and Spain provide ships, aircraft, and liaison officers to JIATF-South. A number of Central and South American countries have also assigned liaison officers to JIATF-South. To provide JIATF-South with the ability to effectively conduct its mission, 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 2) depicts how joint interdiction operations have been used to reduce the supply of cocaine to the United States. A typical JIATF-South interdiction 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, Customs and Border Patrol (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 2. The Interdiction Continuum



(National Drug Control Strategy 2014)

From October 2014 to April 2015, Allied and Partner Nations contributed in 64 percent of all JIATF-South seizures and disruptions – 41 percent of which were termed “critical,” meaning an interdiction would not have been successful without Partner Nation assistance. Operation Martillo (Hammer) is the name of the current JIATF-South interdiction operation which brings together 14 countries to disrupt drug smuggling in the Transit Zone. As of March 2015, Operation Martillo has been credited with disrupting more than 400 metric tons of cocaine over the last four years. This equates to a loss of roughly \$8 billion in potential revenue for illegal drug traffickers.

Goals and Performance

The national interdiction goal, as set forth by the NDCS, establishes an overall removal rate of 40 percent of the documented flow of cocaine destined for the United States by fiscal year (FY) 2015. The historic average removal rate prior to FY 2010 was 25 percent. In FY 2012, the removal rate dropped to 23.8 percent, well below the national goal of 34 percent for that year. In FY 2013, the cocaine removal rate increased to 28.5 percent, but still failed to reach the national goal of 36 percent for FY 2013.

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 2015, the Coast Guard has set its annual performance target for cocaine removal at 13.8 percent. This is the lowest the Coast Guard has set its performance target since FY 2010. The lowered target is partially a result of the forecasted reduction in the level of ship and aircraft support provided to JIATF-South by the U.S. Navy as its frigates are decommissioned and the new Littoral Combat Ships are in demand in competing global engagements. Of the 1,426 maritime drug movements documented in FY 2014, JIATF-South was able to only target 383 movements (or 27 percent) due to the number of available ship and air assets.

Table 1. Coast Guard Performance Target and Results for Cocaine Removal

Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	18.5%	15.5%	16.5%	14.1%	13.9%	13.8%
Actual	13.5%	11.6%	13.4%	15.3%	9.3%	N/A

Factors Impacting Performance

Several factors impact the ability of JIATF-South 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 decreased inventory of ships and aircraft available to support operations, as well as an insufficient inventory of vessels.

1. Funding - The FY 2013 budget sequester had a significant impact on the ability of SOUTHCOM and the Coast Guard to meet drug interdiction performance targets. Sequestration cut approximately \$200 million from the Coast Guard's training, operating, and maintenance accounts which limited the availability of Coast Guard assets. The Coast Guard also reduced its commitment of forces to JIATF-South. Specifically, planned ship deployments fell by more than 30 percent, from an original FY 2013 target of 1,460 major cutter days to 986. The Coast Guard also reduced planned MPA support to JIATF-South to 3,207 hours, from a FY 2013 target of 4,700 hours. In FY 2014, a year without sequester, the Coast Guard again was unable to meet its commitment of forces to JIATF-South.

The Coast Guard has committed to increasing the number of MPA hours and cutters equipped with helicopters by 50 percent. In SOUTHCOM Commander General John Kelly's testimony before the Senate Armed Services Committee on March 12, 2015, he stated that it takes 16 flight-deck equipped ships to meet the mission needs in the Transit Zone. The Coast Guard's commitment of 50 percent more cutters equipped with helicopters will add two to three additional vessels, still short of the 16 vessels needed.

2. Decreased Asset Availability - The age of Coast Guard vessels and aircraft, coupled with an increased tempo of operations in recent years, have led to increased rates of equipment failure among the assets' major systems. These factors, in turn, reduced available resource hours which negatively impacted operational readiness and mission performance. In its August 2012 report entitled "Legacy Vessels' Declining Conditions Reinforce Need for More Realistic Operational Targets" (GAO-12-741), the Government Accountability Office (GAO) found that the Service's legacy fleet of vessels was not able to achieve operational targets for either percent time free of casualty or underway hours.

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. In his testimony before the Subcommittee on Coast Guard and Maritime Transportation in February 2015, the Commandant of the Coast Guard, Admiral Paul Zukunft, stated that the Service is only able to disrupt 20 percent of the illegal drugs flowing through the Transit Zone despite actionable intelligence on 90 percent of the drugs in this area. Admiral Zukunft attributed this low percentage to a limited availability of Coast Guard ships and aircraft. General Kelly also testified to the need to replace decades old Coast Guard cutters and gave his support for recapitalizing the Coast Guard cutter fleet in his testimony before the Senate Armed Services Committee on March 12, 2015.

WITNESS LIST

Vice Admiral Charles D. Michel
Deputy Commandant for Operations
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Rear Admiral Karl L. Schultz
Director of Operations
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