

Statement for the Record
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“Future U.S. Counternarcotics Efforts in Afghanistan”
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Chairman Feinstein, Co-Chairman Grassley, and other distinguished members of the Caucus, thank you for the opportunity to discuss the Department’s counternarcotics, or “CN,” efforts in Afghanistan and our strategic vision for CN support in 2014 and beyond. As illustrated by resurgent opium production in 2013, the instability the illicit drug trade causes remains a major obstacle to the long-term security and prosperity of Afghanistan and the region. Recognizing the severity of this threat, the Department invested in counter-drug training and programs during the course of Operation Enduring Freedom to build partner capacity and support U.S. law enforcement and other interagency partners’ efforts to weaken drug trafficking networks. In October, we submitted to Congress DoD’s *Post-2014 CN Strategy for Afghanistan and the Region* which outlines our approach to addressing these threats in light of significantly reduced military force levels inside Afghanistan. Of course, our efforts will ultimately be scoped and sized by the U.S. government’s post-2014 total presence in Afghanistan. I’d like to begin by sharing some observations and highlighting a few of the main points I’d like to leave you with.

As the Members of this Caucus well know, since 2001, the United States has made an extraordinary investment in blood and treasure to ensure that Afghanistan is no longer a safe haven for the type of international terrorism perpetrated on 9/11. Over two thousand U.S. service members have been killed and thousands more seriously wounded, and the total financial

cost of our efforts in Afghanistan now totals approximately \$570 billion. In recognition of the threat of drug trafficking to Afghanistan's future, approximately \$2 billion of this total was invested by the Department for counternarcotics training and programs, which we believe are a vital component to achieving U.S. objectives in Afghanistan by targeting the financial underpinnings of the Taliban insurgency.

Our investment in counternarcotics capacity building for specialized Afghan CN units continues to demonstrate significant progress. For instance, on December 18, 2013, the DoD-supported and DEA-mentored Sensitive Investigative Unit, used judicial wire intercepts to build a case which resulted in the arrests of two individuals, seizure of 660 grams of heroin, three pistols, 500 boxes of Russian-made ammunition, 40 remote control improvised explosive devices, and 75 rocket-propelled grenades. The DoD-supported Afghan vetted units supported by the Special Mission Wing (SMW) and other specialized CN units are now capable of conducting the planning, execution, and follow-through of CN missions, and as described by my colleagues on the panel the U.S.-supported CN Justice Center has demonstrated its ability to expeditiously and independently process criminal cases with a narcotics nexus.

Despite the progress made in building Afghan CN capabilities, these gains are not yet irreversible and these nascent institutions will continue to require sustained international support for the foreseeable future - particularly for resource-intensive programs such as aviation. Not unlike a seedling that has recently sprouted, these organizations have great potential but will require care and nurturing before they are ready to stand on their own. With the upcoming reduction in U.S. and Coalition forces and other international capabilities, sustainment will be all

the more important. Stepping back from our efforts now would jeopardize the further development of these units that have become reliable partners for U.S. and international law enforcement efforts.

The illicit drug trade originating from Afghan opium extends well beyond the borders of Afghanistan, Central Asia, Iran, and Pakistan's Makran Coast. The trade in Afghan-produced opiates has become an increasingly global phenomenon, with drugs and illicit proceeds flowing to the Persian Gulf and the Middle East, East Africa, Europe, Russia, and North America, with a growing percentage of heroin consumed in the United States coming from Afghanistan. The ripple effect of the heroin trade undermines stability in key regions for U.S. interest such as Turkey and Lebanon, fuels corruption, undermines legitimate economic activity, and provides vital revenue for terrorist groups and other transnational criminal organizations that threaten U.S. security interests worldwide.

As U.S. and Coalition forces withdraw from Afghanistan in the coming year, the interagency and international partnerships we have forged will become increasingly important as our military and other capabilities are reduced inside Afghanistan. For instance, the U.S.-UK Joint Narcotics Analysis Center (JNAC) has expanded its scope and now provides intelligence fusion and cueing well beyond Afghanistan and its vicinity. The worldwide breadth of the Afghan heroin trade will require working across numerous "seams" between the Geographic Commands and building upon existing international partnerships to disrupt the flow of drugs and other illicit commodities. We are therefore working with several Combatant Commands, U.S. law enforcement agencies, U.S. intelligence agencies, and several interested international

partners to create a regional intelligence fusion center able to coordinate and facilitate international efforts to disrupt the flow of heroin, target illicit sources of revenue, and dismantle criminal organizations that pose the greatest threat to U.S. and international security.

Counternarcotics Program Overview

As most of you know, the Office of the Deputy Assistant Secretary of Defense (DASD) for Counternarcotics and Global Threats (CN>) is the single focal point for DoD's CN activities and oversight of specifically appropriated CN resources. We report to the Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict and the Under Secretary of Defense for Policy. The office was established to ensure that DoD develops and implements a focused counternarcotics program with clear priorities and measured results that are well-integrated to the larger national security strategy. In FY13 we oversaw \$1.37 billion in appropriated funding, which includes \$469 million in OCO funds. For FY14, we will oversee approximately \$1.11 billion in appropriated funding, including \$376 million in OCO funds.

For over two decades, the Department of Defense has used these funds to provide support to local, state, federal, and foreign law enforcement agencies to diminish the national security threats caused by the vast revenue, violence, and destabilization linked to the drug trade. Through the Combatant Commands, the Military Services, and Defense Agencies, DoD provides unique military platforms, personnel, systems, and capabilities to support federal law enforcement agencies and foreign security forces involved in counterdrug missions. A key aspect of our program is our focus on increasing partner nation capability.

In addition, 10 U.S.C. 124 designates DoD as the lead federal agency for the detection and monitoring of aerial and maritime drug trafficking bound for the United States. We accomplish this mission using a variety of airborne, maritime, or ground-based sensors such as the Relocatable-Over-the-Horizon-Radar, as well as other military and intelligence assets.

Given the close association of drug trafficking with other national security threats such as terrorism, insurgency, and weapons trafficking, the authorities and expertise of our law enforcement partners are critical to helping the Department accomplish non-CN specific national security objectives as well. Having a flexible tool like our CN authorities and Central Transfer Account allows us to work with them to effectively meet both of our goals. This collaboration is a true win-win that helps the U.S. government be more effective in today's more austere budgetary environment.

The Afghan Narcotics Threat

Turning specifically to the narcotics threat in Afghanistan, as I mentioned previously, it is important to recognize that it is both an Afghan and a global threat. Illicit narcotics - although a shrinking proportion of Afghanistan's licit economy - contributes to insecurity, corruption, poor governance, and stagnation of economic development. Addressing the drug trade and its effects is essential to the successful transition of security responsibility to the Government of Afghanistan. The results of the United Nations Office on Drugs and Crime (UNODC) 2013 Annual Afghanistan Opium Survey reminds us of how difficult the challenge is today. According to UNODC, Afghanistan's largest poppy crop in history was produced in 2013. 209,000 hectares of opium poppy were cultivated in 2013, a 36% increase from the 154,000 hectares cultivated in 2012. Additionally, the UNODC estimates that potential opium production

in Afghanistan increased during the same timeframe, from 3,700 metric tons in 2012 to 5,500 metric tons in 2013. Meaning 2013 production exceeded by over 48% the UNODC's estimate for consumption globally, approximately 3,700 metric tons.

The link between insecurity and opium cultivation is well established in Afghanistan. Most of the opium poppy cultivation is concentrated in southern and western provinces where the narcotics trade continues to fuel criminal and insurgent networks. Insurgents tax local poppy farmers, and in return, provide farmers with loans, material support, and protection for their operations. Insurgents also charge a protection tax to traffickers and labs. The production of opium competes with the country's licit agriculture industry, distorts other licit businesses by undercutting them to launder profits, degrades revenue collection, and undermines public health.

DoD CN Efforts in Afghanistan

DoD's CN efforts in Afghanistan are linked to the entire U.S. government's strategy. The U.S. government's interagency strategy has two priorities - first, to counter and disrupt drug-related funding to the insurgency, and second, to strengthen the Afghan government's capacity to combat the drug trade during and after the security transition. Over the past decade, DoD has worked to build the capacity of the Counternarcotics Police of Afghanistan, or CNPA, improve border security, promote information sharing, and foster regional and international cooperation. Despite the increased opium production this past year, DoD-supported efforts have made steady

progress building the capacity of specialized Afghan counternarcotics units. Interdiction operations are a key component of a holistic strategy to address all phases of the drug trade and can be successful in reducing insurgent financing from narcotics. None of these efforts individually can solve this problem.

Over the past decade, the Departments of Defense, State, Justice (including the Drug Enforcement Administration (DEA)), and Homeland Security, have collaborated to build the law enforcement capacity of Afghanistan's Ministry of Interior. Information sharing and the ability of Afghan law enforcement and counternarcotics forces to prosecute traffickers are integral parts of this infrastructure. The DEA-mentored specialized units within the CNPA continue to demonstrate successful evidence-based operations and serve as key partners in law enforcement efforts. The Afghan Counter-Narcotics Justice Center (CNJC), continues to successfully prosecute narcotics traffickers with a conviction rate of above 90%. These successes include the arrest and conviction of Haji Lal Jan Ishaqzai, a U.S. Treasury-designated "kingpin" in 2013 who was convicted and sentenced to 15 years in Afghanistan's prison system.

In partnership with the Department of Justice's International Criminal Investigative Training Assistance Program (DOJ/ICITAP), DoD established the Counternarcotics Development Unit (CDU) to coordinate the development of the CNPA in support of ISAF's police development mission. The CNPA continues to make progress and has become a reliable counterdrug law enforcement partner. Per the Defense Intelligence Agency, from January 1, 2013 through December 17, 2013, there were 2,297 Afghan-led operations resulted in the seizure

of 72,433 kilograms (kg) of opium, 11,962 kg of morphine, 6,203 kg of heroin, 31,647 kg of hashish, and 64,784 kg of chemicals.

DoD provides CN funding to support the Afghan SMW which provides aviation support to the DEA and Afghan CN law enforcement organizations and special operations forces. Due to the severe topography and security environment of Afghanistan, aviation support is a key enabler of interdiction operations that deny drug traffickers freedom of action in remote areas. This air mobility capability allows Afghan specialized CN units to conduct enforcement efforts with vastly greater degree of effectiveness and safety, in areas where it would be impractical to infiltrate by other means. With the drawdown of U.S. and coalition forces, we expect that air mobility will continue to be critical to maintaining CN law enforcement effectiveness.

The capabilities of the SMW aircrews have shown impressive development in the last year. As an example, the SMW supported an all-Afghan air and ground force tactical assault interdiction mission. Six Mi-17 helicopters with all-Afghan crews provided tactical insertion and extraction of a 74-man, National Interdiction Unit, all-Afghan ground assault force. The air mission was planned, briefed, and executed without the direct assistance of Coalition Air Advisors. The air mission supported the successful execution of a CN operation yielding the destruction of 1,500 kg opium, 500 kg hashish, and 25 kg heroin and the confiscation of 10 AK-47 assault rifles.

Effective border management plays a vital role in the future stability and prosperity of the Government of Afghanistan. Customs and other border management agencies help disrupt the

flow of illicit narcotics, weapons, and terrorists across international borders; collect taxes and tariffs; protect public health and cultural heritage; and facilitate licit trade and travel. DoD also supports the U.S. Embassy Kabul's Border Management Task Force (BMTF) that provides critical training to Afghan customs officials and improved border and customs infrastructure and equipment critical to enhancing their border security capacity. BMTF deploys 65 advisors to critical locations across Afghanistan including the Kabul International Airport. DoD supports the Department of Homeland Security's efforts focusing on mentoring, illicit finance, counter-improvised explosive device, and bulk cash smuggling.

DoD CN authorities enable DoD to provide significant analytical support to law enforcement agencies, integrating intelligence and law enforcement information for use in the investigation and prosecution of criminal networks. At the strategic level, DoD supports the JNAC, a joint U.S./UK initiative that provides strategic and operational-level decision-makers with analysis on the narcotics trade in Afghanistan and the surrounding region. The JNAC provides reach back support for intelligence and law enforcement organizations in Afghanistan and improved collaboration across a wide spectrum of counternarcotics partnerships. The JNAC is an effective model of interagency and international collaboration and partnership

At the operational level, DoD provides support to the law enforcement-led Interagency Operations Coordination Center (IOCC). The IOCC was established to deconflict and coordinate support for law enforcement counternarcotics activities in Afghanistan. The IOCC has become an important source of targeting information and drug trade analysis. At the tactical level, Combined Joint Interagency Task Force – Nexus (CJIATF-N) was established to provide

tactical support to military and law enforcement organizations to counter narcotics threats and corruption in partnership with host-nation forces. As U.S. and Coalition military forces transition from combat role, CJIATF-N will be discontinued and the IOCC will be reduced in size.

The Afghanistan Threat Finance Cell (ATFC) was established in 2008 to identify and disrupt sources of insurgent and terrorist funding in Afghanistan. This organization is co-led by DEA and DoD.

However, as the 2014 transition period proceeds, the composition of interagency leadership is likely to evolve. Pending final decisions on enduring U.S. missions beyond 2014, disrupting the financial links of the drug trade will remain critically important and will require intelligence support currently provided by ATFC. Currently the interagency is analyzing the possibility of integrating the ATFC into the IOCC for better coordination and collaboration. ~~We believe the ATFC should be integrated into the IOCC to enable better coordination and collaboration.~~

Central Asian states have repeatedly expressed their concern over narco-traffickers and extremist networks operating across their irregular borders and extreme mountainous terrain and welcome DoD assistance in confronting these challenges. Given these countries' systemic lack of training, maintenance, and standardization dating back to the Soviet era, DoD has provided modernized CN equipment, training, and facility investments. Working with DEA and other interagency partners, DoD has provided CN equipment and regional training in support to the Central Asian Regional Information Collection Center (CARICC) and is exploring further

interagency opportunities to support the border management efforts. Programs funded with host-nation resources have been modeled after U.S. programs and have helped modernize many other border crossing points. DoD efforts also provide additional leverage points for negotiating agreements to the Northern Distribution Network (NDN) in support of the war effort in Afghanistan. These efforts are often the most consistent or only reliable assistance the U.S. government can provide in a timely manner, and helps maintain diplomatic relationships in a region where influence is difficult to maintain.

Post-2014 Strategy

I am now turning to our Post-2014 Strategy, which was submitted to meet a requirement from the House Report to the National Defense Authorization Act for Fiscal Year 2014. Our Strategy prioritizes programs that disrupt, degrade, and dismantle illicit narcotics networks. DoD's primary focus remains sustaining and advancing Afghan CN capabilities while also continuing to work with Pakistani and Central Asian law enforcement agencies. The government of Afghanistan must be able to control narco-trafficking to advance the security of its population and allow room for licit economic growth. The drawdowns in U.S. and coalition military forces will likely lead to increased drug production and corresponding instability in Afghanistan and the region. The Strategy outlines three broad objectives: 1) to contain/reduce the flow of drugs from Afghanistan; 2) to disrupt and dismantle transnational criminal organizations; and 3) to reduce the flow of illicit proceeds that finance insurgent and terrorist activities globally.

90% of the world's heroin supply originates in Afghanistan, and approximately 40% of that supply makes its way through Pakistan and off the Makran Coast where it is conveyed by

maritime couriers. The illicit trafficking nexus to the Taliban and other nefarious organizations make it imperative to protect the CN investment in the region beyond 2014. An integral part of DoD's post-2014 strategy is the development of a regional intelligence fusion center. The regional center will help DoD retain the interagency and international collaboration that has been so effective for CN efforts in Afghanistan and the region. The regional center will help bridge seams of several combat commands and will provide reach-back capability, intelligence/operations fusion capabilities, regional CN support, and regional counter threat finance (CTF) support. The center will help fill the gap where space for personnel on the ground in Afghanistan is no longer available. The regional center would expand the current Operation Riptide to continue to leverage the capabilities of U.S. and international law enforcement and national intelligence agencies to facilitate interdictions, seizures, investigations, and prosecutions. Naval interdictions from Combined Maritime Forces in Bahrain, most notably seven seizures this year alone by Canada's HMCS TORONTO and the recent seizure by Australia's HMAS MELBOURNE, have proven the international community's ability to identify, track, board, and seize illicit cargo on the high seas. The regional center would leverage this capability by integrating interagency and international intelligence to facilitate law enforcement endgames throughout the region

In closing, DoD plans to continue its successful and effective partnership with the interagency and international partners to disrupt the sources of revenue for terrorists and insurgents, and reduce the corrosive, corruptive, and destabilizing impact of illicit narcotics. Our primary goal is to continue support and sustainment of Afghanistan's CN law enforcement institutions which have made tremendous progress over the course of Operation Enduring

Freedom. DoD also expects that the establishment of a regional center will help counter the threat of narco-trafficking by providing a coordinated platform for our law enforcement and international partners and greater visibility into the flow coming to the United States.

Thank you for the opportunity to talk about DoD's CN work in Afghanistan. I look forward to your questions and comments.