

**POSTURE STATEMENT OF
GENERAL JOHN F. KELLY, UNITED STATES MARINE CORPS
COMMANDER, UNITED STATES SOUTHERN COMMAND**

BEFORE THE 113TH CONGRESS

SENATE ARMED SERVICES COMMITTEE

19 MARCH 2013



Introduction

Chairman Levin, Ranking Member Inhofe, and distinguished Members of the Committee: thank you for the opportunity to appear before you today. As U.S. Southern Command enters its 50th anniversary year, we continue to work diligently to build relationships that enhance the defense of the United States and the security of the region, and I am proud to now be part of this important mission. In my first months in command, I am struck by the stark contrasts in our area of responsibility. It is a region of enormous promise and exciting opportunities, but it is also one of persistent challenges and complex threats. It is a region of relative peace, low likelihood of interstate conflicts, and overall economic growth, yet is also home to corrosive criminal violence, permissive environments for illicit activities, and episodic political and social protests. Given the global security realities and the fiscal constraints facing the U.S. government, some might argue that we should disengage from the Americas, turn our attention to other partners, other priorities. Mr. Chairman, Members, let me be frank: we must *not* take progress and overall stability for granted; we must *not* disregard our geographic proximity and the economic, cultural, and social interconnections of Latin America and the Caribbean to the United States. I thank the Congress for sharing this sentiment, for its long-standing commitment to our security partners, and for its continued support to U.S. Southern Command's mission. However, our ability to fully execute this mission is at extreme risk as we face present-day budget uncertainty and the potentially devastating long-term impacts of sequestration and its associated out-year budget reductions.

Budget Uncertainty and Sequestration Concerns

Reduced Spending Plan. Due to shortfalls associated with the allocation of funding in the current Continuing Resolution and the cuts we face as a result of sequestration, U.S. Southern

Command is facing an immediate, combined 26% reduction to our already lean headquarters operating budget. Although this reduction applies only to this fiscal year, we could easily face another dire budget situation next year as well. We have implemented a reduced spending plan to ensure continued operations this year under the Continuing Resolution, and as a practical measure, we have incorporated potential sequestration cuts into our planning efforts. We have already undertaken painful cost-savings measures, including a civilian hiring freeze, eliminating overtime costs, not extending temporary and term hires, and reductions in travel and administrative costs, as well as cutting back or cancelling numerous exercises, training activities, and military-to-military engagements for the remainder of the fiscal year. We are also preparing for furloughs of our 851 dedicated and patriotic civilian employees, beginning in April and lasting through September.¹ I expect morale and financial effects to be severe, especially for our civilian professionals in the lower pay grades, who will face significant financial hardships due to the resulting 20% reduction in take-home pay for the last six months of the fiscal year. This reduction is compounded by living and working in Miami, one of the most expensive cities in the world.² I have directed our manpower division to offer all means of advice, support, and guidance to our people if furloughing indeed occurs. Simply put, budget uncertainty in FY 2013 is already having very real, deleterious effects on our readiness, effectiveness, and day-to-day operations in the region. Mandated sequestration cuts only amplify these effects.

Sequestration Impact—Assigned/Allocated Forces. Although I am able to accept risk associated with this year's reduced spending plan, sequestration presents significant *additional*

¹ This number includes: all Department of Army and Defense Intelligence Agency employees at our headquarters, including term and temporary hires, and civilian employees at JIATF South, U.S. Special Operations Command South, JTF-GTMO and security cooperation offices.

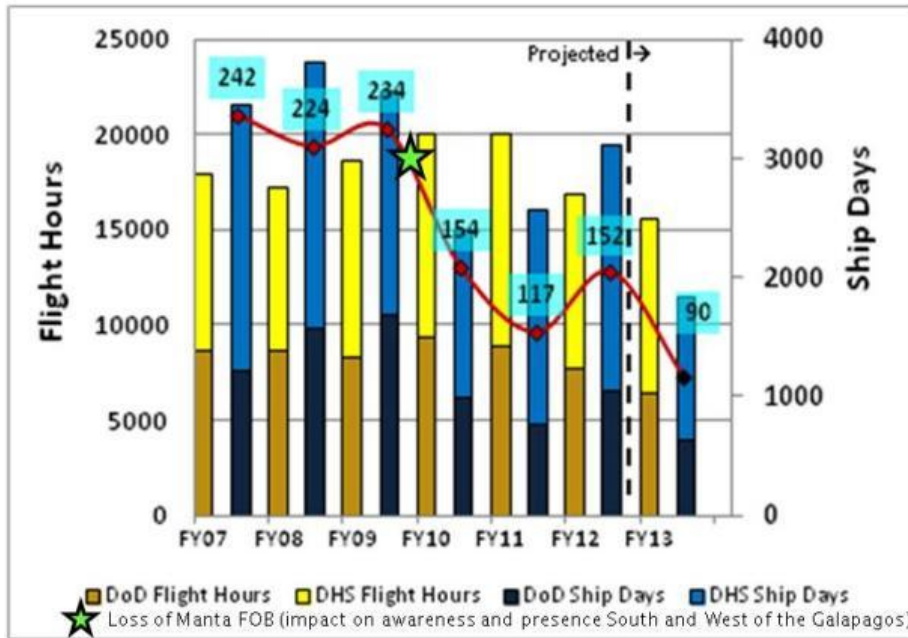
² UBS. *Pricings and Earnings Report, Edition 2012*. Geneva: September, 2012; Center for Housing Policy. *Losing Ground: The Struggle for Middle Income Households to Afford the Rising Costs of Housing and Transportation*. October 2012.

strategic and operational risks. The severe cuts to U.S. Southern Command, and the numerous second and third order effects from the force-providing Service cuts, will adversely impact our training and ability to respond to crises. U.S. Southern Command has traditionally achieved valuable ends with limited means through a low-cost, small footprint approach. This approach, while effective, does carry inherent risk that increases exponentially under sequestration. Due to our minimally assigned forces and diminishing availability of surface assets, we are *already* challenged to respond to large-scale contingencies such as mass migration, natural disasters, the evacuation of American citizens, or ensuring the security of our embassies; maintain comprehensive awareness in the southern approaches to the United States; and support the National Drug Control Strategy's interdiction objectives. Across-the-board spending cuts will only exacerbate this situation, at a time in which several regional security challenges require active engagement by the United States.

Sequestration Impact—Future Operations. Mr. Chairman, Members, let me be blunt: sequestration in FY 2013 and its associated out-year budget cuts in future years will severely degrade our ability to fulfill the Department of Defense's Title 10 statutory obligations and provide operational support to the U.S. interagency and our partners in the region. Given the drastic magnitude of cuts being contemplated by the Services, the day could soon come when U.S. Southern Command has no assigned DoD surface assets to conduct detection and monitoring operations.³ This would not only impact our ability to detect and monitor the illicit transit of drugs towards the United States, but we would also be unable to fully support U.S. and partner nation law enforcement interdiction operations to disrupt this drug flow. Under

³ As one example, the Chief of Naval Operations indicated in a memo dated January 25, 2013 (Ser N000/10005) that due to sequestration, the Department of the Navy will be compelled to reduce OMN expenditures through numerous actions, to include stopping all naval deployments to the Caribbean and South America.

Declining Assets and Cocaine Disruptions



sequestration, the Coast Guard has indicated that it too will curtail air and surface operations, affecting several missions including drug interdiction and other law enforcement

operations. Taken together, these limitations would undermine the significant gains we have made through the highly successful and ongoing Operation MARTILLO; the 152 metric tons of cocaine seized to date represents over three billion dollars in revenue that will *not* go to fund powerful criminal groups, violence in Mexico, and the destabilization of our Central American partners. These 152 metric tons will also *not* reach the streets of America nor fuel costly crime and drug addiction. Due to sequestration, and its associated out-year budget cuts of over \$50 billion per year across the Department of Defense, we may no longer be able to support future interagency initiatives like the Department of State’s Regional Aviation Program in Central America. Additionally, we could be forced to suspend our cooperation with U.S. Northern Command and Mexico on information operations, which had been heralded as the model for cross-Combatant Command collaboration. Finally, we will face challenges to resource and sustain our emergent cyber defense capabilities, at a time when cyber concerns are increasing in scope and magnitude.

Sequestration Impact—Operational Effectiveness. It is my position that scarce assets *must* be deployed where they have the greatest impact, but sequestration will cripple our proven operational effectiveness. As responsible stewards of taxpayer dollars, we have long employed a “defense forward” approach to attack the drug trafficking problem near its origin, before bulk shipments are broken up for transit into the United States. Although the U.S. Southwest border has received the greater share of public attention and counternarcotics funding, Joint Interagency Task Force South is more effective at the removal of large quantities of cocaine than U.S. Southwest border operations, as bulk cocaine shipments are broken up into numerous smaller quantities upon reaching the transit zone of Central America. While this success is noteworthy, diminishing assets already place significant limitations on JIATF South’s ability to target the majority of documented drug trafficking events and support Coast Guard interdiction efforts. Sequestration cuts will only intensify this challenge, potentially allowing hundreds of tons of cocaine and other illicit products to flood into our cities. Likely second and third order effects include an increase in supply and purity and a decrease in cost of cocaine in the United States, undermining the significant progress that has been made in U.S. demand reduction. En route to our country, this largely unimpeded flow will chart a corrosive pathway through Central America and Mexico, contributing to instability, corruption, and violence and impacting efforts to improve citizen safety.

Sequestration Impact—Security Cooperation and Partner Engagement. Building the capabilities of regional militaries is a cost-effective strategy to help our partners confront internal challenges to security, stability, and sovereignty; increase professionalism; and strengthen defense and security institutions. Mr. Chairman, Members, I am deeply concerned by the adverse impact sequestration will have on these efforts, many of which have yielded

significant and valuable security dividends. Take, for example, how U.S. Southern Command has provided persistent, focused training to the Naval Special Forces (FEN) in Guatemala over the past four years. As a result, the FEN can now effectively locate and interdict target vessels, seize drug shipments, and cooperate as a cohesive unit. Severe budget cuts will likely reduce this type of sustained relationship building and training, the repercussions of which could be harmful to U.S. interests. Reduced engagement by the United States could result in a partnership “vacuum,” which nations like China, Russia, or Iran may seek to fill. In recent years, these countries have made in-roads, deepening diplomatic, economic, and military ties with the region. Declining U.S. influence will provide an opportunity to expand these relationships at the expense of the United States.

From a strategic perspective, our government-to-government security relationships are critical to the United States’ ability to meet complex global security challenges, facilitate U.S. military and coalition operations, and ensure regional stability. With the corresponding growth of globalization, economic integration, and a changing geopolitical landscape, expanding and deepening these bilateral relationships have become even more essential to U.S. national security and foreign policy. Sequestration cuts lead to the *exact opposite* outcome, forcing U.S. Southern Command to reduce support to partner nations’ efforts to respond to internal and external threats and impeding our ability to provide defense support to U.S. foreign policy objectives, and those outlined in the 2012 Western Hemisphere Defense Policy Statement. Ultimately, sequestration undermines our efforts to help build and maintain an international community of nations that are stable and reliable partners, whose security forces fill an appropriate role in a society that is characterized by effective, accountable, democratic governance.

Mr. Chairman, Members, this leads me to my final thought on the impacts of sequestration and its associated out-year budget cuts of over \$50 billion per year across the Department of Defense. I will speak plainly: severe budget cuts will have long-term, detrimental effects on U.S. leadership in the hemisphere. Significantly reduced U.S. military engagement will make it difficult to counter those who would seek to exploit perceptions that the U.S. is abandoning our long-standing commitment to the region. Sequestration and its associated out-year budget cuts will result in damage to the United States' leadership, national security, readiness, and ability to deter or respond to global crises and regional security challenges.

Regional Security Challenges

Unfortunately, the sequester, a full-year Continuing Resolution, and associated out-year budget cuts due to sequestration are not accompanied by a corresponding decline in security challenges within our area of responsibility. These challenges are non-traditional in nature, networked in design, and transnational in scope, requiring constant vigilance, regional cooperation, and collective action. When it comes to South America, Central America, and the Caribbean, I cannot overstate the importance of awareness, access, and the enormous return on investment from personal, on-the-ground security relationships. As the United States turns its attention to the home front to address domestic economic and budget issues, I firmly believe we *must* remain engaged with the nations in our *shared* home, the Western Hemisphere, for one very simple reason: *proximity*. Left unaddressed, security concerns in the region can quickly become security concerns in the homeland.

Transnational Organized Crime. The prevalent problem in the region—particularly in Central America—is the growing power and destabilizing activities of criminal networks, whose

illicit operations are funded in significant part by U.S. and international drug consumption, as well as diverse illicit funding streams like kidnapping and extortion. As recognized by the President’s 2011 *Strategy to Combat Transnational Organized Crime*, transnational organized crime is a *global* issue with *global* implications that directly impact the United States.⁴ In the U.S. Southern Command area of responsibility, these powerful groups exploit under-governed areas—where state capacity is weak and corruption and impunity are rampant—to consolidate control over drug, money, weapons, and human smuggling networks that span the hemisphere. This corrosive expansion is taking place in the context of deteriorating citizen security, especially in Honduras, where the number of people killed rivals that of Iraq at the height of sectarian violence. Like many Members of Congress, I am troubled by this rising violence and its impact on regional stability.

2012 Homicide Rates per 100,000, select cities⁵	
<i>San Pedro Sula, Honduras</i>	169
<i>Caracas, Venezuela</i>	118
<i>Tegucigalpa, Honduras (Distrito Central)</i>	101
<i>New Orleans, LA</i>	56
<i>Detroit, MI</i>	54
<i>Baltimore, MD</i>	35
<i>Washington, DC</i>	17

The impact on our own country is also clear. Transnational criminal organizations, which have expanded their presence throughout Central America, were responsible for several high-profile murders of American citizens across or on our border in recent years. Additionally, a 2007 report estimated that illicit drug use cost the United States an estimated \$193 billion dollars in combined health and criminal justice impacts.⁶ According to an analysis of arrestees carried out for the Office of National Drug Control Policy, more than half of the adult males arrested for crimes in 10 metropolitan areas tested positive for at least one drug at the time of

⁴ National Security Staff. *Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security*, 25 July, 2011.

⁵ Security, Peace, and Justice (Seguridad, Paz y Justicia). *50 Most Violent Cities in the World, 2012 Rankings*. (available online at: <http://www.seguridadjusticiaypaz.org.mx>) Washington, DC figures are from the Metropolitan Police Department’s *2011 Annual Report* (most recent data available).

⁶ National Drug Intelligence Center (2011). *The Economic Impact of Illicit Drug Use on American Society*. Department of Justice.

their arrest.⁷ A recent survey estimated 6.5 million Americans 12 years and older are dependent

- *According to the 2011 National Drug Threat Assessment, Mexican-based transnational criminal organizations and their associates operate in upwards of 1,200 U.S. cities, working with domestic U.S. gangs to distribute and traffic illicit drugs throughout the United States.*
- *The FBI reports that MS-13 gang leaders in El Salvador have initiated assassination plans against U.S. law enforcement personnel and target American citizens.*

on or abuse an illicit drug,⁸ while in 2009, 39,147 people died from drug-induced causes, more than double the amount that were murdered that same year.⁹

Mr. Chairman, Members, I'd like to sketch an image of illicit trafficking operations in our hemisphere to illustrate the magnitude of this problem. Picture an interconnected system of arteries that traverse the entire Western Hemisphere, stretching across the Atlantic and Pacific, through the Caribbean, and up and down North, South, and Central America. Complex, sophisticated networks use this vast system of illicit pathways to move tons of drugs, thousands of people, and countless weapons into and out of the United States, Europe, and Africa with an efficiency, payload, and gross profit any global transportation company would envy. In return, billions of dollars flood back into the hands of these criminal enterprises, enabling the purchase of military-grade weapons, ammunition, and state-of-the-art technology to counter law enforcement. This profit also allows these groups to buy the support—or silence—of local communities through which these arteries flourish, spreading corruption and fear and undermining support for legitimate governments.

The tactics, techniques, and procedures of these criminal networks have advanced far beyond the typical activities of “traditional” organized crime. These are superbly financed, well-

⁷ Office of National Drug Control Policy. (2012). *Arrestee Drug Abuse Monitoring Program: 2011 Annual Report*. Executive Office of the President: Washington, D.C.

⁸ 2011 National Survey on Drug Use and Health

⁹ Kenneth D. Kochanek, M.A.; Jiaquan Xu, M.D.; Sherry L. Murphy, B.S.; Arialdi M. Minino, M.P.H.; and Hsiang-Ching Kung, Ph.D., "Deaths: Final Data for 2009." Division of Vital Statistics (Atlanta, GA: Centers for Disease Control), Vol. 60, Number 3, Dec. 29, 2011, p. 11.

organized, and ruthless adversaries for our partner nations, especially our Central American ones. These networks conduct assassinations, executions, and massacres, and with their enormous revenues and advanced weaponry, they can outspend and outgun many governments. Some groups have similar—and in some cases, superior—training to regional law enforcement units. Through intimidation and sheer force, these criminal organizations virtually control some areas. In my view, the proximity of the U.S. homeland to criminally-governed spaces is a vulnerability with direct implications for U.S. national security. I am also troubled by the significant criminal capabilities that are available to anyone—for a price. Transnational criminal organizations have access to key facilitators who specialize in document forgery, trade-based money laundering, weapons procurement, and human smuggling, including the smuggling of special interest aliens. This criminal expertise and the ability to move people, products, and funds are skills that can be exploited by a variety of malign actors, including terrorists.

Crime/Terror Nexus. Mr. Chairman, Members, the presence of all these so-called “bad actors” raises the question of possible nexus between international terrorist organizations and criminal networks in the region. The answer is complex. While regionally-based Shi’a who support Lebanese Hezbollah are involved in drug and other illicit trafficking, we have only a partial understanding of possible interconnections and overlap between terrorist financing and illicit revenue streams, both within the hemisphere and on a global scale. The 2011 Iranian plot to assassinate the Saudi Ambassador to the U.S. demonstrates Iran is willing to leverage criminal groups to carry out its objectives in the U.S. homeland. This only underscores my concerns over the exploitation of criminal capabilities. In my judgment, any group seeking to harm the United States—including Iran—could view criminal middlemen, facilitators, and support networks as potential operational *enablers*, although not necessarily operational *requirements*. As

distinguished Members of this committee have noted, an attack in or through the region would have major consequences for the entire Western Hemisphere. We remain vigilant against this possibility and its potential criminal facilitation, but need the assets to remain so.

Iran in the Western Hemisphere. This brings me to the next issue I would like to discuss, which has serious implications for U.S. national security. I share the Congress' concerns over Iran's attempts to increase its influence in the region. The reality on the ground is that Iran is struggling to maintain influence in the region, and that its efforts to cooperate with a small set of countries with interests that are inimical to the United States are waning. In an attempt to evade international sanctions and cultivate anti-U.S. sentiment, the Iranian regime has increased its diplomatic and economic outreach across the region with nations like Venezuela, Bolivia, Ecuador, and Argentina. This outreach has only been marginally successful, however, and the region as a whole has not been receptive to Iranian efforts.

Members and supporters of Iran's partner, Lebanese Hezbollah, have an established presence in several countries in the region. The Lebanese Shi'a diaspora in our area of responsibility may generate as much as tens of millions of dollars for Hezbollah through both licit and illicit means. There is also precedent for Iranian and Hezbollah collusion to conduct attacks in the region, as evidenced in the 1992 and 1994 bombings in Argentina.¹⁰ In Venezuela, government officials have been sanctioned for providing financial support to Hezbollah, and for providing support to the FARC's narcotics and arms trafficking activities in Colombia.¹¹ We take Iranian activities very seriously and, along with U.S. government agencies and international

¹⁰ This refers to the 1992 and 1994 bombings of the Asociación Mutual Israelita Argentina (AMIA) and Israeli Embassy by Hezbollah operatives.

¹¹ U.S. Department of the Treasury's Office of Foreign Assets Control. "Press Release: Treasury Designates Four Venezuelan Officials for Providing Arms and Security to the FARC." September 8, 2011; U.S. Department of the Treasury's Office of Foreign Assets Control. "Press Release: Treasury Targets Hizballah in Venezuela." September 19, 2008.

partners, we remain vigilant to the activities of Iran and affiliated extremist groups and remain prepared to work with our partners to counter any direct threat to U.S.

- *The U.S. Treasury Department has imposed sanctions against seven current or former senior Venezuelan government and military officials, including the former Minister of Defense, for providing direct support to the FARC's narcotics trafficking activities.*
- *In 2008, the U.S. Treasury Department imposed sanctions on two Venezuelans—Ghazi Nasr al Din and Fawzi Kan'an—for providing financial and other support to Hezbollah. Nasr al Din served as Charge d' Affaires at the Venezuelan Embassy in Syria and the Director of Political Aspects at the Venezuelan Embassy in Lebanon.*

national security. I would be remiss, however, if I did not share with the Congress my assessment that U.S. Southern Command's limited intelligence capabilities may prevent our full awareness of all Iranian and Hezbollah activities in the region.

Terrorist Presence in the Region. Additionally, both Sunni and Shi'a extremists are present in our area of responsibility, and I am watchful for an evolution in operational presence, capacity, or radicalization, particularly among "homegrown" extremist groups. Proselytizers with ties to global Islamic extremism are attempting to radicalize and recruit among the Muslim communities throughout the region. Outreach by external extremist groups from the Middle East, Africa, and South Asia, such as Jama'at al Tabligh, has increased. As many Members of the Congress have noted, the U.S. and our partners should be extremely concerned whenever external extremist groups or state-sponsors of terrorism see the Western Hemisphere as attractive—or even worse, vulnerable.

Terrorist groups represent a persistent challenge that has plagued the region for decades.

The U.S. Southern Command area of responsibility has the highest improvised explosive devices (IED) activity in the world outside of Afghanistan and Iraq, with Colombia accounting for over 90 percent of IEDs in the region.

The FARC is the region's oldest, largest, most capable, and best-equipped insurgency. The

Government of Colombia is currently in peace negotiations with the FARC, but the fight is far from over and a successful peace accord is not guaranteed. Although weakened, the FARC

continues to confront the Colombian state by employing improvised explosive devices and attacking energy infrastructure and oil pipelines. In Peru, Sendero Luminoso (The Shining Path), while smaller than the FARC, remains committed to violence and overthrowing the government. Both the FARC and Sendero Luminoso rely on drug trafficking, kidnapping, and extortion to fund attacks on the Colombian and Peruvian governments. The hundreds of millions of dollars in revenue the FARC receives from cocaine trafficking alone enable them to purchase surface-to-air missiles and fund the construction of multi-million dollar “narco subs.” Utilized by a variety of illicit trafficking groups in the region, fully submersible vessels are capable of transporting up to 10 metric tons of a variety of cargo and have a range capacity of 6,800 nautical miles, a range that could reach Africa. In other words, these subs, which are extraordinarily difficult to detect, can travel from the Caribbean coast of Colombia to just about any major city in Florida, Texas, or California in 10-12 days.^{12,13}

External Actors. Finally, I view the expanding influence of countries “external” to the Western Hemisphere as having uncertain implications. As I stated earlier, personal relationships are of enormous importance in this region, a fact other nations recognize. China is increasing its economic role in the region, and government-owned companies are funding or acquiring strategic infrastructure to facilitate commercial logistics. Chinese companies own and operate an interest in at least five ports in the

2012 Regional Investments by China:

- ***Two Chinese banks provided \$8 billion in credit lines for 60 projects in 12 countries in the region.***
- ***\$2 billion loan to Argentina to finance railway modernization through soy-producing regions.***
- ***\$1.4 billion investment in copper mines in Ecuador.***
- ***Joint agreement with Venezuela to develop Las Cristinas gold mine, one of the world’s largest gold reserves.***

¹² Depending on the type and dimensions of the cargo, up to 10 metric tons of a variety of products could be transported. Range estimates based on Office of Naval Intelligence assessments of seized fully submersible vessels.

¹³ Written Testimony of Read Admiral Charles Michel, Director, Joint Interagency Task Force South. Subcommittee on Border and Maritime Security, House Committee on Homeland Security. June 19, 2012.

region, while telecommunications firms such as Huawei Technologies and ZTE have a rapidly expanding presence in South America. With an unprecedented three naval deployments to Latin America since 2008, including a hospital ship visit in 2011, China is attempting to directly compete with U.S. military activities in the region. I believe it is important to note that sequestration will likely result in the cancellation of this year's deployment of the USNS Comfort to the region, an absence that would stand in stark contrast to China's recent efforts. In my judgment, Chinese interest in cultivating relationships with countries in the Western Hemisphere reaffirms the importance of strengthening our *own* partnerships with the region.

Strategic Approach

The transnational nature of many of these challenges I described cannot be addressed by any one nation or agency alone. In my view, this illustrates the efficiency of working with and through our partners in the region and the U.S. government. U.S. Southern Command's strong, established relationships with regional militaries and security forces can serve as a catalyst for encouraging greater unity of effort on hemispheric security, from terrorism to illicit trafficking to the security of the Panama Canal. Many of the issues we face in the region transcend borders, requiring more than just a "whole of government" approach; they require a whole of community, a whole of society, a whole of *hemisphere* approach. Time and again—whether during Plan Colombia or Operation UNIFIED RESPONSE in Haiti; whether in an interdiction operation that denies drug traffickers billions of dollars in revenue; or in multinational training exercises that improve the capability of regional armies, air forces, marines, navies, and special operations forces—our partnerships are the key enablers for ensuring regional security. It is my position that strengthening these partnerships is a cost-effective use of government resources. A layered defense can help the U.S. detect and deter threats *before* they reach the homeland, and help the hemisphere collectively respond to an uncertain and complex security environment. I would like

to provide the Congress with a brief overview of what, in my view, is the invaluable return on investment from partnering and engaging with Central America, South America, and the Caribbean. I am gravely concerned, however, that sequestration and its associated out-year cuts to the defense budget will imperil our ability to sustain these successful partnerships and regional progress.

Operation MARTILLO. We are currently witnessing the security dividends from regional cooperation as a result of Operation MARTILLO. In support of Department of State’s Central American Regional Security Initiative, U.S. Southern Command launched a joint, interagency,

Operation MARTILLO 2012 Results	
Cocaine disrupted	152,389 kgs
Marijuana disrupted	21,488 kgs
Bulk cash disrupted	\$7.2 million
Assets seized (total)	101
Partner nation supported disruptions	67%
Revenue denied to TCOs	\$ 3 billion

and combined operation to counter illicit trafficking along the Central American coastlines, coordinating with Western Hemisphere and European partner nations to maximize all possible means for support. In addition to the measurable results of the operation, we have also seen greater unity of effort, expanded information sharing, and enhanced interoperability among partner nations and federal departments like the Department of Justice and the Department of Homeland Security. I am very proud to note that 67% of illicit trafficking disruptions in 2012 were supported by partner nations, who have played an enormous role in the success of the operation. This unprecedented level of cooperation could serve as a model for future operations in Central America, although our ability to continue MARTILLO, build on the nascent progress of our Central American partners, or provide complementary support to the Department of State’s Regional Aviation Program will all be in serious jeopardy due to sequestration and its associated out-year cuts to the defense budget.

Cooperation on Counterterrorism. In the region, our engagement on counterterrorism issues centers on promoting interoperability with key partner nations and maintaining a persistent and episodic presence to counter the influence of Islamic extremism, recruitment, and radicalization efforts. We are also conducting contingency planning for a variety of scenarios, but the most valuable deterrent to direct threats to the United States is through *presence and partnerships*, by maintaining active awareness and nurturing our relationships within the region. Continued budget uncertainty is impacting our ability to ensure this presence, however, as reduced resources have forced us to scale back deployments of Civil Affairs and Special Operations Forces teams to the region.

Interagency and Private Sector Partnerships. Collaboration with our foreign and domestic partners also underscores everything we do at U.S. Southern Command headquarters. Thirty three interagency representatives and detailees, along with five foreign liaison officers, are integrated throughout the command, allowing our military personnel to capitalize on the unique capabilities, authorities, and expertise of other government agencies and partner nations. Likewise, our military planning capability and capacity often can enhance synchronization of interagency efforts, even when the Department of Defense is not the lead agency. Cooperation with the private sector and non-governmental organizations also serves as significant force and

New Horizons 2012: Peru
Total U.S. troops trained: 435
Medical Readiness Training Exercises: 8
Patients treated: over 26,000
Animals treated: 313
Construction and renovation projects: 6
NGO Contribution: valued at over \$200K

resource multipliers to our activities and those of our interagency partners. In 2012, our collaboration with the private sector leveraged gifts-in-kind and the participation of medical personnel, emergency management practitioners, business leaders, and

academics in our humanitarian assistance activities throughout the region. While we will seek to

expand these no-cost partnerships with the private sector, budget cuts have compelled us to reduce the interagency presence in our headquarters, which undermines our coordination within the U.S. government.

Security Cooperation. Within the region, we build relationships with partner nation militaries through a range of engagements, such as training exercises, educational exchanges, and security cooperation activities. Every year, U.S. Southern Command conducts multinational training exercises with our partners, which focus primarily on maritime interdiction, the defense of the Panama Canal, and training for peace support and disaster response operations. These exercises are a unique opportunity to promote regional cooperation, enhance readiness and interoperability of our hemisphere's military forces, and encourage collective action to address shared security challenges. To help mitigate costly disaster relief operations and strengthen state presence in under-governed areas, we conduct low-cost humanitarian assistance programs and exercises that provide training to U.S. and partner nation personnel and demonstrate U.S. values to the region. The shadow of sequestration and its associated out-year budget cuts place the continuation of many of these activities in doubt, however. Our security cooperation mission has borne the brunt of our budget reductions this year, and reduced engagements may have an "eroding effect" on our partnerships far into the future.

In addition to training exercises, our Human Rights Initiative and International Military Education and Training are essential to developing professional armed forces throughout the Americas. The regional trend of deploying militaries in non-traditional roles like domestic security underscores the continued importance of our human rights training, including our ongoing support for Colombian military justice reform. Programs like the Inter-American Air Force Academy, the Western Hemisphere Institute for Security Cooperation, the Inter-American

Defense College, and the Combating Terrorism Fellowship build relationships among future senior military leaders in the region. Additionally, the William J. Perry Center for Hemispheric

<i>Strengthening Regional Defense Institutions</i>	
<i>International Military Education Training</i>	<i>Funded 2,034 students from the region in 2012</i>
<i>Inter-American Air Force Academy</i>	<i>In its 69-year history, ~ 44,000 graduates</i>
<i>Western Hemisphere Institute for Security Cooperation</i>	<i>In its 12 year history, trained 15,859 students from 34 nations, two of whom went on to prominent positions in their respective governments</i>
<i>Inter-American Defense College</i>	<i>More than 2,380 students from 24 countries have graduated from the IADC. 34% have gone on to become partner nation presidents, cabinet ministers, ambassadors, or general officers.</i>

Defense Studies helps strengthen regional defense institutions by promoting security sector reform. These entities are all vital in assisting our partner nations develop the accountable,

professional, and transparent defense institutions that are key to long-term hemispheric security. Sequestration and its associated out-year budget cuts could impact these valuable programs. Mr. Chairman, Members, we want to avoid losing an opportunity to build strong, enduring relationships with militaries in our own hemisphere.

Through our engagement and training activities, U.S. Southern Command seeks to build the capabilities of regional militaries to confront internal challenges to stability, sovereignty, and security. In addition to the rotational forces provided by our component commands, we rely on the National Guard's State Partnership Program to engage with 22 nations in the area of responsibility. The State Partnership

In 2012, U.S. National Guard units conducted 223 events, and Colombia-South Carolina became the newest partnership under the program.

Program provides long-term mentorship to our partner nations to advance democratic principles and values and to encourage subordination of the military to civilian authority. Due to budget reductions, however, we were forced to cancel more than 90 events aimed at improving partner nation capacity in areas such as disaster response, defense support to civil authorities, and

countering transnational organized crime. If triggered, sequestration and its associated out-year cuts to the Department of Defense budget could further limit the Services' ability to provide forces for future security cooperation activities.

In Central America, we are providing training and security assistance to improve maritime, aerial, and land domain awareness capabilities, focusing on the Northern Tier countries where the threat posed by transnational criminal organizations is greatest. In the Caribbean, we are supporting the development of a regional maritime interdiction strategy, as well as providing equipment and training to improve maritime and air domain awareness. Further south, Foreign Military Financing for the Joint Rotary Wing/Riverine Program has delivered critical mobility to Colombian counterinsurgency efforts, while an expanded Military Justice Program has resulted in invaluable training in the Law of Armed Conflict and Human Rights Law. In Peru, we are supporting planning related to counterterrorism efforts against Sendero Luminoso. Additionally, we have partnered with the Joint IED Defeat Organization to help the Colombian Armed Forces build their counter IED capabilities, and we are in discussions on offering similar training to Peru. Our engagement with Brazil centers on space, cyber defense, intelligence and information sharing, and counterterrorism training for the upcoming World Cup and Summer Olympics. We are also exploring possible collaboration with U.S. Health and Human Services on consequence management. We fully support the proposal presented at the October 2012 Conference of the Defense Ministers of the Americas to advance a coordination mechanism for regional disaster response, and have begun discussions with the Government of Peru, the next CDMA Secretariat, on implementation. Although critical to ensuring the forward defense of the United States, our

In 2012, U.S. Southern Command's DoD Rewards Program facilitated the capture of Florindo Eleuterio Flores-Hala (aka "Artemio"), the organizational head of the Upper Huallaga Valley (UHV) faction of Sendero Luminoso, landing a blow against the UHV organization.

training and engagement programs have been seriously impacted by this year's budget reductions. Sequestration and its associated out-year budget cuts will result in further debilitating effects to these valuable programs.

Partners as Security Exporters. As I travel throughout U.S. Southern Command's area of responsibility, I am continuously impressed by the contributions of our partners to regional and international security. A global leader, Brazil heads the United Nations Stabilization Mission in Haiti, provides security assistance to several African nations, participates in maritime

Thirteen countries are providing forces to multinational security operations and United Nations peacekeeping missions throughout the world, and El Salvador recently deployed personnel in support of the NATO mission in Afghanistan.

exercises with South Africa and India, and is conducting border security operations with its neighbors. Chile has integrated a Salvadoran infantry unit into a battalion in

support of the U.N. Mission in Haiti, and is exploring opportunities for further building partner capacity initiatives in Central America. Colombia is perhaps the best example of the inherent value of security assistance to the region. Once on the brink of falling to a powerful insurgency, Colombia is now a leader in counterinsurgency tactics and provides training to West African and Central American counterparts. U.S. Southern Command shares the commitment of these valued partners to ensuring a strong, secure, integrated hemisphere and global system, but sequestration may limit our ability to deepen our defense relationships with these partners or enhance the collective security of the hemisphere.

Way Ahead

Future Budget Reductions. While we have taken painful steps to reduce spending in 2013, we recognize that sequestration and its associated out-year cuts to the defense budget will

result in even more difficult decisions in the future. This year, we were able to decrease spending by applying equitable cuts across a range of programs, but future cuts may involve wholesale program elimination. As I have told my workforce, spending cuts will force us to “do less, with less.” There will be some missions we will simply no longer be able to conduct, and our regional relationships will likely suffer as a result.

Mitigating Asset Gaps in the Caribbean. Mr. Chairman, Members, as I alluded to earlier: *presence matters*. It is a documented deterrent. Given our likely continued asset reductions, we will need to rely on our partners, wherever possible, to help bridge some capability gaps in terms of assets, authorities, or resources. I credit the support of our European and Canadian allies in the Caribbean whose presence helps mitigate asset gaps, although I remain concerned by the sub-region’s vulnerability to a shift in trafficking tactics. Although an estimated 92-94% percent of cocaine destined for the U.S. still flows through Central America, known cocaine movement towards Hispaniola—mainly the Dominican Republic—appears to have increased by three percent to 32 metric tons in 2012.¹⁴ We have experienced the so-called “balloon effect” before, and focusing limited assets on Central America creates a potential gap in other areas, which could be exploited by traffickers seeking to escape pressure from Operation MARTILLO. Last year, according to local media reports, 885 pounds of marijuana washed ashore on Florida’s beaches, a vivid reminder of the heyday of drug smuggling in the Caribbean, an era I know none of us wants to see repeated.¹⁵ This will be increasingly difficult to prevent, however, given the impact sequestration will have on future asset availability.

¹⁴ Interagency Assessment of Cocaine Movement (IACM). *Cocaine Movement Trends 3rd Quarter 2012*.

¹⁵ “Drugs found on South Florida beaches recalls smuggling heyday.” October 1, 2012. *Sun Sentinel*.

Detainee Operations. U.S. Southern Command continues to conduct safe, humane, and transparent detention operations at Joint Task Force Guantanamo (JTF-GTMO). The pending installation of the Guantanamo Bay Naval Station undersea fiber optic cable will save the United States millions of dollars in the long-term by reducing costs associated with using satellite communications. This cable will improve the reliability of communications with Guantanamo Bay facilities and also thereby enhance our ability to support military commissions, periodic review boards, and detention operations.

Two of the major challenges we face at JTF-GTMO are a lack of long-term resource planning, and complex issues related to future medical care of detainees. Mr. Chairman, Members, to paraphrase a former JTF-GTMO commander, we haven't been at Guantanamo for 11 years; we've been there for *one* year, *eleven* times. A temporary detainee operation has now lasted over 11 years, and the expeditionary infrastructure at JTF-GTMO is rapidly deteriorating, placing assigned personnel and operations at increasing risk. Regardless of policy disputes, we must make pragmatic decisions to protect our troops from unsafe and unsanitary living conditions and to ensure the continued safe and humane care of the detainee population. We have been relying on a patchwork of temporary fixes, but there is an urgent need for immediate refurbishment of degraded expeditionary infrastructure at JTF-GTMO. Using FY 2009 Overseas Contingency Funding for military construction, we have identified a series of projects aimed at increasing the security of the detainees, facilitating our ability to support legal processes for detainees, and most of all, meeting basic quality of life requirements for our troops. I look forward to working with the Congress as we address this issue. Additionally, the medical issues of the aging detainee population are increasing in scope and complexity. As is the case with any older person, aging detainees could require specialized treatment for issues such as heart attack,

stroke, kidney failure, or even cancer. The future emergency and critical medical care of detainees may require specialists and equipment to enhance the current capabilities at Naval Station Guantanamo Bay.

Quality of Life. As a non-traditional installation, U.S. Southern Command faces unique issues in supporting our assigned military personnel and their families, as well as retirees, and veterans living in South Florida who utilize the services available at our U.S. Army Garrison facility. In my first few months at U.S. Southern Command, I have come to realize that military families in South Florida are at a huge financial and benefits disadvantage. Access to a commissary is an integral part of the military benefits package for Active Duty personnel throughout their compensated period of duty or service.¹⁶ Service members stationed at U.S. Southern Command do not have access to a nearby commissary, yet live in one of the most expensive cities in the United States. The continued lack of a commissary at our headquarters is not only a disservice to our personnel, but to the entire South Florida military community. In addition to the demonstrated economic returns and benefits, the commissary system ensures our service men and women and their families receive the full compensation they deserve by law.¹⁷

Whenever I visit one of our component commands or joint task forces, I make a concerted effort to address quality of life issues facing our troops, even seemingly minor ones like 24-hour gym access, a small request when you are working long shifts far from your loved ones. At our headquarters, I have spent a great deal of time talking to the service members assigned to U.S. Southern Command, and every single junior enlisted person I meet has told me of the financial hardships they face trying to make ends meet under the current Cost of Living

¹⁶ Department of Defense Instruction 1330.17. December 2008.

¹⁷ Resale and MWR Center for Research. *Costs and Benefits of the DoD Resale System*. December 2012.

Allowance. For example, a typical E-3 assigned to U.S. Southern Command receives \$1,787 in monthly pay, \$1,437 per month for housing, and a mere \$18 in Cost of Living Allowance,¹⁸ in a city with some of the highest insurance rates and lack of affordable rental housing in the country.¹⁹ I am actively engaging within the Department of Defense to make them aware of my concerns, and we are working to find a solution.

U.S. Southern Command's most important resource is its workforce, and I am committed to enhancing quality of life at our headquarters. In recognition of growing concerns for the health and wellbeing of U.S. service members, we conducted two suicide prevention events, and we are developing a specialized council to address the emotional, mental, and physical health of all our personnel. Although an Army program, our Survivor Outreach Services office recently received approval to provide long-term support to family members of *all* our South Florida fallen heroes, regardless of service affiliation. As the Congress is aware, reports of sexual assault and harassment in the military have been at an all-time high, and U.S. Southern Command is doing its part to address this unacceptable issue. All incidents are handled using the exact procedures outlined in Department of Defense directives and policy, which promote sensitive care, confidential reporting for victims of sexual assault, and 100% accountability for those who commit these crimes. We also have a strong Sexual Harassment/Assault Response and Prevention (SHARP) program in place that ensures victims receive all the legal, medical, and psychological support they need. To support the professional development of our workforce, we

¹⁸ Based on calculations for duty location (33176) for an E3 with two years of service and no dependents. 2013 pay information from Defense Finance and Accounting Services; BAH calculator may be found at: www.defensetravel.dod.mil/site/bahCalc.cfm. The CONUS COLA calculator may be found at <http://www.defensetravel.dod.mil/site/conusCalc.cfm>

¹⁹ According to apartment market research firm AXOIMetrics, the average effective rent (which includes concessions) in Miami is \$1,269 per month, compared to the U.S. as a whole at \$964. According to the Joint Center for Housing Studies at Harvard University, the Miami rental market has the greatest share of severely cost-burdened renters (i.e. renters who pay more than half their income to rent) in the country.

expanded training opportunities last year, including language and cultural awareness training to enhance our relations with partner nations. Possible furloughs, however, will likely disrupt training and professional development for our civilian employees, while sequestration will impact our language programs, undercutting the readiness of our assigned forces.

Conclusion

Finally, I would like to extend my personal gratitude to the outstanding men and women under my command. Day in and day out, 1,482 Soldiers, Sailors, Airmen, Marines, Coast Guardsmen, and civilians work to enhance the defense of the United States and build enduring partnerships across Central America, South America, and the Caribbean. Mr. Chairman, Members, although I have spoken extensively about the impact of drastic spending cuts to our missions and operations, there is also a *human* impact. Our dedicated Department of Defense civilians and Service members—our people—will disproportionately suffer the long-term damages sequestration and its associated out-year cuts to the defense budget will inflict. U.S. Southern Command is committed to ensuring the security and stability of the Western Hemisphere, and I hope the Congress will demonstrate its commitment to our great nation, its people, and its military by resolving budget uncertainty and preventing the devastating effects of sequestration. Mr. Chairman, distinguished Committee Members, I stand ready for your questions.

ANNEX: 2012 Component Accomplishments

U.S. Army South (ARSOUTH)

Headquarters: San Antonio, Texas

- **U.S. Army South** conducted 31 security cooperation events in 13 countries in U.S. Southern Command's area of responsibility. These events represent 31 instances of engagement and building partner nation capabilities with the other militaries in the U.S. Southern Command area of responsibility.
- **CONFERENCE OF THE AMERICAN ARMIES:** The Conference of the American Armies is a 22 country delegation developed for the contribution to peacekeeping operations and disaster relief operations through the creation and use of mechanisms and procedures designed to improve the collective capacities and interoperability of its members. This year ARSOUTH represented the United States at the Science & Technology Conference in Peru, the Emerging Threats Conference in Colombia, the Disaster Relief Exercise in Mexico and the Extraordinary Commander's Conference in Mexico.
- **PANAMAX 2012:** PANAMAX is a joint and combined operational exercise focused on the defense of the Panama Canal by a multi-national joint task force, as well as building disaster and pandemic outbreak response capabilities of 17 participating partner nations. ARSOUTH hosted and provided mentorship to the Colombian led Combined Forces Land Component Command which included 122 participants from 9 countries. This was a major step forward in regional/coalition operations and the first time a foreign military played this key role in a SOUTHCOM JTF.
 - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**
- **FUERZAS ALIADAS HUMANITARIAS:** Fuerzas Aliadas Humanitarias is a regionally oriented humanitarian assistance/foreign disaster relief (HA/FDR) exercise that brings together partner nation and U.S. military units, civilian disaster management

agencies, and local first responders. This year's exercise was held in Washington, D.C. with 70 participants from 20 nations.

- **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled FUERZAS ALIADAS HUMANITARIAS 2013.**

- **PEACEKEEPING OPERATIONS AMERICAS:** This annual exercise provides training in international stability and peace operation in support of the United Nations and the Conference of the American Armies doctrine and procedures. ARSOUTH was the Executive Planning Agent for Peace Keeping Operations-Americas 2012 which included three supporting multi-echelon unit level staff training events: two in Chile and one in Dominican Republic, with 170 participants from 16 countries and culminated with a Multinational Task Force staff Command Post Exercise (CPX) held in Chile, with over 261 participants from 22 nations. All participants received training and familiarization in working on a UN based peacekeeping operation.
 - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled PEACEKEEPING OPERATIONS AMERICAS 2013.**

- **BEYOND THE HORIZON:** Beyond the Horizon is a Chairman of the Joint Chiefs of Staff-approved, U.S. Southern Command-sponsored, Joint, Interagency, and Combined Field Training Exercise. The exercise provides and incorporates Humanitarian and Civic Assistance construction projects, Medical Readiness Exercises (MEDRETES), and other infrastructure projects. ARSOUTH was the Executive Planning Agent for the 2012 Beyond the Horizon exercises conducted in Guatemala and Honduras, which involved the deployment of 1,800 U.S. service members into the two supported countries, resulting in the completion of 18 engineer projects, including schools and clinics in 12 communities, and 6 MEDRETEs that provided care to 33,330 patients and treated 27,800 animals for veterinary support. The exercises also obtained the support of 300 Guatemalan and Honduran military and interagency personnel working side by side with U.S. personnel.

- **OPERATION ENDURING FREEDOM CENTRAL AMERICA AND CARIBBEAN:** In 2012, this program conducted 28 Subject Matter Expert Exchanges in seven countries (Panama, El Salvador, Honduras, Belize, Dominica, Guatemala, and Jamaica) that included over 800 host nation soldiers.
- **HUMANITARIAN MINING ACTION:** Humanitarian Mine Action is a Joint Chiefs of Staff approved, U.S. Southern Command-sponsored demining training. Humanitarian Mine Action is designed to train existing host nation Demining Units using the International Mine Action Standards. This year ARSOUTH conducted training at the Ecuadorian Engineer School in Quito, Ecuador and the Colombian Army (COLAR) Demining Training Center in Tolemaida, Colombia. The goal of the training was to assist both countries in developing the capacity to remove anti-personnel mines and demine affected land for economic development.
- **STAFF TALKS:** ARSOUTH conducted four bilateral Staff Talks in Colombia, Brazil, Chile, and El Salvador and one Rotary Wing Aviation Seminar in Peru. The outcomes of these Staff Talks are more than 60 current Agreed to Actions (ATAs) that represent mutually negotiated bilateral and regional goals. A Working Group with Peru has yielded 12 similar Coordinated Action agreements and opportunities at a permanent staff talk status in the foreseeable future
- **LATIN AMERICA COOP:** During FY12, ARSOUTH Latin American Cooperation Funds supported 91 engagements/activities in 14 countries in the region. LATAM Coop is a critical resource to execute ARSOUTH Security Cooperation objectives and U.S. Southern Command's Theater Security Strategy. LATAM Coop supports Army to Army Staff Talks with key countries, Foreign Liaison Officers assigned to ARSOUTH, Conference of American Armies, professional development exchanges on multiple topics, army commander and distinguished visitor program, and Joint/Combined/Multinational Exercises and Operations.
- **CIVIL MILITARY RELATIONS:** ARSOUTH conducted Civil Military Relations Professional Development Exchanges in Belize, El Salvador, Guatemala, and Honduras, improving their ability to conduct inter-organizational coordination during humanitarian assistance and disaster relief operations.

12th Air Force (Air Forces Southern)

Headquarters: Tucson, Arizona

- **Air Forces Southern** conducted 21 security cooperation events in 13 countries in U.S. Southern Command's area of responsibility.
- **PANAMAX 2012:** During PANAMAX 2012, Air Forces Southern successfully trained and integrated partner nation air planners into division processes and pushed 9 ATOs/ACOs with a total of 1,193 missions (310 sorties). The Dynamic Targeting Cell prosecuted 12 time-sensitive targets and provided collateral damage estimate calls and weaponizing solutions. For the first time, a Brazilian Chief of Combat Operations was fully integrated into AOC operations, along with Colombian JAG officers.
 - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**
- **ISR Missions:** Provided C2 for ISR missions in support of U.S. Southern Command's priorities; over 28,000+ images, 1,893.8 hours of signals intelligence led to the seizure of 332,616 lbs (3.02 billion worth) of drugs and weapons; 32 high-value narco-terrorists killed in action.
- **Airlift Missions:** Executed 118 theater airlift missions moving 4,606 passengers and 314.8 tons of cargo throughout U.S. Southern Command's area of responsibility.
- **Medical Deployments:** Planned and executed 12 Medical Deployments for training exercises in 2012, resulting in the treatment of 60,000 patients. Each deployment provided increased readiness of U.S. forces and improved the capability of regional partners to conduct combined operations.
- **NEW HORIZONS:** Trained 435 U.S. active duty, guard, and reserve military, medical, and 60 host nation support forces. Provided medical humanitarian and civic assistance to rural areas in Peru and trained 17 engineers. Construction projects included two clinics, a library, auditorium, SEAHUT, and a large multi-use facility. During the exercise, the medical team treated over 26,000 patients.

- **Sovereign Skies Expansion Program:** Used successful lessons learned from Dominican Republic and Colombia programs to strengthen air force capabilities in Belize, El Salvador, Guatemala, and Honduras. Training included helicopter maintenance, night operations, intelligence, surveillance, and reconnaissance.
- **571 Mobility Support Advisory Squadron:** Successfully completed six deployments of 25 man teams for 6-8 weeks to Honduras, El Salvador, Guatemala, Colombia, and Peru. Provided unit self training as air advisors, supported airfield infrastructure improvements, and built air capabilities, including logistics, communications, fuels, contracting, air traffic control, survival/search/rescue, supply, vehicle maintenance, security forces, command and control, airfield management, maintenance, information operations, and aerial port functions.
- **Support to Counter Illicit Trafficking efforts:** Presented RC-135, C-130 SENIOR SCOUT, JSTARS, AWACS, B-1, B-52, RQ-4 Global Hawk B-30, and TPS-78 ground-based radar in addition to the daily ATO support to Colombia. Provided several thousand hours of coverage in support of detection and monitoring operations, generally under the tactical control of JIATF-South. Deployed TPS-78 ground-based radar (GBR) to Honduras for 90 days in support of Operation MARTILLO, including surveillance coverage of illicit air trafficking routes resulting in law enforcement seizures of approximately 1.4MT of cocaine, 7 aircraft seized/destroyed, and 8 pilots DOA, arrested or missing. Supported four month deployment of Peruvian Air Force TPS-70 GBR for Operation ALL INCLUSIVE and provided detailed trend analysis of current illicit air traffic in Peru.

Joint Interagency Task Force South (JIATF-S)

Headquarters: Key West, Florida

- **Joint Interagency Task Force South** contributed to the disruption of 152 metric tons of cocaine in FY 2012 worth more than \$3 billion wholesale. This was a 30% increase in disruptions from the previous fiscal year. JIATF-S employs an integrated defense forward capability for the ongoing efforts at the US Southwest Border and for US

operations in the Western Hemisphere using TACON ship days, TACON flight hours and the operating cost of FSSC provided ROTH support.

- **The vast majority of JIATF-S successes came as a result of JIATF-S leadership and coordination of Operation MARTILLO**, the multi-lateral effects based operation designed to deny the CENTAM littoral routes by illicit traffickers. Begun on 15 January 2012, Op MARTILLO resulted in the disruption of 152 metric tons of cocaine, the seizure of \$7.2 Million in bulk cash, and the seizure of 101 vessels including 4 self-propelled semi submersibles (SPSS) and 8 aircraft. At its one year anniversary, Op MARTILLO is beginning to show its desired effects: trafficking in the Western Caribbean and Eastern Pacific littorals is seen to be decreasing while the activity in the Eastern Pacific non-littoral route is rising.
- **Operational Results and Impact.** In the air domain, over the past year, JIATF-S assesses a 21 % decrease in illicit air tracks destined for Central America (primarily Honduras); and a 57 % decrease in illicit air tracks destined for Hispaniola (primarily Haiti). In the maritime domain, during the same period JIATF-S assesses a decrease of maritime activity in the Western Caribbean littoral and non-littoral trafficking areas of 36% and 38% for each vector respectively. In the EPAC, the trafficking shows a steady decrease in the littorals (from an overall increase of 71% at the end of FY12 to a current 43% decrease in FY13) while the activity in the EPAC non-littorals appears to be increasing (from an increase of 12% in FY12 to an increase of 51% currently in FY13). These changes are assessed to be a direct result of Op MARTILLO assets working in the littoral areas and reflect the start of achieving the end result of the operation in driving the traffickers out of the littorals.
- **Role of Partner Nations.** Since 15 January 2012, 67% of the disruptions were supported by partner nations who have played an enormous role in the success of the operation. This represents an increase from 57% last year.
- **Innovation to meet the counter-drug mission.** JIATF-S continues to innovate in the face of asset reductions by their demonstrated ability to integrate any and all non-traditional counterdrug assets into their force lay down in order to achieve success. JIATF-S strived to fulfill its counter-drug missions with non-traditional counterdrug assets. In FY12, the USAF deployed JSTARS, B-1, and B-52 detachments to the JIATFS

Joint Operating Area (JOA). Under JIATF-S TACON, these detachments provided critical wide area surveillance and long range maritime patrol capabilities in support of JIATF-S' detection and monitoring mission while maximizing their pre-deployment training opportunities in a semi-benign but target rich JOA.

- **Information Dominance.** Understanding the importance and growing emphasis on information warfare and cyber defense, JIATF-S reorganized their Intelligence and Security, C4I, and Innovation and Technology Directorates under a Senior Director for Information Dominance to parallel the US Navy's reorganization of their N2 and N6. This reorganization resulted in efficiencies in systems development and integration, enhanced information fusion capabilities, and development of capacities to conduct counter network operations against transnational criminal organizations

Joint Task Force Bravo (JTF-B)

Headquarters: Soto Cano Air Base, Honduras

- **Support to Operation ANVIL:** Provided planning and logistical support for proof of concept for Operation ANVIL. Operation resulted in 2,300 kgs of narcotics seized and 16 indictments, and laid the groundwork for future Department of State-led operations in Central America.
- **Air Operations:** Conducted 228 air movements in support of CTOC operations, MEDRETEs, MEDEVACs, and official visitor movement within Honduras and to Nicaragua, El Salvador, Belize, and Guatemala.
- **Support to Government of Honduras:** Assisted with disaster relief at the Comayagua prison fire in February 2012, the worst in Honduran history. Coordinated with five national agencies to recover and transport 352 deceased prisoners and partnered with ATF on investigation matters. JTF-Bravo assistance was praised by President Lobo on national television.
- **Humanitarian/Civic Assistance:**
 - Conducted 14 MEDRETEs, performing 41,948 medical procedures on over 22,000 patients throughout Central America.

- JTF-Bravo assisted with the reception and distribution of 143,290 pounds of humanitarian aid cargo on military aircraft under the Denton Program, which was made available to NGOs for delivery to local families.
- Soto Cano Chapel hosted 6 chapel hikes for 521 people and distributed over 13,000 lbs of food to needy local families.
- JTF-B MSC's sponsored 4 orphanages with over 80 visits by JTF-B personnel, providing approximately \$12k of aid including facility improvements, clothing, school supplies, and food.
- **Disaster Response Training:** As part of CENTAM SMOKE, JTF-B trained 87 firefighting personnel from Honduras and Nicaragua.

Joint Task Force Guantanamo

Headquarters: Guantanamo Bay, Cuba

- **Safe and Humane Care and Custody:** Detainees have been moved from expeditionary Camps I-IV to more modern Camps V and VI. Detainees in Camp VI and parts of Camp V are allowed communal living arrangements, which improves social interaction and overall well-being for detainees, while also significantly reducing detainee-guard interactions, which reduces assaults on the guard force. Outdoor recreation areas of Camps V and VI have been significantly expanded and library holdings for loan to detainees have increased to 25,000 items. In order to further increase social interaction and mental stimulation, educational course offerings have also been broadened in scope and frequency. Detainees maintain family contact with mail, telephone calls and, in areas which support this service, videophone conferences, coordinated by the International Committee of the Red Cross.
- **Legal and Transparent Operations:** Continued assessments by the International Committee of the Red Cross have been expanded to six visits per year. The ICRC verifies compliance with international standards of custody as specified in the Geneva Convention and other international standards and provides confidential advice for suggested improvements to the JTF Commander and U.S. Southern Command. Detainees are granted routine visits by legal representatives, having received more than

898 Commissions and 362 Habeas attorney visits in 2012. JTF Guantanamo is committed to transparency and has hosted 970 visitors and 164 media representatives from 60 domestic and international news organizations over the past year.

- **Military Commissions:** In March 2011, the Obama administration announced that military commissions would resume at Guantanamo Bay. Military commissions proceedings are open to observation by the media, victim family members and non-governmental organizations. The first military commissions proceeding was the arraignment of the alleged mastermind of the USS COLE bombing in November, 2011. In 2012, JTF-Guantanamo supported 8 hearings, including: the arraignment and motions hearings of the five individuals accused of coordinating the September 11, 2001 attacks on the U.S. (referred to in the press as “the 9/11 Five”), motions hearings for the alleged USS COLE bomber, and an arraignment and plea acceptance of Majid Khan, who plead guilty to conspiracy, murder, attempted murder, providing material support to terrorism, and spying, including in conjunction with the J.W. Marriott bombing in Indonesia.

U.S. Naval Forces Southern Command (COMUSNAVSO)

Headquarters: Mayport, Florida

- **Operation MARTILLO:** Seven frigates, one replenishment ship, and four fixed-wing aviation squadrons deployed to support Operation MARTILLO, conducting Countering Transnational Organized Crime (C-TOC) Operations under the direction of Joint Interagency Task Force South (JIATF-South). Navy Forces have played a key role in providing a persistent presence as part of a cooperative effort to shift maritime illicit trafficking away from the Central American littorals. MARTILLO has had a significant impact on illicit trafficking routes (air and maritime). Compared to calendar year 2011, disruptions were up more than 20%.
- **Southern Partnership Station 2012:** Southern Partnership Station (SPS) is a series of Navy/Marine Corps Engagements focused on Theater Security Cooperation, specifically Building Partner Capacity through subject matter expert exchanges with partner nation militaries and civilian security forces. SPS Engagements include Community Relations

(COMREL) Projects that focus on our partnerships, shared interests, and shared values. SPS Deployments included:

- **HSV SWIFT Southern Partnership Station 2012:** High Speed Vessel SWIFT (HSV 2) conducted engagements in six Partner Nations (Dominican Republic, El Salvador, Panama, Guatemala, Peru, and Haiti), which included medical, veterinary, Naval Criminal Investigative Service (NCIS), Maritime Civil Affairs (MCAST), and U.S. Marine subject matter expert exchanges with partner nation counterparts. SWIFT Seabees completed small-scale construction/refurbishment projects. The SWIFT Team also delivered Project Handclasp Gifts-in-Kind during COMREL Projects, and made a special delivery of relief materials to Port Au Prince, Haiti.
- **Navy Dive Southern Partnership Station 2012:** Salvage Ship USNS GRAPPLE (T-ARS 53) conducted engagements in five Partner Nations (Colombia, Trinidad and Tobago, Panama, Guatemala, and Jamaica), and featured Navy Divers conducting subject matter expert exchanges with partner nation counterparts, to include divers from Canada, Chile, and The Bahamas. These expert exchanges included numerous live diving operations. In a historic note, the GRAPPLE Team completed a refurbishment and rededication of the Oliver Hazard Perry Gate at a cemetery in Trinidad, on the Bicentennial of the War of 1812. The original dedication of the Perry Gate was in 1925.
- **Oceanographic Southern Partnership Station 2012:** Survey Ship USNS PATHFINDER (T-AGS 60) conducted hydrographic surveys in the Eastern Pacific to support U.S. Southern Command's priority Oceanographic, Hydrographic and Bathymetric Requirements. As part of this deployment, a Fleet Survey Team traveled to Colombia to conduct joint hydrographic surveys and subject matter expert exchanges with Colombian Oceanographers.
- **UNITAS 2012:** UNITAS (Latin for "Unity") enhances friendly, mutual cooperation and understanding between participating navies by developing interoperability in naval operations among the nations of the region. In 2012, the multinational maritime exercise

series, the longest-running in the world, celebrated its 53rd straight year with two major events, one in the Pacific in May and one in the Atlantic/Caribbean in September.

- **UNITAS PAC (Pacific) 2012:** Peru hosted UNITAS PAC 2012, which included Naval Forces from Chile, Colombia, Ecuador, Mexico, Peru, and the United States. Events included ashore and underway training in maritime interdiction operations, counter-piracy operations, air, surface, and anti-submarine warfare.
- **UNITAS LANT (Atlantic) 2012:** The United States hosted UNITAS LANT 2012 out of Key West, Florida, the largest number of multinational warships to conduct a simultaneous port call at Key West in more than 30 years. Naval Forces from Brazil, Canada, Colombia, Dominican Republic, Mexico, the United Kingdom, and the United States completed shore-based professional symposia and conducted multinational Community Relations (COMREL) Projects in Key West. Once at sea, participants trained in a variety of maritime scenarios to test command and control of forces at sea, while operating as part of a multinational force to provide the maximum opportunity to improve interoperability. In 2012, UNITAS LANT also included the U.S. Marine Corps Forces South field-training exercise known as Partnership of the Americas, which was conducted at Camp Blanding in Starke, Florida, in September.
- **Southern Seas 2012:** USS UNDERWOOD (FFG 36) conducted a variety of exercises and multinational exchanges to maintain access, enhance interoperability, and build enduring partnerships that foster regional security. UNDERWOOD participated in UNITAS PAC, the Silent Forces Exercise (SIFOREX) with Peru, UNITAS LANT, and Operation MARTILLO.
- **PANAMAX 2012:** Commander U.S. Forces Southern Command served as the Commander of Multi-National Forces South (MNFS), leading a coalition of 17 Partner Nations in the 10th annual exercise designed to execute stability operations under the support of United Nations Security Council Resolutions; provide interoperability training for participating multinational staffs; and build Partner Nation capacity to plan and execute complex multinational operations.

➤ **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**

- **Navy Seabees:** 85 Seabees deployed to Naval Base Guantanamo Bay (GTMO) to support construction/refurbishment projects throughout the U.S. Southern Command AOR. From this detachment, Seabee details deployed aboard HSV SWIFT to complete projects in support of HSV SPS 2012. Seabees also deployed to complete projects in support of U.S. Army South's Beyond the Horizon Exercises in Guatemala and Honduras, U.S. Air Force Southern's New Horizons Exercise in Peru, U.S. Special Operations Command South's Fused Response Exercise in Guyana, and U.S. Marine Corps Forces South Operation MARTILLO support to Guatemala. Seabees in GTMO completed projects in support of the U.S. Navy Base and the Joint Task Force GTMO Commander.

Marine Corps Forces South (MARFORSOUTH)

Headquarters: Doral, Florida

- **Marine Corps Forces South** conducted 67 Security Cooperation events in 27 countries in United States Southern Command's area of responsibility.
- **Marine Detachment in support of Operation MARTILLO:** Responding to the new National Strategy to Combat Transnational Organized Crime (CTOC), MARFORSOUTH supported JIATF-South and Guatemalan Security Forces with operations to disrupt and deter trafficking along the Central American coast. The Marine Detachment conducted detection, monitoring activities to curtail illicit trafficking routes on the Pacific coast of the Central American isthmus.
- **TRADEWINDS 2012:** The Joint Chiefs of Staff-directed exercise was hosted in Barbados with over 1,000 participants from 19 countries. Participants were trained in counter illicit trafficking operations and Humanitarian Assistance/Disaster Relief responses, as well as receiving training to improve operations center management, basic infantry skills, law enforcement tactics, techniques and procedures, search and rescue, maritime interdiction operations and procedures.

- **UNITAS – Partnership of the Americas (POA):** This exercise enhances multinational operational readiness, interoperability, and security cooperation among U.S. and 9 partner nation naval infantries. In 2012, the exercise focus was amphibious operations, to include amphibious staff planning, training and equipping in support of future peace support operations and humanitarian assistance missions.
 - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled PARTNERSHIP OF THE AMERICAS 2013.**

- **PANAMAX 2012:** As the Marine Service component, MARFORSOUTH sourced and employed a Marine Expeditionary Unit Command Element; placed liaison officers at the JTF and functional components; stood up and operated an Operations Center and Crisis Augmentation Cell; sourced a Marine General Officer, with staff, to serve as the JTF J3; and participated in the exercise as JTF staff.
 - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM significantly de-scoped PANAMAX 2013.**

- **Counterdrug/Counternarcotics Mobile Training Team Deployments:** Provided training to build capacity throughout the region to partner nation counterdrug and counter narco-terrorism forces to increase interdiction capacities.

Special Operations Command South (SOCSOUTH)

Headquarters: Homestead, Florida

- **Building Partner Capacity.** Through persistent engagement with its partners in the region, SOCSOUTH builds partner nation security force capacities to confront shared security challenges. SOCSOUTH's focus in Northern Central America is to partner with key security forces that are best able by mission, position, and authorities to counter transnational organized crime.

- In 2012, SOCSOUTH maintained small elements in Guatemala, Honduras and El Salvador working with key units to improve ground and maritime interdiction, civil affairs, and intelligence capacities.
- In the Andean Ridge, SOCSOUTH partnered with Colombia and Peru to confront narco-terrorist insurgencies whose illicit trafficking operations extend throughout the hemisphere. SOCSOUTH elements provided assistance to the Colombian Special Operations Command, the new joint interagency task forces that are conducting operations against key FARC concentrations. SOCSOUTH also provided counternarcotics, small unit tactics, and riverine training to Colombian National Police and military forces. In Peru, SOCSOUTH elements conducted counternarcotics small unit tactics and riverine training with the Peruvian Joint Special Operations Command.
- **Civil Affairs.** In 2012, SOCSOUTH had eleven civil affairs teams helping nine partner nations reduce the vulnerability of key populations to influence by transnational organized crime or violent extremism. These civil affairs teams assisted with counter-recruitment programs and, in many cases, helped partner nations build their own civil affairs capacities.
- **Information Operations.** SOCSOUTH maintained military information support teams in seven key partner nations. These teams supported the DOD Rewards Program, the U.S. government's Anti-Trafficking in Persons Program, partner nation counter-recruitment programs, and active tip lines in support of the wider effort against transnational organized criminal and violent extremist organizations. The teams also helped three partner nations build their own information operations capacity.
- **Intelligence Analytical Support to U.S. Country Teams.** SOCSOUTH provides intelligence and counter-threat financing support to U.S. Country Teams in the region, focusing on terrorism, human smuggling networks, and transnational organized crime. In Colombia, SOCSOUTH supported Colombian War Plan "SWORD OF HONOR" by helping build intelligence collection, analysis, and dissemination capacity in newly established joint interagency task forces fighting the FARC.

- **Logistics Training and Advisory Team.** SOCSOUTH seeks to increase the logistics capacity of key partner nation units with the goal of continued sustainment. In 2012, SOCSOUTH provided subject matter expertise to enable key Colombia partner units to establish a sustainable weapons-repair capability and initiate the development of an aerial delivery capability. SOCSOUTH also assisted Peruvian units engaged in counter narco-terrorism operations to conduct a weapons inspection, which will serve as a starting point for future SOCSOUTH logistics engagement activities.
- **Building Intellectual Capital.** By partnering with academia, SOCSOUTH seeks to build critical thinking skills of key partner unit leadership, helping them to better confront complex irregular warfare challenges. In 2012, SOCSOUTH sponsored a “Counter FARC Ideological Activities” seminar in Colombia, and a “Counterterrorist Operations Planning” seminar in Peru in support of counter narco-terrorist operations. In Brazil, SOCSOUTH sponsored a “Joint Special Operations Task Force” seminar to assist in preparation for four major events, including the World Cup in 2014 and Summer Olympics in 2016.
- **FUERZAS COMANDO 2012:** A CJCS-approved, multinational, special operations interaction exercise consisting of a team-level special operations skills competition and a minister or cabinet-level distinguished visitors program. This year’s team competition was held in Tolomaida, Colombia. The distinguished visitor program focused on regional interagency coordination and joint/combined special operations in support of overseas contingency operations and was held in Bogota, Colombia. Twenty-one partner nations from the Western Hemisphere participated in the exercise, including Mexico, Canada, and Barbados.
 - **Due to budget uncertainty and possible sequestration cuts, USSOUTHCOM cancelled FUERZAS COMANDO 2013.**
- **FUSED RESPONSE 2012:** A CJCS-directed exercise designed to validate USSOUTHCOM crisis response capabilities. This year’s exercise was a level III exercise in Guyana, involving the participation of where interagency partners, US and host nation special operations forces and staff.