THE NATIONAL DRUG CONTROL BUDGET FOR FISCAL YEAR 2007

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY, AND HUMAN RESOURCES

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

FEBRUARY 16, 2006

Serial No. 109–168

Printed for the use of the Committee on Government Reform

Available via the World Wide Web: http://www.gpoaccess.gov/congress/index.html
http://www.house.gov/reform

U.S. GOVERNMENT PRINTING OFFICE

29–579 PDF WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
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THURSDAY, FEBRUARY 16, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY,
AND HUMAN RESOURCES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:03 p.m., in room 2154, Rayburn House Office Building, Hon. Mark Souder (chairman of the subcommittee) presiding.

Present: Representatives Souder, McHenry, Mica, Foxx, Cummings, Davis, and Norton.

Staff present: Marc Wheat, staff director and chief counsel; Nicholas Coleman and Dennis Kilcoyne, professional staff members and counsels; Malia Holst, clerk; Tony Haywood, minority counsel; and Teresa Coufal, minority assistant clerk.

Mr. SOUDER. The subcommittee will come to order. Good afternoon. Thank you for coming.

I should note at the beginning here how pleased we are that the President's personal commitment to roll back the scourge of drug abuse in this country is indicated by his four references to it in the State of the Union address. As he stated, we have seen a 19-percent decline in reported drug abuse among the Nation's high school students since he took office, and this can certainly be traced, to no small extent, to the drug control commitment of Congress and the President over years of diligent work.

Leading the administration's drug control effort is the Office of National Drug Control Policy [ONDCP]. Congress created this office to act as the President's principal advisor on drug control policy and program oversight and to lead the Nation's effort to combat the use, production, and distribution of illegal drugs and all their negative consequences.

However, we Members of Congress find ourselves growing increasingly alarmed with some of the proposals for drug control made by the President's appointees and sanctioned by ONDCP. The administration's just-released budget request for drug control has only fueled our fears.

To begin, we are deeply disturbed and surprised that the budget proposal categorizes drug control as a "non-Homeland Security" mission. This flatly contradicts the statute that established the Department of Homeland Security. Did the ONDCP see this coming? And did they fight it?

We just had another discussion in the Speaker's office about this potentially devastating change in budgeting because this could impact us far beyond in how we count the drug budget.

Next, what are we to make of the substantial reductions in assistance to State and local law enforcement agencies? The administration proposes the complete elimination of the Edward Byrne Memorial Justice Assistance Grant program, which sustains vital drug investigations at the State and local level. The President's appointees also seek the elimination of the Counterdrug Technology Assessment Center's [CTAC] Technology Transfer Program, which helps to develop cutting-edge technologies for State and local law enforcement. And they propose to set in motion a radical, yet mostly undefined restructuring of the High Intensity Drug Trafficking Areas [HIDTA] program into an apparently more Federalized, top-down program controlled by Washington.

At first glance, these proposals seem to simply reflect a proper concern with excessive Federal subsidization of local law enforcement. But while pursuing this national drug control strategy, can we forget that it is the State and local agencies that make 95 percent of all drug arrests and provide indispensable access to intelligence, investigative leads, and resources that Federal agencies simply must have? If the administration seeks to continue the positive trends in drug control, is this the time to be scaling back aid to and cooperation with State and local law enforcement?

We are especially puzzled, too, by the administration's lack of a strategy to combat the abuse of methamphetamine. Though we were encouraged by the administration's release of a Synthetic Drugs Action Plan in October 2004, followed by an interim report in April 2005, we are still waiting for a final report with concrete recommendations. Why is this? And why did the administration provide no help to Congress when it was considering the Combat Methamphetamine Epidemic Act that is now a part of the PATRIOT Act? In fact, the State Department tried to knock out critical parts of this bill, while the New York Times reported that the FDA was working behind the scenes to block it.

Why did the Department of Health and Human Services, even as Congress was drafting the anti-meth bill, provide money and personnel to a meth conference where a keynote address was entitled, "We Don't Need a 'War' on Methamphetamine?" And why, if stopping meth is a serious goal, is the administration attacking programs like the Byrne grants and HIDTA? Are we wrong to be dissatisfied? Shouldn't we expect a broader and more effective anti-meth strategy than that?

Next, we have serious questions about the administration's real commitment to drug use prevention programs. ONDCP's just-released "National Drug Control Strategy" again lists prevention—stopping abuse before it starts—as one of these pillars of drug control, together with treatment and enforcement. Yet the administration's budget requests even fewer dollars for prevention than last year.

For instance, the budget request calls for the outright elimination of the State grants portion of the Safe and Drug-Free Schools program, which is the largest prevention program we have. And we know that there have been problems with accountability

and performance measurement, but ONDCP has never proposed any reforms or even alternative programs. Why not fire the incumbent bureaucrats and reform the program rather than kill the program? Why throw the baby out with the bath water?

ONDCP did propose and implement serious and effective reforms to the National Youth Anti-Drug Media Campaign over the last few years. The recent reductions in student drug abuse vindicate those reforms. Yet every year, this administration has reduced its request for the campaign. This year, the administration is finally asking for $20 million more than Congress appropriated, but that only gets us back to where the campaign was 2 years ago. To be a truly effective national medica campaign, it must be national in scope. That requires more than just administrative reform; it requires adequate funding. Where are the dollars for that in this budget?

Other prevention programs—including the Drug-Free Communities program—are also flat-lined or cut in this budget. How can the administration claim prevention is one-third of its drug control strategy when prevention programs constitute merely one-tenth of its drug control budget? While the raw dollar amount is not the sole measure of commitment, when it gets that low, shouldn't we worry?

Perhaps the most alarming problem is in the area of transit zone interdiction assets. This is especially true of Maritime Patrol Aircraft [MPA]. Among these, the most important are the P–3 airplanes, which have high operational capabilities and a broad array of sensors used in detecting and tracking drug smugglers. These aircraft are old and need repair. The Defense Department has already pulled its P–3s from drug interdiction use, leaving only the Customs and Border Protection P–3s in the "transit zone." Those Customs and Border Protection airplanes won't be able to carry out this mission indefinitely without either an overhaul or a replacement aircraft.

So why, then, does the administration propose to terminate the service life extension program, mandated by Congress for the P–3s, and spend all of the CBP Air's procurement funds on the small helicopters for the Border Patrol? These helicopters may be fine for nabbing illegal immigrants, but how can they replace the P–3s over the open water in the Caribbean and the eastern Pacific?

In fact, the only MPA improvements we see in the proposed budget are for the Coast Guard's C–130's, which even the Coast Guard says cannot do the same job as the P–3s. In short, where is the plan to repair or replace the P–3s? Within a few years, won't we be blind at sea when trying to find the drug traffickers?

I have worked on the drug issue long enough to have witnessed what happens with drug abuse when the commitment to prevent it flags. This is the kind of effort that requires staying relentlessly on the offensive. This means no relaxing of our efforts when certain trends are positive and no passivity in the face of pressure to divert funds and assets to other priorities or agencies. In short, while we have seen some progress in recent years, we cannot help but be concerned that the progress we see may have plateaued on top of a disintegrating anti-drug infrastructure. Atrophy seems to be setting in, and when drug use begins to spike again, will the Federal

Government be able to punch back? Based on funding and leadership decisions being made today, how can we not be concerned?

These are serious questions that Congress needs to ask as it starts to work on the annual appropriations bills. I would like to thank ONDCP Director John Walters for joining us once again today to help answer these questions. I am looking forward to your testimony and to an extended discussion of drug control issues today.

[The prepared statement of Hon. Mark E. Souder follows:]

Opening Statement
Chairman Mark Souder

"Fiscal Year 2006 Drug Budget"

Subcommittee on Criminal Justice, Drug Policy and Human Resources
Committee on Government Reform

February 16, 2006

Good afternoon, and thank you all for coming. I should begin by noting how pleased we are with the President's personal commitment to roll back the scourge of drug abuse in this country, as indicated by his four references to it in the State of the Union address. As he stated, we have seen a 19% decline in reported drug abuse among the nation's high school students since he took office, and this can certainly be traced, to no small extent, to the drug control commitment of Congress and the President over years of diligent work.

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We are especially puzzled, too, by the Administration's lack of a strategy to combat the abuse of methamphetamines. Though we were encouraged by the Administration's release of a "Synthetic Drugs Action Plan" in October 2004—followed by an interim report in April 2005—we are still waiting for a final report with concrete recommendations. Why is this? And why did the Administration provide no help to Congress when it was considering the Combat Methamphetamine Epidemic Act that is now a part of the Patriot Act? In fact, the State Department tried to knock out critical parts of the bill, while the New York Times reported that the FDA was working behind the scenes to block it.

Why did the Department of Health and Human Services, even as Congress was drafting the anti-meth bill, provide money and personnel to a meth conference where a keynote address was entitled, "We Don't Need a 'War' on Methamphetamine?" And why, if stopping meth is a serious goal, is the Administration attacking programs like the Byrne grants and HIDTA? Are we wrong to be dissatisfied? Shouldn't we expect a broader and more effective anti-meth strategy than that?

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For instance, the budget request calls for the outright elimination of the state grants portion of the Safe and Drug-Free Schools program, which is the largest prevention program we have. We know there have been problems with accountability and performance measurement, but ONDCP has never proposed any reforms, or even an alternative program. Why not fire the incumbent bureaucrats and reform the program, rather than kill it? Why throw the baby out with the bath water?

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These are serious questions that Congress needs to ask as it starts work on the annual appropriations bills. I'd like to thank ONDCP Director John Walters for joining us once again, to help answer those questions. I'm looking forward to your testimony, and to an extended discussion of drug control issues today.

Mr. SOUDER. I would also like here in my opening statement to pay special tribute to Nick Coleman. Today is the last day that Nick will be on our staff. He has been counsel to the subcommittee. Monday morning he starts work as Assistant U.S. Attorney for the District of Columbia. Nick started working for the subcommittee in the summer of 2001, about a year and a half before Director Walters was confirmed as head of the White House Office of National Drug Control Policy. In his tenure for the subcommittee, he was responsible for a path-breaking report, "Federal Law Enforcement at the Borders and Ports of Entry: Challenges and Solutions," the first type of report like this that was ever done in Government Reform, and certainly out of our subcommittee. It is still used as an oversight checklist for making improvements on border security.

His legislative accomplishments include the reauthorization legislation for ONDCP in this Congress, which is finally starting to move, and the prior Congress, as well as the Combat Methamphetamine Epidemic Act, which we expect will become law next month as Congress comes back. It looks like it is going to move through the Senate this week as part of the PATRIOT Act reauthorization. Nick's advice and imaginative solutions to difficult problems have been a great help to me and my colleagues, and we are grateful for his nearly 5 years of service, and we all wish him well as he continues in a position of trust and public service.

Thank you very much.

Mr. Cummings.

Mr. CUMMINGS. Mr. Chairman, thank you very much. I want to start off by thanking Nick Coleman for his service. We who sit in the Congress so often are the ones who get our names written in the Washington Post and we are the ones on Fox and CNN. But it is people like Nick that make us look good. But, more importantly, it is people like Nick who provide us with the kind of information and thoughts and ideas to do the things that we do. And so it is interesting to note, Mr. Chairman, that he now moves on to another high calling, being as an attorney, I think one of the finest things and most important things an attorney can do is serve as an Assistant U.S. Attorney. A very important job, only the best of the best qualify, so I congratulate you and I thank you.

Mr. Chairman, thank you for holding today's hearing to examine the President's proposed drug budget for fiscal year 2007 and the 2006 National Drug Control Strategy. This hearing provides an important opportunity to hear from the Director of the National Drug Control Policy and the President's principal advisor on drug policy matters concerning the rationale behind the President's budgetary decisions in this very critical area.

As we speak, drug abuse remains the Nation's No. 1 health problem, and the destructive impact of drug use, addiction, and a violent illegal drug economy continues to be felt in neighborhoods and schools throughout our Nation.

Again, we face the prospect of more than 20,000 American lives being taken by illegal drugs. Over the past year, the explosive growth of methamphetamine has captured national attention as the destructive impact of this devastating drug takes its toll on abusers, families of abusers, the social fabric of communities where it is used and manufactured, the land and property destroyed by

clandestine meth labs, and the law enforcement and social service agencies forced to grapple with these consequences.

Meanwhile, in cities like my own of Baltimore, more traditional killers like heroin and crack cocaine continue to stifle potential, steal lives, and erode the quality of life for entire communities.

The President's 2006 strategy hails significant declines in overall drug use by youth, as reported by the University of Michigan's Monitoring the Future survey. This is very encouraging news for which the administration is entitled to accept some credit. But we need to consider this sliver of progress in context.

First of all, what the overall decrease reflects is a reduction in the use of marijuana, the most widely used drug of abuse among youth and adults. Use of other more harmful drugs by both youth and adults has remained constant and in some cases has increased. Looking at the bigger picture, the Substance Abuse and Mental Health Services Administration's National Survey on Drug Use and Health indicates that in the year 2004, an estimated 19.1 million Americans age 12 or older were current illicit drug users, meaning they had used an illicit drug during the month prior to the survey interview. This estimate represents 7.9 percent of the population age 12 years old or older. The overall rate of current illicit drug use among persons age 12 or older in 2004 was similar to the rate in 2003 and 2002.

Among young adults between the ages of 18 and 25, there were no changes in past month use of any drugs between 2003 and 2004, although there were slight declines between 2002 and 2004 for marijuana and hallucinogenics.

For adults age 26 and older, rates of lifetime, past year, and past month illicit drug use for adults age 26 or older were unchanged between 2003 and 2004. Clearly, more progress needs to be made, and our National Drug Control Strategy should focus squarely on making that progress.

We continue to be faced with a shameful gap between the number of people needing and seeking treatment and the number of people receiving treatment. SAMHSA tells us that in 2003 the estimated number of persons age 12 or older needing treatment for an alcohol or illicit drug problem was 22.2 million, 9.3 percent of our total population. An estimated 1.9 million of these people, 8.8 percent of the total population and 8.5 percent of the people who needed treatment, received treatment at a specialty facility. Thus, there were 20.3 million persons who needed but did not receive treatment at a specialty substance abuse facility in 2003.

As we approach the important task of ensuring that there is adequate Federal support for programs to reduce illegal drug use and the myriad social and economic problems that stem from it, I think it is safe to say that we again have our work cut out for us. Unfortunately, Mr. Chairman, the budget we are considering today does not make the task any easier.

The President last week presented to Congress a budget that continues a disappointing and accelerating trend toward decreased emphasis on domestic demand reduction and law enforcement efforts as compared to supply reduction efforts and beyond our borders. This is not what we were led to expect from this administration. It is what the drug czar assured us would not happen on his

watch when as a nominee he responded to the concerns about this commitment to demand reduction.

In 2002, President Bush issued his administration's first National Drug Control Strategy, citing it as a blueprint for a "balanced" approach to drug control. The three pillars of stopping drug use before it starts, healing America's drug users, and disrupting the market for illegal drugs were cast as co-equal elements of a comprehensive strategy that emphasized accountability and proven performance. The 2006 strategy repeats this mantra.

But looking back over the past several years, and especially since the President's re-election in 2004, the administration's use of the language "a balance" has taken on more the hollow ring of lip service than the tenor of conviction.

In fiscal year 2001, the Federal Government spent 47 percent and 53 percent for demand reduction and supply reduction, respectively. The President's request for fiscal year 2006 proposed just 39 percent for demand reduction and 61 percent for supply reduction. In the coming fiscal year, the President proposes to devote merely 35.5 percent to demand reduction and 64.5 percent to supply reduction.

If the President's budget is enacted, approximately 11 percent of the fiscal year 2007 drug budget will support prevention programs—a 2-percent decline from the fiscal year 2006 enacted level.

To make matters worse, it is not at all clear that the President's budget decisions have been driven by evidence of program effectiveness. Instead, it appears this administration simply has a pronounced and increasing bias in favor of fighting the drug war primarily through supply reduction efforts, and even highly effective domestic enforcement programs like the High Intensity Drug Trafficking Areas program are targeted for decreases, if not extinction.

The unfortunate reality is that the President's budget request will again force Congress to make some very difficult choices. Last year, Congress largely rejected the President's proposed decimation of the Safe and Drug-Free Schools State grants and Byrne Justice Assistance grants and COPS Meth Hot Spots as well as the vexing decision to cut HIDTA by more than half and move it to the Justice Department where it would face an uncertain future. But restoring funding for those programs meant cutting other programs, including the drug court program, which is one that I strongly support.

The administration's less than vigorous advocacy for ONDCP's National Youth Anti-Drug Media Campaign meant that program, too, lost funding, despite its supposedly strategic location in the Office of the Drug Czar.

Mr. Chairman, I think it is absolutely vital that we fortify and not diminish our commitment to expanding our children's exposure to effective drug prevention and education in school, in the community, and in the media. It is equally vital that we support initiatives to close the persistent treatment gaps that I described just a moment ago. We know from numerous studies that treatment is effective in reducing not just drug consumption but also associated joblessness, property crime violence, illness, and risky health behaviors—precisely the things that cause individual lives to crumble and the fabric of entire communities to unravel.

Regrettably, I have to say that I believe the President's efforts to date have focused more on expanding the range of providers who can provide treatment than on ensuring that treatment is available for all who need and seek it. The administration stresses the importance of consumer choice with its voucher initiative, but without access, there can be no choice other than to feed an untreated addiction.

It is apparent now that we have failed to provide sufficient support for programs that will bring the benefits of treatment to individuals and communities in need. When we consider that SAMHSA data shows no change between 2002 and 2004 in the number of persons classified as drug-dependent or in the percentage of the population receiving substance abuse treatment, I think we have to conclude that we need to do better. I regret to say that it is far from clear to me that the President's budget proposal puts us on a better course.

That said, today's hearing, Mr. Chairman, gives us an important opportunity to hear directly from the President's principal advisor for drug policy matters. It is important that we understand both the rationale and the ramifications of the President's budgetary decisions before determining whether to enact the President's drug control budget. The 2006 strategy for the first time claims that supply reduction efforts have forced the purity of South American cocaine to drop while the price has increased. If this is true and if the administration is correct in hailing this is the beginning of a long-term trend, then there may be something to be said for continuing our international counternarcotics investment, although not at the expense of reducing domestic demand. In any case, this is an important claim that we should examine closely and very carefully.

To close, Mr. Chairman, it will be up to the appropriators in the House and Senate to make the final decision on what drug programs are funded and at what level. But as members of the only subcommittee in the House with plenary oversight jurisdiction of the Federal drug control policy and agencies, we have an important role to play in making sure that the ramifications of the President's proposal are well understood.

I commend you for the proactive approach you have taken in leading this subcommittee in that effort, and I pledge to continue working with you on a bipartisan basis to help ensure our Nation's drug control policy adequately and effectively addresses the needs of this great Nation.

And with that, Mr. Chairman, I thank you and I yield back.

Mr. SOUDER. Congresswoman Foxx.

Ms. FOXX. Thank you, Mr. Chairman. I want to thank you for holding the hearing and for your strong dedication to reducing drug use in our country.

We are quite concerned with drug use, especially methamphetamine, in the 5th District in North Carolina, and I share the concerns you expressed in your opening statement. I look forward to learning more in this hearing and future meetings as to how we can effectively reduce the incidence of illegal drug use.

Thank you.

Mr. SOUDER. Thank you.

Mr. Davis.

Mr. DAVIS. Thank you very much, Mr. Chairman, and let me also express appreciation to you for holding this hearing. I also want to commend both you and Mr. Cummings for the tremendous leadership that you both provide in this direction.

Also, I was pleased to look at the priorities for the coming year relative to stopping drug use before it starts through education and community action, healing America's drug users by getting treatment resources where they are needed, and disrupting the market for illegal drugs by attacking the economic bases of the drug trade.

I am particularly interested in priority No. 2 as I have been engaged a great deal with the number of people who believe that if we could provide treatment for individuals when they need it, when they indicate that they are ready for it, when they are desirous of having it, that this is the most desirous and most effective form of treatment that there is. So I look forward as we continue to push for what I call treatment on demand, which really means that resources must be made available so that individuals don't have to go through long periods of waiting, so that there is not the unavailability of programs and beds.

I also want to commend you, Director, for the proactive stance that you have taken. I know that I have come into contact with you in many places throughout the country, and you are indeed carrying the message, and I look forward to this hearing and a very productive year of fighting the spread of drugs in our country and throughout the world.

Mr. SOUDER. Thank you.

Mr. Mica, do you have any opening statement?

Mr. MICA. Well, thank you, Mr. Chairman, and thank you for holding this hearing to review some of the proposals from the administration and the Director of the Office of Drug Control Policy.

I have reviewed a number of the proposed changes, and some of them sort of a continuation of trying to eliminate some of the bureaucracy, the duplication, the administrative costs and overhead in some of these programs, which I think is a very worthwhile endeavor by the Director. Sometimes these are not popular, and when you have done things for years in sort of a rote manner, everyone gets accustomed to them and a lot of feathers get ruffled and people have questions.

I do have some questions about some of the proposed changes. I think this will be a good opportunity to air them. I think the Director has done an outstanding job in finding new approaches, and many of them, as you could see just from the statistics, have been successful, and he is to be commended in that regard.

I continue to be concerned about our ability to change programs to deal with changing times and the changing new challenges that substance abuse unfortunately we find change from designer drugs—heroin, crack, meth—to whatever the next challenge is, and we have to stay ahead of that.

So I look forward to his testimony and his comments on the specifics he proposes.

I yield back the balance of my time.

Mr. SOUDER. Mr McHenry.

Mr. MCHENRY. Thank you, Mr. Chairman, for holding these hearings. I certainly appreciate it. And I appreciate the drug czar being here.

You know, I think the key from my district is early warning and detection of rising trends. That will help in combating the widespread use of drugs among certain populations and in certain regions and identify the new trends among drugs.

The meth epidemic has been one of the largest issues that I am dealing with in my district in western North Carolina, and the spread of meth from the West all the way to western North Carolina is a very large cause for concern both in terms of the health risks to society at large and to law enforcement agents that are trying to bust these meth labs, to the cost to communities, to the overall impact on the lives of those addicts. And so, you know, I think there are a number of pilot programs that you spoke about last year. I would like to hear the ongoing status of that, and I look forward to your comments on that, because we have an opportunity here to clamp down on this meth epidemic early. And we made huge blunders in the past, going to past decades, on new drugs that were created, and the Federal Government did not react fast enough, did not enable law enforcement to root out the growing epidemic; and instead of catching it at the beginning, we are now paying a price, an ongoing price, as a Government and as a people.

And so I certainly appreciate you being here. I look forward to your comments, and I appreciate your leadership and hard work to protect our families, our children, and our country.

Thank you.

Mr. SOUDER. Thank you.

I ask unanimous consent that all Members have 5 legislative days to submit written statements and questions for the hearing record and that any answers to written questions provided by the witness also be included in the record. Without objection, it is so ordered.

I also ask unanimous consent that all exhibits, documents, and other materials referred to by Members and the witnesses may be included in the hearing record and that all Members be permitted to revise and extend their remarks. Without objection, it is so ordered.

Our first and only panel today is composed of the Honorable John Walters, Director of the Office of National Drug Control Policy.

Director Walters, would you please stand for the oath?

[Witness sworn.]

Mr. SOUDER. Once again, thank you for coming today. I appreciate our ongoing dialog, this being the most formal part of the ongoing dialog, and I look forward to hearing your testimony.

STATEMENT OF HON. JOHN P. WALTERS, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. WALTERS. Thank you, Mr. Chairman, Ranking Member Cummings, Mr. Davis, Ms. Foxx, Mr. Mica, and Mr. McHenry. I appreciate your comments.

If there isn't any objection, I will ask that my prepared statement be put in the record, I will offer a brief summary, and then I will be happy to take your questions and touch on some of the subjects that you raised in opening comments.

I am obviously pleased to be before you today in support of the fiscal year 2007 national drug control budget and the 2006 strategy. I appreciate this committee's longstanding support for the President's National Drug Control Strategy, and I am pleased to report to you today that through our work together, we have seen a 19-percent reduction in teenage drug use since the year 2000. As you know, the way drug use, the way substance abuse of all types start in this country is with our kids. If we maintain reductions in that area, the path toward addiction will be less, and we are trying in this strategy to address both prevention and treatment, as I will touch on.

With Congress' support, the President's fiscal year 2007 drug budget and its key programs, such as the National Youth Anti-Drug Media Campaign and the Andean Counterdrug Initiative, the President's 5-year goal of reducing youth drug use 25 percent we believe can be accomplished. Again, my written testimony discusses many of these programs in detail. Let me just offer an overview of the budget and just several points.

The President's fiscal year 2007 budget provides significant resources for overall reductions in use. In total, the drug budget for the 2007 fiscal year is $12.7 billion, an increase of $109.1 million, or 1 percent, over fiscal year 2006 enacted. That is the enacted level of $12.5 billion.

In a time when we are trying to control domestic spending to maintain economic growth, where most of the programs are lodged is in domestic discretionary spending, as you know, in this budget we have increased our level and maintained effective programs, we believe, in the proposals that we have made.

The budget highlights I would concentrate on are programs that we know work in the budgets of the Departments of Health and Human Services, Education, Justice, and ONDCP.

The Department of Health and Human Services proposes $98.2 million for the Access to Recovery program, to level-fund that program but to extend its capability to help reform the treatment system to reach more people. I agree with Ranking Member Cummings. The problem we have is we need to reach more people, and part of that is not just when they want to come, but because we know that substance abuse involves a disease that includes denial, we need to help to reach them, and we have tried to have a number of efforts to do that as well.

This budget will also continue research on methamphetamine addiction by proposing $41.6 million in the National Institute on Drug Abuse to develop ways to better treat methamphetamine addiction.

We will be giving youth another way to say no to drugs as well. The Department of Education proposes $15 million for student drug testing, a $4.6 million increase over the fiscal year 2006 level. As this committee knows, this is a measure which cannot be used to punish, must be used to help get those who are found beginning their drug use to stop and to get those who have serious problems

with substance abuse the treatment they need in a confidential manner. It allows us to use the public health measures that have changed the face of childhood disease in many other dimensions and bring them to this disease.

According to a study done by the National Institute of Justice, within 1 year of drug court graduation, only 16.4 percent of drug court graduates have been rearrested or charged with a felony offense. We are proposing to increase that program. We are disappointed that Congress has not met the request for the last several years. We believe it is the right thing to do. Many jurisdictions do. Drug courts are growing dramatically. They need to grow more. The need is greater than the capacity here. It is an important adjunct to what we are doing on treatment and law enforcement.

At ONDCP, the budget, as was pointed out, proposes $120 million for the Youth Anti-Drug Media Campaign. It increases $21 million over the fiscal year 2006 funding level. Chairman Souder and this committee have been very supportive of the campaign, and I look forward to working with you that this year we make sure the campaign gets the money requested.

Funding for supply reduction in the Departments of Homeland Security, Justice, State, Treasury, and Defense will support operations targeted on the economic basis of the drug trade, domestic and international sources of illegal drugs, and trafficking groups to and within the United States. The drug control budget remains committed to our allies in the Western Hemisphere. The State Department proposes $721.5 million for the Andean Counterdrug Initiative. The State Department also proposes $297.4 million for providing Afghan counterdrug support. This is an increase of $151.7 million to assist Afghanistan by supporting drug enforcement and interdiction programs, public diplomacy, drug demand reduction, and drug control capacity building in their judicial sector.

Drug traffickers are finding new ways to bring products to our country, and we must also try to stop those. The Department of Homeland Security has announced the Secure Border Initiative. A part of that proposal, $152.4 million for Custom and Border Protection, will be a part of our drug control effort.

We have also made one change referred to in your opening remarks in the budget. We proposed the movement of the High Intensity Drug Trafficking Area program this year again to the Department of Justice. We have maintained funding at the base level of the program. The program remains as is, and recently the Attorney General and myself sent a letter to the chairman stating our intention to maintain the structure of the program as it currently exists. But, again, we believe it can be more effectively integrated into our overall law enforcement efforts by being in a law enforcement agency and better integrate, not denigrate, the cooperation between State and local law enforcement.

In conclusion, I would like to take an opportunity to do something we do not do enough in Government, and that is to thank the people who are our partners, who actually are the ones who do the work in this area. There are a few of them here today. I would like to recognize one who is not here, Judge Karen Freeman-Wilson, who is chief executive officer of the National Association of Drug Court Professionals. She had intended to be here but has been hos-

pitalized, and I am sure that all of our thoughts and prayers go for her quick recovery. But she has been a dynamic leader in helping to train and expand the reach of drug courts.

I would also like to recognize who is here: Carrie Garnett, executive director of the Drug-Free Community Coalition, One Voice for Volusia County. Carrie's coalition is also featured in this year's Drug Control Strategy; also, Dr. Jennifer Smith, Program Director for the Illinois Screening Brief Inventory and Referral to Treatment program; Christina Steffner, principal of Hackettown High School and a recipient of the student drug-testing grant; Charles Garland, Acting U.S. Interdiction Coordinator; and Roy Bostock of the Partnership for Drug-Free America. He wasn't able to make it today, but Kristi Rowe of PDFA is here with us, of course, our private sector partner in the Youth Anti-Drug Media Campaign.

These are a small number of the people and the people that they lead and work with who help fewer kids use drugs, help take those who are involved and get them back into a healthier life, and to take those who have suffered or those who wish to victimize others and stop them. I don't do that. Most of us in Washington don't do that. The best we can do is to be good partners in helping them do their job better, and I wanted to recognize them because they are the face behind the budget, behind the policy, behind the forces that are making this country safer and our children safer. On behalf of the many people they represent, I thought it would be important, and I am sure you join me in thanking them and recognizing that they are the backbone of where we are going to go from here. But we could not ask for better partners.

Thank you, Mr. Chairman. I will be happy to take questions.

[The prepared statement of Mr. Walters follows:]

Statement by John P. Walters
Director, Office of National Drug Control Policy

Before the House Committee on Government Reform
Subcommittee on Criminal Justice, Drug Policy and Human Resources

"National Drug Control Budget for Fiscal Year 2007"

February 16, 2006

Chairman Souder, Ranking Member Cummings, and distinguished Members of the Subcommittee: I am pleased to appear before you today in support of the President's Fiscal Year 2007 National Drug Control Budget. Before I proceed, I want to thank the Subcommittee for its strong bipartisan commitment to our shared national goal of reducing drug use in America, especially among our youth.

This month, we have updated the *National Drug Control Strategy*, detailing the President's plan to continue to reduce drug use in the United States. As part of the Subcommittee's oversight responsibilities, I've been invited to discuss the drug budget, review policies and programs for the coming fiscal year, and discuss my office's role in the development of these proposals. My remarks today will focus on these key points.

When President George W. Bush took office in 2001, drug use had risen to unacceptably high levels. Over the past decade, drug use by young people had nearly doubled, as measured by those who reported having used drugs in the past month: 11 percent of young people had used drugs in the past month in 1991, and 19 percent had done so in 2001. Indeed, in 2001, over half of all 12th graders in the United States had used an illicit drug at least once in their life before graduation.

Determined to fight this trend, the President set aggressive goals to reduce drug use in the United States, including reducing youth drug use by 10 percent in two years. In 2003, that goal was met and exceeded. According to the latest University of Michigan *Monitoring the Future* survey of youth drug use that was released in December 2005, overall teen drug use has declined significantly since the President took office. Current use of illicit drugs by 8th, 10th, and 12th graders combined has dropped 19 percent since 2001. This translates into nearly 700,000 fewer young people using illicit drugs.

This year's *National Drug Control Strategy* seeks to build on the progress that has been made by outlining an integrated plan aimed at achieving the President's goal of a 25 percent reduction in drug use over five years. Each pillar of the Strategy is crucial, and each sustains the others. The three components are:

Stopping Drug Use Before It Starts. This element of the Strategy focuses on the Administration's work to prevent the initiation of drug use. An integral part of this effort is the new "Above the Influence" initiative by the Office of National Drug Control Policy's (ONDCP) National Youth Anti-Drug Media Campaign and the Partnership for a Drug-Free America. This initiative, which consists of television advertisements and interactive web-based outreach, calls on young people to be true to themselves by remaining "above the influence."

Healing America's Drug Users. Key initiatives in this area include the President's Access to Recovery program, which expands treatment options, and drug courts, which seek to rehabilitate offenders with substance abuse problems.

Disrupting Drug Markets. This strategic priority emphasizes the Administration's work at home and abroad to disrupt the availability of illicit drugs, through source country efforts, interdiction programs, and investigative operations. We are attacking market vulnerabilities in the illegal drug trade and applying pressure to reduce profits and raise the risks of drug trafficking.

The President's 2007 Budget provides significant resources for reducing illegal drug use. For the information of the Subcommittee, I have included as part of my testimony (attached) a table highlighting drug control funding by agency and bureau, as these data were presented in the *Budget of the President*, released on February 6. The proposed funding levels support the three key priorities of the Strategy. In total, the 2007 National Drug Control Budget is $12.7 billion, an increase of $109.1 million (+1 percent) over the fiscal year 2006 enacted level of $12.5 billion.

Demand reduction programs supported by the Department of Health and Human Services will maintain support for innovative approaches targeting early intervention and drug treatment. The budgets of HHS, the Department of Education, the Department of Justice, and ONDCP also include funding to support important research, prevention, intervention, and treatment programs. Funding for supply reduction in the Departments of Homeland Security, Justice, State, and Defense will support operations targeting the economic basis of the drug trade, domestic and international sources of illegal drugs, and trafficking routes to and within the United States. The budget includes significant resources to aid counternarcotics efforts in Afghanistan, while following through in Colombia and the Andean region.

I. Stopping Use Before It Starts: Education and Community Action

When President Bush took office, he set out a bold agenda to counter unacceptably high levels of drug use, and the Nation is seeing results: drug use is down, particularly by young people. At the heart of the Administration's success is a change in perceptions about using illicit substances. In his 2006 State of the Union Address, the President highlighted what he called a "revolution of conscience" in which young people find that personal responsibility and a life of fulfillment go hand in hand. ONDCP's drug policies have focused on effecting this change through education

programs and outreach activities that are backed up by scientific studies, and have worked to spread the word that illicit substance use can be harmful to a person's health and well being, as well as a detriment to society as a whole. Falling levels of drug use are evidence that the efforts by this Administration, Congress, and communities across the Nation are working to change the culture of acceptance towards drug use. In addition to working to prevent the onset of drug use, the *National Drug Control Strategy* has made healing drug users a priority – a testament to the fact that America is the land of second chances.

The greatest pressure on young people to start using drugs does not come from drug pushers but from their peers. It is, therefore, important to continue to educate young people about the dangers of drug use and build a cultural norm that views illicit drug use as unacceptable. This culture, and the attitudes that support it, works as a bulwark against the spread of drug use.

Media Campaign

There are many types of prevention programs, and the Strategy discusses several—including community-based programs and school-based programs, as well as student drug testing. In addition to these important efforts, ONDCP's own National Youth Anti-Drug Media Campaign is leading our efforts to reduce youth drug use. The Media Campaign is an integrated effort that combines advertising with public communications outreach. It has drawn on the strengths of each of these fields, developing in the process a series of advertisements that aim to change youth attitudes about drug use, encourage parents to monitor teen behavior, and promote early intervention against the first signs of drug use.

ONDCP's Media Campaign recently launched a new advertising and online campaign for teens aged 14–16. "Above the Influence" challenges teens to live above the negative pressures in their lives, and encourages youth to resist drug use by rejecting negative influences, empowering them to make positive choices. The "Above the Influence" campaign speaks directly to the aspirations of teenagers, and delivers a powerful message that squarely addresses the social context that leads to harmful decisions, such as drug use. A teen who is "Above the Influence" recognizes the risks of negative influences and is determined to live above them.

The President's 2007 Budget proposes $120 million for the Media Campaign, an increase from FY 2006's enacted level but the same as the FY 2006 request. We believe continued erosion in the ability for the Media Campaign to reach its target audiences due to budget cuts could well result in a major loss of the momentum we have achieved over the past four years and therefore a resulting rebound in youth drug use.

Drug Testing

Promoting a culture that supports healthy, drug-free choices also requires providing disincentives to using drugs. Screening for drugs is an important way to send the message that drug use is unacceptable—in the workplace, in schools, or as a condition for student participation in extracurricular activities. Screening for drug use gives young people an "out" to say no to drugs.

If they want to play on the volleyball team and know that they will be tested as members of the team, they can cite their desire to play as a reason not to use drugs when pressured by a peer.

Many schools across the country have instituted student drug testing as a way to maintain drug-free schools and ensure that students who use drugs get the help they need. In his 2004 State of the Union Address, President Bush announced a new initiative to support communities that want to include drug screening as part of their efforts to maintain drug-free schools. Implementing a student drug testing program is optional—communities must apply for the grants, which are not tied in any way to other Federal education funding. Furthermore, testing cannot result in referral to law enforcement agencies or adversely affect the student's progress in academic programs. Instead, student drug testing programs are designed to help students make healthy choices and provide support for those who may have become addicted to illicit drugs. In further support of this important prevention tool, the President's Budget requests $15 million for student drug testing grants in 2007, an increase of $4.6 million over the 2006 enacted level.

Community Coalitions

States and local organizations are in the best position to identify the challenges they face and to take action to overcome them. Indeed, communities across the country have formed community anti-drug coalitions that coordinate prevention and intervention efforts. These coalitions bring together community leaders and professionals in health care, law enforcement, and education to provide local, grassroots solutions to the challenges drug and alcohol abuse pose to their neighborhoods. Coalitions work to develop a model for all sectors to work together to change community norms and send the same no-use messages to young people. The Administration supports the efforts of many of these coalitions by providing $79.2 million in the President's 2007 Budget through the Drug-Free Communities (DFC) program. Currently, there are over 700 funded DFC coalitions, which exist in every state and form the backbone of the Nation's community prevention system. Under this program, each grantee receives up to $100,000 annually for up to five years to develop a comprehensive plan to address substance abuse problems at the local level.

II. Healing America's Drug Users

Despite our best prevention efforts, some people will choose to begin using drugs, and many of them will become addicted. To address this, the Administration has made intervention and treatment a priority. As many as 19.1 million Americans have used at least one illicit substance in the past month and 7.3 million are abusive of, or dependent upon, illegal drugs. Intervention and treatment are therefore key components to the President's drug control strategy to reach these populations. Both aim to accomplish two important goals: stem the use of illicit drugs and provide help to those whose use has become problematic.

Access to Recovery

Empowering individuals by allowing them to choose among various drug treatment programs is a goal of President Bush's Access to Recovery (ATR) initiative. This initiative recognizes that everyone's path to recovery is unique and enables drug dependent individuals to tailor their treatment program by offering them treatment vouchers which can be exchanged for services at a variety of providers. Access to Recovery expands the choices to include faith-based providers, because a person's faith can play an important role in the healing process. The President's program is now in 14 states and one tribal organization. To continue this vital program in 2007, the President's Budget requests $98.2 million; including $70.5 million for including a voucher incentive program and $24.8 million for a new ATR-methamphetamine initiative.

Expanding Choice through the Substance Abuse Block Grant

For those who have become drug abusive or dependent, the Administration is working to expand treatment options across the country. As part of the President's efforts to expand choice in Federal assistance programs, the Administration will offer incentives, through the Access to Recovery program, to encourage states to provide a wider array of innovative treatment options by voluntarily using a portion of their Substance Abuse Block Grant funds for drug-treatment and recovery support service vouchers. Building on the successful model of the President's Access to Recovery program, distribution of block grant funds through a voucher system will promote innovative drug and alcohol treatment and recovery programs, provide a wider array of treatment and recovery provider options, and introduce greater accountability and flexibility into the system.

Drug Courts

An important program to help drug users who have been involved in crime is the use of drug courts. Drug courts are an innovative approach to helping drug offenders achieve a drug and crime free life. Drug courts use the power of the courts and the support of family, friends, and counselors to bring people to the path of recovery and to help them achieve drug free lives. This mix of incentives and sanctions has been found to be effective at reducing drug use and recidivism, and is a remarkable example of a public health approach linked to a public safety strategy. The benefits for those who are arrested on drug charges and referred to a drug court is the possibility of avoiding prison entirely, and possibly having his or her arrest record expunged after successful completion of the drug court program. While some drug court programs divert offenders away from the criminal justice system and into treatment, drug courts in no way release offenders from being accountable. The best drug courts will demand the type of rigorous personal accountability from drug abusers that may not be available in a prison environment, by, for instance, requiring frequent treatment sessions, regular public hearings, and, of course, frequent mandatory drug testing. Data shows that within the first year of release, 43.5 percent of drug offenders are rearrested, whereas only 16.4 percent of drug court graduates are rearrested. To support and broaden this initiative, the Administration recommends a funding level of $69.2 million for the drug court program in 2007. This represents an increase of $59.3 million over the

2006 enacted level. This enhancement will increase the scope and quality of drug court services with the goal of improving retention in, and successful completion of, drug court programs.

Screening and Intervening

The Administration is committed to expanding intervention programs and increasing the options for treatment. Intervention programs focus on users who are on the verge of developing serious problems. This emphasis is cost effective and limits the spread of drug use by individuals who are in the early stages of use before the negative effects of continued use and addiction develop.

A key priority of this Administration has been to make drug screening and intervention programs part of the Nation's existing network of health, education, law enforcement, and counseling providers. This requires training professionals to screen for drug use, identify users, and refer the users for treatment. The Department of Health and Human Services offers grants through the Screening, Brief Intervention, Referral and Treatment (SBIRT) program to states, territories, and tribal organizations to provide effective early identification and interventions in general medical settings (e.g., community health centers, emergency departments, trauma centers) for person whoa re non-dependent substance users. As part of the 2007 Budget, $31.2 million is requested for this important initiative.

SBIRT programs vary widely, and the Administration is evaluating each to identify best practices that can then be replicated. In one program, new students in a local community college must fill out a survey before opening their school email accounts. The interactive survey takes them through a line of questioning that helps them identify potential substance abuse problems. Students who may have a problem are referred to counselors who can do a more thorough in person evaluation. This program is based on a body of research showing that by simply asking questions regarding unhealthy behaviors and conducting brief interventions, patients are more likely to avoid the behavior in the future and seek help if they believe they have a problem.

III. Disrupting Drug Markets

The policies and programs of the *National Drug Control Strategy* are guided by the fundamental insight that the illegal drug trade is a market, and both users and traffickers are affected by market dynamics. By disrupting this market, the U.S. Government seeks to undermine the ability of drug suppliers to meet, expand, and profit from drug demand. Drug control programs focused on market disruption attempt to reduce the profits and raise the risks involved in drug trafficking. The desired result is a reduced incentive for traffickers or would-be traffickers to enter or remain in the illicit trade. Moreover, these programs generate and exacerbate the challenges involved in the drug trade by forcing traffickers to modify their practices, identify new accomplices, and choose new methods of operation that increase the cost, risk, and complexity of smuggling drugs. The U.S. Government and its international partners focus on eradicating drug crops, interdicting drug production and movement, and attacking drug-trafficking organizations and their financial facilitators with support from critical information and intelligence activities.

Colombia and the Andes

The Andean Ridge is the sole supplier of the world's cocaine and a major provider of the heroin consumed in the United States. Although Colombia is the predominant source of both illicit drugs, any plan targeting cocaine and heroin production must consider the latent capacity within Bolivia and Peru. Drug production and trafficking in Ecuador and Venezuela must also be considered. The Administration's Andean Counterdrug Initiative (ACI) addresses all of these concerns and is yielding promising results. President Uribe and the Government of Colombia are firmly committed to countering the threat that drug trafficking poses to Colombia, the Western Hemisphere, and the world. Colombia and the United States are solid partners in a combined strategy of eradication, interdiction, and organizational attack. The President's Budget requests $721.5 million to continue ACI in 2007.

In 2004, Colombia sprayed more than 131,000 hectares of coca and manually eradicated another 10,279 hectares. The Government of Colombia reported spraying more than 138,000 hectares of coca and manually eradicating more than 31,000 hectares in 2005. These efforts have reduced cultivation by one-third since 2001 and have reduced potential pure cocaine production from 700 metric tons in 2001 to 430 metric tons in 2004. The attack on opium poppy has been just as relentless. In the past two years, Colombia has sprayed 4,660 hectares of poppy and manually eradicated another 1,700. Poppy cultivation has decreased by two-thirds since 2001, and potential heroin production decreased to 3.8 metric tons from 11.4 metric tons in 2001.

The United States and Colombia must work to secure and extend the success of the Andean Counterdrug Initiative and Plan Colombia by aggressively countering trafficker responses to the success of ongoing eradication, interdiction, and organizational attack programs. Increased aerial eradication capability is necessary to attack replanting efforts more swiftly. Additional focus must be placed on identifying new cultivation of coca and opium poppy, particularly in more remote areas. The United States also will support Colombia in coordinated efforts to increase interdiction pressure against drug-movement corridors within Colombia and to target the most vulnerable segments of the Colombian supply chain through organizational attack. Furthermore, the United States must continue its support and assistance to democracy and rule of law programs in Colombia as part of our comprehensive effort to stem the flow of drugs to this country.

The election of President Evo Morales in Bolivia presents challenges to US counternarcotics policy in that country. President Morales has said that his strategy is zero cocaine but not zero coca. This proclamation notwithstanding, our analysis indicates that most of the coca leaf cultivated in Bolivia, to include the licit crop, is converted into cocaine base. Therefore, any loosening of the restrictions on coca cultivation will likely result in increased cocaine production. President Morales mentioned that there would be no free cultivation of coca leaf, and backed these words up by restarting eradication shortly after his ascension to the presidency. Unfortunately, after protests and threats from radical cocaleros, eradication was halted on January 31, 2006 and has made only halting progress since then. The Bolivian president has also

expressed concern with the military's participation in eradication operations and has talked of removing them from the process. This would further undermine containment, as their experience and equipment make them mission-essential to any and all eradication efforts. President Morales' political base may also cause difficulties and impair his ability to effectively carry out counternarcotics policy in Bolivia. We are monitoring these developments and working closely with the Department of State to bring to bear whatever influence we can to minimize the degree to which President Morales' policies undermine recent counterdrug successes.

Peru and Bolivia remain the second and third largest producers of cocaine, with Peru producing 165 metric tons and Bolivia some 70 metric tons of pure cocaine in 2005. The United States has been and, to the extent possible, intends to continue working with these two countries in eventually reducing their illicit coca cultivation to negligible amounts, while creating an inhospitable environment for those considering reentry into cultivation, cocaine production, and transportation of the illicit product.

Mexico and the Southwest Border

The harsh climate, vast geography, and sparse population of the American Southwest have long challenged law enforcement along the roughly 2,000-mile border with Mexico. In addition to the 33 legitimate crossing points, the border includes hundreds of miles of open desert, rugged mountains, and the Rio Grande River, providing an ideal environment for cross-border criminal activity. Most illicit drugs that enter the United States are smuggled across the U.S.-Mexican border, which drug traffickers exploit in two directions, smuggling drugs from Mexico into the United States and moving billions of dollars in illicit drug profits from the United States back into Mexico. Because the U.S. Government's counterdrug, counterterror, and immigration enforcement missions are interrelated, improved counterdrug efforts also will enhance border security. In February 2005, the Homeland Security Advisor directed the development of a strategy to address the drug threat to the Southwest Border. Interagency efforts are culminating in a coordinated *National Southwest Border Counternarcotics Strategy* that will identify key strategic objectives and provide specific recommendations to address the illicit narcotics threat and significantly improve overall interdiction efforts along the Southwest Border. In support of these efforts, the President's 2007 Budget includes new drug-related resources for Customs and Border Protection of over $152 million.

Most illicit drugs that enter the United States are smuggled across the U.S.-Mexican border. During the presidency of Vicente Fox, Mexico has demonstrated its commitment to countering the drug threat through its large-scale opium poppy and marijuana eradication programs. The Mexican Army and the Attorney General's Office conduct eradication operations, and these programs consistently eradicate at least 80 percent of the opium poppy and marijuana cultivated each year.

This commitment to effective eradication is clearly reflected in its impact on Mexican opium poppy cultivation. In 2004, Mexico eradicated nearly 16,000 hectares of opium poppy, causing cultivation to drop 27 percent, from 4,800 hectares in 2003 to 3,500 hectares in 2004. Potential

heroin production in Mexico fell by 25 percent over the same period, down from 12 metric tons in 2003 to 9 metric tons in 2004. Mexico's commitment to eradication has also reduced the country's marijuana cultivation. As a result of the eradication of 29,606 hectares of marijuana in 2004, marijuana cultivation fell 23 percent, from 7,500 hectares in 2003 to 5,800 hectares in 2004. Marijuana potential production, although still high by historical standards, fell from 13,400 metric tons in 2003 to an estimated 10,400 metric tons in 2004. As of November 2005, the Mexican Government reported that it had eradicated 30,883 hectares. The impact of these eradication efforts is amplified by the roughly 2,000 additional metric tons of marijuana that Mexico seizes annually.

The Fox Administration still faces significant challenges. Mexican trafficking organizations have generated unprecedented violence, especially in border cities. Although Mexico has attempted an array of initiatives, it has yet to extradite a major active drug trafficker to the United States. To help overcome these challenges, the United States and Mexico will continue to work to address our shared problem with drug production and trafficking.

Methamphetamine and Other Synthetics

Since the early 1990s, and especially over the last few years, the use of synthetic drugs, such as methamphetamine and certain prescription drugs, has become a severe and troubling problem, both at the national level and in affected communities. The most devastating of these synthetic drugs has been methamphetamine, but in some areas, so-called "club drugs" such as Ecstasy have also become a major concern. The abuse of prescription drugs, particularly narcotic pain relievers, has become the second most prevalent form of drug abuse.

In response to these developments, in October 2004 the Federal government released the *National Synthetic Drugs Action Plan*, the first comprehensive national plan to address the problems of synthetic and pharmaceutical drug trafficking and abuse. The *Action Plan* outlined current Federal and state efforts in the areas of prevention, treatment, regulation, and law enforcement and made concrete recommendations for enhancing government efforts to reduce synthetic drug abuse.

In the past decade and a half, methamphetamine use and its attendant negative consequences have gradually spread eastward across the United States. Between 1992 and 2002, the treatment admission rate for methamphetamine/amphetamine has increased from 10 to 52 admissions per 100,000 population aged 12 or older (an increase of over 500 percent). Additionally, between 2000 and 2004, the positive drug-testing rates among the general U.S. workforce for methamphetamine/amphetamine increased from 0.25 percent to 0.52 percent of all tests (an increase of more than 100 percent). Although the spread of methamphetamine use is troubling, there is a significant bright spot in youth use rates since the President took office. Methamphetamine use rates have dropped by almost one-third among 8th, 10th and 12th graders since 2001.

In response to the increased threat from methamphetamine, U.S. law enforcement agencies have increased their efforts to stem the flow of methamphetamine and the precursors that are used to produce it, both domestically and working with our international partners. States have also taken action. Within the past year, 35 states have passed legislation to impose new regulations on the retail sale of the methamphetamine precursor pseudoephedrine. Since the challenges vary from state to state, these restrictions vary by state in their severity and content. States with the strictest pseudoephedrine laws have seen significant reductions in the seizure of small toxic labs.

Federal efforts have also had a dramatic effect on the fight against methamphetamine. The High Intensity Drug Trafficking Area (HIDTA) program has 96 initiatives that are specifically focused on methamphetamine—the largest number of initiatives focused on any single drug. Further, the President's 2007 Budget includes $40.1 million for Meth lab clean-up, an increase of $20.3 million over the 2006 enacted level. In addition, DEA has taken steps to counter the methamphetamine threat. DEA conducted *Operation Wildfire*, a sweep operation conducted with state and local law enforcement partners in more than 200 cities across the United States that resulted in 427 arrests and the seizure of more than 208 pounds of methamphetamine.

Although a great deal of law enforcement resources have been dedicated to fighting the spread of methamphetamine domestically, much of the success in disrupting the methamphetamine market will continue to rely on our ability to work with other countries to reduce the flow of methamphetamine and its precursors – principally pseudoephedrine and ephedrine – into the United States. In addition to working on this issue with our neighbors, Mexico and Canada, the United States continues to work with the primary producing and exporting countries for bulk ephedrine and pseudoephedrine—China, Germany, and India. Through these international efforts, we are continuing to make progress.

Transit Zone Interdiction

The 2007 Budget includes over $3.1 billion for drug-related interdiction activities, including enforcement at and between our ports-of-entry and, importantly, in the Transit Zone between the United States and South America. This Transit Zone funding in no way signals any deviation from our Source Zone concentration of efforts and support. With the close cooperation of the Departments of Homeland Security, Defense, and Justice, Transit Zone interdiction accounted for the removal of hundreds of tons of cocaine from the market in 2005. Large seizures denied traffickers significant profits from selling bulk quantities of cocaine. They also prevented millions of dollars in illegal proceeds from returning to Colombia.

For the third straight year, joint service, interagency, and multi-national forces in the Transit Zone, under the able coordination of the Joint Interagency Task Force (JIATF) South, seized and disrupted a record amount of cocaine. Transit Zone seizures and disruptions in 2005 amounted to 254 metric tons, compared to 219 metric tons in 2004 and 176 metric tons in 2003. In 2005, JIATF-South air and maritime assets interdicted an impressive 66 go-fasts and 49 fishing vessels loaded with cocaine. During August 2005 alone, JIATF-South removed 45 metric tons of

cocaine destined for U.S. markets, stopping seven smuggler go-fasts, a similar number of trafficker fishing vessels, and two motor vessels.

Key to these successes is the collection and dissemination of actionable intelligence regarding maritime cocaine shipments. *Operation Panama Express*, an Organized Crime Drug Enforcement Task Force (OCDETF) initiative managed jointly by FBI, DEA, ICE, U.S. Coast Guard and JIATF-South, has greatly expanded interdiction-related intelligence. Since its inception in February 2000, *Operation Panama Express* has directly contributed to the seizure of more than 392 tons of cocaine and the arrest of more than 1,000 individuals. The President's 2007 Budget includes an increase of $5.3 million for DEA's *Operation Panama Express* activities to enhance this important program.

JIATF-South, which integrates the interdiction efforts of U.S. law enforcement and intelligence agencies with the Department of Defense, was a model of interagency coordination and efficiency in 2005. Of particular significance is JIATF-South's close working relationship with numerous allied countries—11 countries from South America and Europe have liaison officers at JIATF-South—which is critical for the synchronization of regional operations. As a result, allies such as the United Kingdom, the Netherlands, Spain, and France also seized record-breaking amounts of European-bound cocaine in the Eastern Caribbean and the Atlantic Ocean in 2005 – 68 metric tons of cocaine, compared to 38 metric tons in 2004.

Record seizures are hurting traffickers, eroding their profits, and destabilizing the transportation sector of the cocaine industry. However, as long as fishing-vessel and speedboat drug deliveries are still getting past our defenses in the Transit Zone, more work has to be done. As the traffickers modify their strategy, we will continue to adapt and forge new initiatives that will have an even greater impact on the illicit drug market.

Afghanistan

The United States is working to ensure that Afghanistan is never again a haven for terrorists and is no longer a major opium-producing country, or a source of instability or oppression. The production and trafficking of narcotics in Afghanistan is a threat to the stability of both Afghanistan and the surrounding region. Recent estimates from the United Nations Office on Drugs and Crime indicate that 87 percent of the world's illegal opiates are produced in Afghanistan. In addition to all the other nefarious and debilitating consequences of opium poppy cultivation in Afghanistan, robust drug production contributes to an environment of corruption and political and economic instability that can foster insurgent and terrorist organizations, thus threatening the democratically elected Afghan Government. The continued support of counternarcotics efforts must remain an important part of overall U.S. policy in Afghanistan.

The strategy for attacking the economic basis of the drug trade in Afghanistan reinforces other priorities in the U.S. Global War on Terror. We are committed to a counternarcotics strategy that aims to enhance stability in this fledgling democracy by attacking a source of financial and political support for terrorist organizations that threaten the United States and our allies. Our

strategic objectives are to (1) build Afghan institutional capacity to sustain the battle against narcotics; (2) assist Afghan authorities to arrest, prosecute, and punish drug traffickers and corrupt Afghan officials; (3) increase the risk and provide economic alternatives to the illegal narcotics trade; and (4) support Afghan Government efforts to make the narcotics trade culturally unacceptable. Eliminating the entrenched drug trade and drug-funded corruption requires a long-term and sustained effort, to which Afghanistan President Hamid Karzai has pledged his complete support and commitment. To further these objectives in 2007, the budget of the Bureau of International Narcotics and Law Enforcement includes $297.4 million to assist counternarcotic programs in Afghanistan. This is an increase in counternarcotics funding of $151.7 million over 2006.

Opium poppy cultivation in Afghanistan fell 48 percent from 2004 levels to 107,000 hectares in 2005. Potential opium production was estimated at 4,475 metric tons, a 10 percent decrease from 2004. The decrease in potential opium production was lower than the decrease in opium poppy cultivation because exceptionally good precipitation and minimal disease problems contributed to a rebound in opium yields. If the entire opium crop were processed, production results would equate to a potential 526 metric tons of heroin. To date, notable progress has been achieved in Afghanistan. Cultivation levels appear to have declined in 2005, primarily due to decisions by farmers to grow less poppy, rather than through substantial eradication programs. Although we are encouraged by the decline in poppy cultivation in 2005, we remain vigilant and determined to rid Afghanistan of the scourge of the opium trade. The overall scope of the drug threat in Afghanistan remains unacceptably high. Building on these results will continue to require enormous political and administrative efforts, and we look forward to working with the Government of Afghanistan to strengthen its ability to combat this dangerous threat.

Reducing Prescription Drug Abuse

The rise in the non-medical use of prescription drugs listed as controlled substances has created a new challenge not only for traditional organizations involved in reducing drug use (e.g., law enforcement, treatment providers, and prevention specialists) but also for the medical and pharmaceutical community.

The Administration's strategy in this area focuses on preventing diversion and getting user into treatment were necessary. For example, one of the successful programs at the state level is the Prescription Drug Monitoring Program (PDMP), which helps alert doctors, pharmacists, and, when appropriate, law enforcement to potential abuse of medicines. As of October 2005, a total of 27 states have operational PDMPs or are in the process of implementing them. To give a specific example of where PDMPs can help, an individual struggling with an addiction to Vicodin might go to five doctors to complain of back pain and receive five separate prescriptions for the drug, which could then be filled at five separate pharmacies. States with PDMPs help prevent doctors and pharmacists from becoming unwitting accessories to the abuse of these prescription drugs by showing information on other prescriptions given to, or filled by, the individual within the preceding weeks or months. To further strengthen this successful initiative,

the President's 2007 Budget includes $9.9 million to support prescription drug monitoring programs, an increase of $2.5 million over 2006.

Another source of prescription drug abuse is the Internet, which is populated with thousands of sites that offer controlled substance prescriptions. Some Internet pharmacies operate within the law and accepted medical practice, providing a valuable service to consumers with a legitimate medical need for prescription drugs. However, the DEA has investigated cases where unscrupulous doctors have operated "pill mills" that essentially sell prescriptions or drugs after cursory or non-existent medical examinations, sometimes making use of pharmaceuticals that have been smuggled into the United States. In response to this challenge, the DEA will continue to work closely with the FDA to identify, investigate, and target online pharmacies operating outside the bounds of the law.

IV. Significant Program Changes and Realignments

In addition to the initiatives already highlighted, the 2007 Budget proposes several significant program changes or realignments to the national drug control program. Among the more consequential of these changes are those to the Safe and Drug-Free Schools program, the High Intensity Drug Trafficking Area program, and the Counterdrug Technology Assessment Center.

Safe and Drug-Free Schools and Communities (SDFSC)

The President's FY 2007 Budget proposes to terminate funding for SDFSC State Grants, given the program's inability to demonstrate effectiveness and because grant funds are spread too thinly to support high-quality interventions. Instead, the request includes significant increases for SDFSC National Programs activities that provide direct support to local educational agencies, in sufficient amounts to make a real difference. The Department of Education's SDFSC National Program proposal will support drug prevention and school safety projects that are structured in a manner that permits grantees and independent evaluators to measure progress, hold projects accountable, and determine which interventions are most effective.

High Intensity Drug Trafficking Areas (HIDTA)

For 2007, the Budget proposes transferring the High-Intensity Drug Trafficking Area (HIDTA) program, operated by the Office of National Drug Control Policy, to the Department of Justice, to ensure better coordination with the Organized Crime and Drug Enforcement Task Force (OCDETF) and the Department's many drug enforcement efforts. DOJ's management and oversight of the program will ensure that we are fully utilizing all resources and programs to their fullest potential to achieve our common goal of market disruption for illegal drugs; while at the same time preserving the program's worthy elements such as intelligence sharing and fostering multi-agency and multi-jurisdictional law enforcement coordination among Federal, state, and local agencies and officials.

DOJ will make certain the HIDTA program plays a key role in our Nation's drug enforcement efforts, particularly those involving coordination with state and local departments, in a manner that complements the activities of other existing programs, like OCDETF, and of individual agencies, involved in drug enforcement. The 2007 Budget proposes $207.6 million for HIDTA as a separate activity within DOJ.

Counterdrug Technology Assessment Center (CTAC)

In 2007, the President's Budget proposes a significant restructuring of ONDCP's CTAC program. In 2006, CTAC was funded at $29.7 million—$15.8 million for the Technology Transfer Program (TTP) and $13.9 million for research. In 2007, the TPP program would be eliminated, although research funding would continue at $9.6 million.

V. Conclusion

The Administration looks forward to working with this Subcommittee and the entire Congress to implement the policies and programs called for in the President's Fiscal Year 2007 Budget. What we are proposing will yield continued success. Together with Congress, we can achieve yet greater progress in reducing illegal drug use, particularly among our youth, and make our streets and neighborhoods safer by further limiting drug availability across the country. Thank you again for the opportunity to appear before you today in support of the President's Fiscal Year 2007 National Drug Control Budget. I would be pleased to respond to any questions the Subcommittee may have.

Attachment: Drug Control Funding
FY 2005–FY 2007
(Budget Authority in Millions)

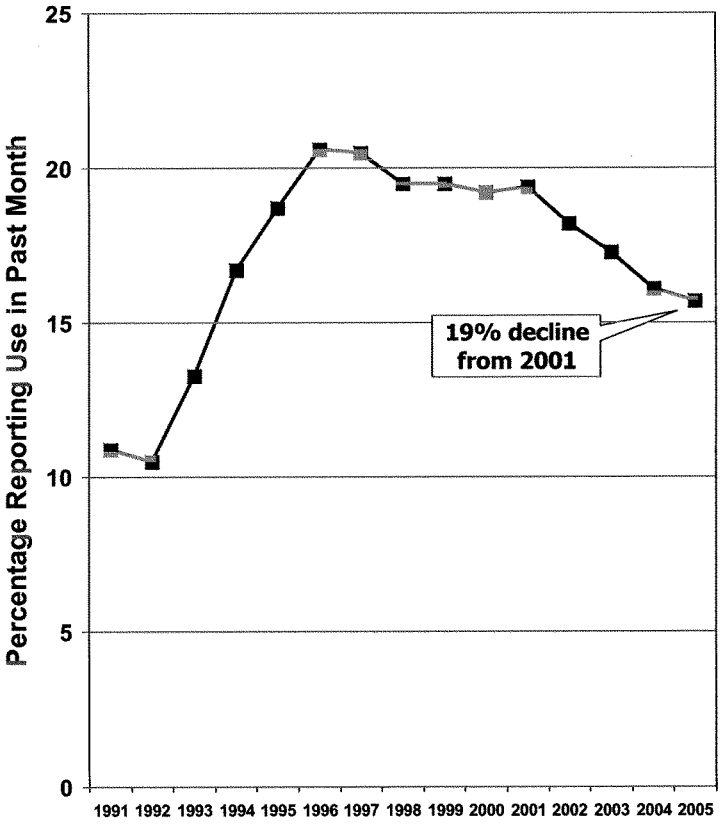
	FY 2005 Final	FY 2006 Enacted	FY 2007 Request
Department of Defense			
Counternarcotics Central Transfer Account	$905.8	$936.1	$926.9
Supplemental Appropriations	$242.0		
Department of Education	590.5	490.9	165.9
Department of Health and Human Services			
National Institute on Drug Abuse	1,006.4	1,000.0	994.8
Substance Abuse and Mental Health Services Administration	2,490.5	2,442.5	2,411.1
Total HHS	3,496.9	3,442.5	3,405.9
Department of Homeland Security			
Customs and Border Protection	1,429.0	1,591.0	1,796.5
Immigration and Customs Enforcement[1]	361.5	436.5	477.9
U.S. Coast Guard[1]	871.9	1,032.4	1,030.1
Total DHS	2,662.4	3,059.9	3,304.6
Department of Justice			
Bureau of Prisons	48.6	49.1	51.0
Drug Enforcement Administration	1,793.0	1,876.6	1,948.6
Interagency Crime and Drug Enforcement	553.5	483.2	706.1
Office of Justice Programs	281.1	237.4	248.7
Total Department of Justice	2,676.2	2,646.3	2,954.3
ONDCP			
Counterdrug Technology Assessment Center	41.7	29.7	9.6
Operations	26.8	26.6	23.3
High Intensity Drug Trafficking Area Program[2]	226.5	224.7	
Other Federal Drug Control Programs	212.0	193.0	212.2
Total ONDCP	507.0	474.0	245.1
Department of State			
Bureau of International Narcotics and Law Enforcement Affairs	903.1	1,028.2	1,166.7
Supplemental Appropriations	260.0		
Department of Treasury			
Internal Revenue Service [1]		55.0	55.6
Department of Veterans Affairs			
Veterans Health Administration	396.1	412.6	428.3
Other Presidential Priorities[3]	2.2	1.0	2.5
Total Federal Drug Budget	**$12,642.3**	**$12,546.6**	**$12,655.8**

[1] In FY 2005, the Organized Crime Drug Enforcement Task Force funds for the Departments of Treasury and Homeland Security were appropriated in the Department of Justice Interagency Crime and Drug Enforcement (ICDE) accounts. Beginning in FY 2006, the Departments of Homeland Security and Treasury ICDE funds are displayed as seperate accounts in their respective departments.

[2] Beginning in FY 2007, the High Intensity Drug Trafficking Area Program is transferred to Justice and incorporated into the Interagency Crime and Drug Enforcement account.

[3] Includes the Small Business Administration's Drug-Free Workplace grants and the National Highway Traffic Safety Administration's Drug Impaired Driving program.

Overall Teen Drug Use Continues to Decline



Sources: *National Survey on Drug Use and Health* (NSDUH) and *National Household Survey on Drug Abuse* (NHSDA); *Monitoring the Future* (MTF) study – combined grades.

In 2005, 691,000 fewer youth were using illicit drugs than in 2001

Current (Past Month) Substance Use Among Youth Down (8th, 10th, and 12th Grades Combined)

	2001	2005	Change as a % of 2001
Any Illicit Drug	**19.4%**	**15.7%**	**-19 ***
Marijuana	16.6%	13.4%	-19 *
MDMA (Ecstasy)	2.3%	0.8%	-63 *
LSD	1.5%	0.6%	-60 *
Amphetamines	4.7%	3.3%	-31 *
Inhalants	3.0%	3.0%	2
Methamphetamine	1.4%	0.9%	-36 *
Steroids	0.9%	0.6%	-30 *
Cocaine	1.0%	1.0%	-4
Heroin	0.5%	0.5%	+3
Alcohol	35.7%	31.4%	-12 *
Cigarettes	20.3%	15.3%	-25 *

* Denotes statistically significant change from 2001
Note: Percent change calculated from figures having more precision than shown
Source: Monitoring the Future, 2005.

Mr. SOUDER. Thank you, and we certainly do agree with honoring and respecting both the individuals here and them as representatives of the whole groups of people in similar communities and organizations, because it is at the front lines where the battle is occurring, just like in the war on terrorism and everything else. It is a battle, block by block, street by street, person by person. It is not some kind of hypothetical. We may provide some air cover, but it has to be won heart by heart, and thank you all for your efforts.

What I think I would like to do that is a little different is clearly, depending on the questioning today, I want to do some extended detailed questioning on HIDTA, but we have been arguing about the HIDTA change and, quite frankly, my understanding is it is still absolutely 100 percent unanimous that every HIDTA director opposes this. At a press conference the other day, I think six or seven U.S. Senators said it will not happen, including Senators Hatch and DeWine and Biden. In the House, the key players on both sides have said it is not going to happen. I would like to probe it further, but I basically view that as a dead deal and an unnecessary war that has been brought on by the administration. Instead of helping, it is getting the anti-drug community counter being able to work together.

But I have a couple of particular questions. I would like to group these. I raise some in the broader sense, but I would like to hear your response at the beginning here, and then we can move through. And if you want to just take like a note reminder of each one—honestly this is not a suck-up point. You have a brilliant memory, and you can do fine in here. But I am going to come at a couple of them that one or two may be a little bit of a curve.

Mr. WALTERS. Short-term memory, you know what that is a sign of, but go ahead.

Mr. SOUDER. In prevention, which is one of your pillars, this is the 5th straight year you have certified funding as a decline, and it is the only area in the entire drug budget that has been a decline. If you could address that question.

The second one relates to—you mentioned Mr. Garland, the acting USIC coordinator. How much of ONDCP's budget request would go toward the USIC position? And what does it pay for? That is a more technical question.

A third more technical question is: We were very disturbed, as we are trying to move the ONDCP reauthorization bill, that based on contacts, it is our understanding that you had supported the Dawson Family Community Protection Act that Mr. Cummings introduced and I have sponsored with him and that all indications are you had expressed support, yet your staff told another congressional committee that you oppose that provision or have concerns about it, and I wonder if you still support that provision and would withdraw that opposition to specifically the Judiciary Committee.

And then, fourth—and I am just baffled about where that came from, that the fourth thing is that in the Homeland Security, we were blindsided with this huge category change. Chairman Lungren, myself, Republicans and Democrats are furious, as is the leadership, because this—doesn't this affect the Coast Guard—that is what we first thought—but taking the narcotics outside of the

Homeland Security mission, which is in direct contradiction to the law creating Homeland Security. It was an organic definition that narcotics were a part of Homeland Security. It separates out the part of the budget and in the out-years the budget for Homeland Security goes up and for non-Homeland Security things in the Coast Guard and elsewhere goes down.

Did you certify that? Who proposed this change? Did your staff review this? Have you looked at the Coast Guard interdiction budget? How does this work in the different agencies? Because you are supposed to be our protector. It shouldn't be caught in doing some staff oversight, and I would like to know what you know about the track history and also your office's response to that.

So I think that was four good start questions.

Mr. WALTERS. I will take them in order. Let me start with the general premise. Maybe we have a different view of what I am supposed to do. You are the authorizers. I actually have to try to carry that out. I do not view my job as being a defender of dollars. I am defending results, and I try to apply dollars against where I think we can get results. And obviously we all want to use dollars effectively. In some of these areas, we do not have a good and effective vehicle, and so then it is my job to make the tough decision about where we can provide dollars. I also have to make judgments, as well as other parts of the executive branch, about what dollars we actually think we can get. In a tight budget environment, we are trying to propose things that we think are reasonable and we have a reasonable likelihood of being able to secure. We have not always been successful in critical areas, as you know as well as I. And so we are trying to also be prudent in where we act within some level of judgment.

On overall prevention, again, if all you want to look at is the investigation we are making work, I will point out that not in a decade has teenage drug use gone down as much as it has in the last 4 years. The only thing that matters in my judgment is: Is the drug problem getting smaller in the United States? Twice the budget that has things going level or up is a waste, no matter how well intentioned it is. And if we can do it more efficiently, I will do it more efficiently.

Now, I am aware we cannot make bricks without straw, but, again, I would point out that I think anybody who has worked at this for a long period of time—Mr. Cummings referred to the initial signs we are seeing of the availability of heroin and cocaine in the United States, the first time in many, many years, constricting. We talked about teenage drug use. We obviously need to work on the area of treatment of addicts and levels of adult drug use.

But I think if you look across the board and look at the forest, it has been a long time since as many indicators on supply and demand have been going in the right direction. I fully agree with the statements that several of you made. Our problem is follow-through. We need to be able to follow through. But if we are going to be able to follow through in this environment, where we are not going to have unlimited discretionary spending, we must make hard choices.

Now, we will disagree on some of those. I regret that sometimes the disagreement with us and people on the outside seems to sug-

gest motive and character flaws. I believe that is not helpful to anybody. But I will say that the hard part of this is to say what is working and make an argument for it even when you know people do not want to hear it because you need to try to see if that argument can begin to have traction. We do not win all arguments, but I think my job is not to be popular. My job is to try to help make the drug problem smaller. That is what I understand it to be. I have no intention of running for office. I have no intention of being a celebrity after this. I want to go back to my private life. But while I am here, I am willing to make every tough decision and be responsible for it. And I do not expect to win every one of those arguments, but I will not be scared away from making them. I think the last couple years have shown that, if I needed to.

On the prevention side, we disagree about the Safe and Drug-Free Schools program. I have worked with you for a while on this. I was at the Department of Education during the Reagan administration when the precursor of this program first came into being. I actually walked the regs through for the first awards of this.

The program has become a very large block grant program that does many things, some good things some places, some, as you have pointed out, wasteful and unaccountable things in others. We have tried to work with other committees of jurisdiction here. We have tried to work with appropriators. There is not a consensus to change the "flexibility," which also creates problems, we think, of management. In a tight budget environment, I do not believe it makes the necessary contribution to justify the funding request.

I recognize Congress disagreed with us last year. I recognize it may disagree with us this year. Its arguments did not convince me that the program is not in an accountable form, or the administration. We, therefore, called it as we saw it.

We are trying to get this year the money for a program that we do think works and I know you think works, which is the Youth Anti-Drug Media Campaign. Unfortunately, the cuts that Congress made to our request last year and the year before and the year before that and the year before that have this program at a level now where we cannot do 12-month-a-year programming for parents. We have to cut out the ads for specific targeted minority groups and special populations because we do not have the resources to create and to target that. We are still trying to maintain weight on young people because it is working, and the evaluation and the consequences of the surveys we see show that those messages are working and driving down drug use.

We for this year, for the first time, asked for more than Congress gave us because we think the cuts are extremely unwise and detrimental. I know you have helped try to work on this, and the rest of your colleagues up here said no. I ask you to make another run with us at the battle because we need this money.

On the USIC position, I don't know exactly how many dollars Mr. Garland gets paid or his permanent successor will get paid. But part of what we have been able to do in——

Mr. SOUDER. In ONDCP dollars.

Mr. WALTERS. In ONDCP dollars? We have in the past—I will have to get you the precise number. We have provided some money

for some so-called blue force analysts, I believe, that are a part of that office.

Mr. SOUDER. It is funded through ONDCP?

Mr. WALTERS. No, I don't—well, again, I want to be clear, and let me provide a written statement for the record so I do not have any confusion about this. But as you know, there was an employee in my office that was double-hatted in the earlier version of this as the USIC coordinator. We, I believe, continue to pay his salary, but that was a unique situation of that individual. But we will give you where the salary comes from and where has come from in detail.

But this is very critical, we believe, to allowing us to continue the effort to make intelligence and interdiction work. And I don't think it is a trivial matter because what you see in the drug strategy is historic seizures that are helping to change the availability of drugs on the street. Why does that make a difference? Because when there are less drugs, more people who have addiction will seek treatment, seek detoxification. It will be expensive. There is a barrier to price here as well for people coming into the market. For heroin and, more importantly, for cocaine that still is ravaging parts of our country, as I don't need to tell the members of this committee, this is a change that we can really hopefully be able to drive with the unique opportunities we have both in Latin America and in interdiction technology.

So USIC is an important part of what we do and has provided, with the other agencies—Homeland Security, Defense, and Justice—unique power to this. Before, it was we don't really make much difference, we kind of have a cost of doing business. Today we break the ability of the business potentially with the follow-through we hope to be able to continue in this program.

I will go back and double-check. It is hard for me to respond when somebody says they heard somebody else say I said this. I will be happy to go back and check and see if somebody has, without my knowing it, changed the support for the Dawson Family Protection Act.

Mr. SOUDER. Actually, there was a memo of four objections to our ONDCP reauthorization from your office, and it listed this as one of them.

Mr. WALTERS. OK. I wasn't aware of this in advance. I will go back and check, and we will make sure we get this straightened out.

In terms of the Department of Homeland Security, I will confess I am not able to tell you whether we have read the law. You have been more involved in writing the law than I have, but I also am aware that sometimes Congress and the executive branch have a different view of how the law is read through, you know, no knavishness but through some different idea or principle. So I cannot comment on that.

What I can comment on is this budget maintains support for DHS agencies to make critical contributions, domestic interdiction and foreign. It will sustain and extend the progress we have made, in my judgment. It will—and the budgets that are there, no matter what you classify this part of Homeland Security, those budgets are

important and critical, but I believe they will sustain the effort that we need to have——

Mr. SOUDER. The bottom line is you don't care where it is classified.

Mr. WALTERS. Well, I care whether we follow the law always, but——

Mr. SOUDER. Yes, that is——

Mr. WALTERS. But I care most of all——

Mr. SOUDER. You don't see it as significant that they would pull it out from Homeland Security.

Mr. WALTERS. I understand that there are expectations of increase in budgets that are categorized Homeland Security. It does not prevent us from having increases in budgets that are not categorized Homeland Security. I recognize there is an implicit view that these will be secondary priorities.

But I would say in the budgets that I looked at and worked on and worked with OMB and Homeland Security on, we made sure the money for necessary functions is there. And, in addition, I have met with the CBP Acting Director and the new head of the Air Wing, and they made commitments to me to maintain at last year's level or above. Long-range maritime patrol aircraft is one of the critical items that I know you are concerned about.

Mr. SOUDER. Before yielding to Mr. Cummings, I just want to make a couple of brief comments.

First off, you can't have it both ways. You can't, on the one hand, say what we're doing currently has lowered drug abuse, and then say that what we are doing currently didn't lower drug abuse. In other words, Safe and Drug-Free Schools has continued to be funded in spite of the administration trying to wipe it out. The Byrne grants continue to be funded in spite of the administration trying to wipe them out. The HIDTA program didn't change in spite of the administration's efforts to move it, and the Meth Hot Spots program was not wiped out in spite of the administration's efforts to do it. Some of the credit, at least some of the credit here—may be because your budget was rejected, not your budget accepted. We have a difference of opinion on that, but it is not kind of automatic evidence that your strategy worked, because we did not follow the strategy.

The one thing that I will agree on is the National Ad Campaign did contribute to moving the numbers in the high schools. But so may have Safe and Drug-Free Schools and everything. The things work in combination. You just measured the Ad Campaign as one of the ways to test attitudes, but attitudes are not the only thing that impacts getting caught. Some law enforcement increase, knowing that they are there, improved treatment programs, what other things came into the community, changed cultural values. You full well know from your extensive writings and experience the Ad Campaign is merely one thing.

Now, to the Ad Campaign, there is not going to be an increase of funds until you show some flexibility to work with methamphetamine attack. The Congress would have plussed it up. We can't do it without some cooperation here. You have heard in opening statements, you have heard repeatedly from Congress, they want to see a clear methamphetamine strategy, and that includes in the Na-

tional Ad Campaign. And your dollars are not going to go up until you start to reflect a little bit—yes, you are not running for office. I understand you are not running for office. But you know what? We are listening to the grass roots and what they are hearing, and you are not listening to your own grass roots and your own agency in addition to people who basically had this come up from the grass roots to us, who are saying, "We have a problem in our communities. We want you to address it, and we want to see that you understand it, partly in the National Ad Campaign." Marijuana is the gateway drug. You know that we have worked together in trying to battle marijuana, but we cannot sustain the National Ad Campaign without some help and some changes here, and it is not because I certainly don't work for George Soros, these other Members here don't work for George Soros. Yes, he does not like the marijuana campaign. I am willing to fight him. But we are not—I am just telling you flat out. We are not going to make it unless there are some adjustments in that.

I am also just disappointed, quite frankly, that the creation of your office was to be an advocate to make sure that we had a stability of understanding the battle in the war on drugs, and that includes when the Department of Homeland Security was created, they sucked in more people that were critical in that battle—the Border Patrol, the Customs, the Coast Guard. And unless we are ever vigilant all the time, they are going to be diverted, just like the FBI does from time to time, into whatever the current crisis is. And as I pointed out in my opening statement, if we lose P–3s and get little helicopters and all of a sudden they are doing immigration stuff, we will pick up some drugs with it, but we are not going to get the 100-ton loads, we are going to get the backpack loads. And we are going to get it kind of as an accident of other things we are doing on the border. And you have to become more engaged even though it is hard. At the Cabinet table, you are not Chertoff and you are not Gonzales, and we all understand that. But we created a separate Cabinet position to kind of be the lone complainer at the table: Remember narcotics? Remember narcotics? You change this thing, and it could hurt narcotics. That is a big part of your job, is a bully pulpit, not only outside but inside the administration. And that is some of the frustration on something like the Department of Homeland Security.

Mr. WALTERS. Let me just respond to two points you raised. On the Youth Anti-Drug Media Campaign and methamphetamine, while overall teenage drug use is down 19 percent, teenage methamphetamine use is down 36 percent.

Mr. SOUDER. Do you know what we understand? That the methamphetamine problem has never been and is not a youth thing. That is not an answer.

Mr. WALTERS. Well, then, my only question back to you is, since you write the authorization for these things, why write an authorization that has the Youth Anti-Drug Media Campaign that makes it limited in what I can do? I have made ads. We have cooperated and we have released those ads last November, and we are trying to provide those in more areas.

Second, on the issue of interdiction, yes, believe me, I understand the need to be vigilant. I understand the tendency for a number of

things to put—not willful ignorance of this, but just the fact that there are so many pressures on this—my office exists because we could not create a Department of Drug Control when this was considered in the late 1980's. There were too many far-flung agencies to pull those units out of the Department of Defense or HHS or Education and put them all into one department.

And so my office operates as a kind of overall management structure like an OMB and a policy organization office for drug control to make sure that the individual Cabinet offices and agencies make the parts fit together, even when those parts in their own view of their own department are not as high a priority as they are for the overall anti-drug effort.

What I am taking issue with is we have not failed on that. Every year the number of seizures have hit a new historic level, a significantly higher new historic level, because we have the system working, because people like Mr. Garland, because people like the Coast Guard Commandant, because people in the Department of Defense and the Department of Justice are making this work, under difficult conditions, as you know. You have visited some of these sites. And it is not true, in my judgment—I recognize you may have a different one—that we have a threat of those assets falling away. I know there has been a dispute about this, but I also think we need to sit down and go through that dispute carefully.

Put up the slide about long-range Maritime Patrol Aircraft, because that has been an issue that I have spent a lot of time talking to Members and others about as a result of the GAO report. That report, I believe, is somewhat confusing. I won't say what the cause of that is.

These are the levels of Maritime Patrol Aircraft. It is true that the mix of particular kinds of aircraft—C–130's, P–3s, United Kingdom Nimrods—has changed. The reason it has changed is because, as you know, with the P–3 we developed an unexpected, in the Navy P–3s, mechanical problem in the super-structure of the aircraft, which has limited their life. Through a lot of hard work, the other agencies, including our foreign allies, have supplied additional aircraft to meet that need. That is why we have over 250 metric tons of cocaine that did not get to the streets in the United States last year through these efforts.

Now, do we have to be vigilant? Are we concerned? Are we stretched in these environments? If the threat level for homeland security went up, would we pull P–3s from DHS back to Air Cap over our major cities? Yes, we would, and that would be the responsible thing to do.

But with the exigencies that we can control, we believe we have the ability to maintain the effort within the boundaries of both responsible budgeting and responsible drug control. And it is not because people are not paying attention around the Cabinet table. They are making serious efforts. I meet regularly with my Cabinet colleagues. I meet regularly with the Attorney General and the Secretary of Homeland Security to make sure issues between these agencies work. I meet regularly both with members of key agencies of this Government, outside of Washington and inside of Washington, and foreign governments to make sure these work. And a lot of other people do, too. It is not just me. You and some of your col-

leagues have helped to meet with foreign leaders and work with others to make this work.

All I would urge you is in the effort to try to make sure that it works and to make sure that we continue with the progress, not to become so critical of things that are working, because that does not help those people that do the job.

Mr. SOUDER. With all due respect, don't make me laugh. With all due respect, that chart, anybody who goes out in the field—and Mr. Mica and I have dealt with this for years. What has increasingly happened here is you on your watch and this administration's watch, because we haven't replaced those assets and because as we didn't get new P–3s, as the Defense Department pulled out, we pushed the cycling up, that doesn't count down time. It doesn't count the extra push what they are telling us on the ground. These things are going to fall apart. The next President is going to have a fallen-apart interdiction effort because you haven't put in the budgets or pushed in the budgets for a proper replacement pattern as we age out many time Vietnam era and other type things, and we have pushed them to the limits. They are dangerous to get up in. We would not certify them for our regular military. Our drug guys are stitching this stuff together to try to keep them in the air, to try to keep these planes working. And you are telling me that because they have stitched them together, that is a strategy for air interdiction? And that even then they get out there and they have to pull back because somebody thinks something may be coming into a harbor because they are multi-tasked. And then the Department of Homeland Security, furthermore, in this year's budget is going to yank those out—which I pointed out in my statement—that you are putting up in the chart which are already deteriorating type things.

This is just really frustrating. You did give us a suggestion that maybe we will change the name of the Anti-Drug Youth Campaign and tie your hands a little bit if we are going to fund this, we will just—because I just am exasperated. Anyway, I need to yield to Mr. Cummings.

Mr. MICA. Mr. Chairman.

Mr. SOUDER. You responded twice. I had the statement. I need to yield to Mr. Cummings.

Mr. MICA. Mr. Chairman.

Mr. SOUDER. Oh, I am sorry. I thought——

Mr. MICA. May I submit my questions for the record and if the Director would respond to those.

Mr. SOUDER. Yes.

Mr. MICA. I am not able to stay. And I am sorry to interrupt the love fest, but I——

Mr. SOUDER. We can laugh.

Mr. MICA. Thank you, Mr. Chairman.

Mr. SOUDER. Thank you.

Mr. Cummings.

Mr. CUMMINGS. Thank you very much.

Director, I am glad to have you back, and I just want to ask a few questions.

Former Representative Bill Gray in a speech not long ago was talking about the Congressional Black Caucus, and he was say-

ing—he said the words, he said, "You may not win every battle, but you set the trend." And I have thought about those words quite a bit, and particularly with some of the things that you have said just this afternoon when you said that you do not necessarily expect the budget priorities the way you have laid them out necessarily to go into effect, but you are trying to, I guess, set a—cause, I guess, the Congress to think and maybe at some point we will drift toward where you are. Is that a fair statement? I mean, I don't want to put words in your mouth, but I just——

Mr. WALTERS. Well, I want to be clear. If I could get the budget in the form it is requested, I would like it in the form it is requested.

Mr. CUMMINGS. I understand that.

Mr. WALTERS. But I respect the obvious prerogative of Congress and other people that have different views about where we might put priorities or levels of funding, sure.

Mr. CUMMINGS. And on that level, Mr. Souder and I just the other day had occasion to go into the Convention Center and to be with the CADCA people. And I got to tell you that—and I know Mr. Souder will agree with me. Those are some of the—and I am sure you agree with me. Those are some of the most caring, courageous, unselfish people that I have ever met. As a matter of fact, a lot of them took their—came to Washington on their own money because they simply wanted to make a difference.

I just want you to help explain to us what is happening with the whole drug-free communities program. There seems to be at least a reduction, I think, in the funding for the training portion, which I think makes a lot of sense—I mean, it does not make any sense to reduce it, but I am just trying to figure out what is the thinking when we have people who want to—you know, people—as you well know, people feel so trapped in their neighborhoods and they are figuring this saying, look, you know, I will volunteer, I will be the guinea pig, I will go out there, I will put my money on the line, I will put my efforts on the line; Government, just help me a little bit, if you could just help me a little bit, we will try to do the rest because we are Americans, and we believe in the all-American way. We know Government cannot do everything.

But it just seems to me that those are the kinds of programs—and I have heard you talk before, and the implication was that, well, we have—they are nice little programs for us lawmakers, it makes our constituents feel good. I am not trying to put words in your mouth, but it is not about that. It is about empowering people so that they can—you know, they are not asking for the big Government funds. I mean, this is not a lot of money. When you consider all that they do to prevent drugs from coming into, you know, their neighborhoods and whatever.

And so I just want to know what is the thinking on the Drug-Free Communities, what you are doing with that, and how do we at the same time make sure that we, first of all, encourage folks to continue to try to take control of their neighborhoods and make sure that their families stay off of drugs. When we talk about—you know, there has been this whole issue of morals and they say that the Democrats lost the election because of morals, immoral concerns and all this kind of thing. But, you know, I am convinced

that argument goes to—and Mr. Souder and I saw this when we dealt with the whole steroid question. People want their children to grow up in a safe and healthy environment. That is what a lot of this is all about, I mean, if you really think about it.

So here we have these people who are saying, you know, I am going to do my part. But are we doing all our part to take some of their tax dollars and then allow them to do the little things that they do so that—and those tax dollars, it seems to me that it is a phenomenal leverage of our tax dollars.

I am just wondering if we—do you believe that in this budget we are doing all that we can to help them? And if we are not, why aren't we?

Mr. WALTERS. Thanks for that. I appreciate your raising this because I think over the last year, one area of painful conflict for me has been some of the issues around the Safe and Drug-Free Schools program over the last year.

Let me be clear. I like this program. I support this program. I supported an earlier version of this program, which we created when I served in the President's father's administration in this office that was modeled on the original grant program by Robert Wood Johnson, the Fighting Back program. We created the first version of this that was subsequently made in the current form in my office.

While I have been here, the President has kept his commitment to double funding for this program, and we have doubled the number of community coalitions while I have been here to over 700.

On the first part, the issue you made about the institute, yes, these are $100,000 grants a year, as you know, renewable for up to 5 years, and individual coalitions can then apply for another 5 years of funding. They are a small amount of money, and it is not about, I agree with you, whether it helps, you know, as much as—you know, we are not averse to helping elected officials show that they are representing their community and bringing people back part of their tax dollar to help them. That is not what it is about. It is about the fact that most of the money we spend and you appropriate, of course, goes for treatment and prevention and law enforcement that is done at the local community level. We know that a balanced strategy is not just something we put in the White House report. It has to be implemented in communities. And this allows community leaders to come together, many of which do not naturally associate. It is not just the police, it is not just the public health members, it is not just the educators, it is not just the Government officials. It also requires private citizens, and it allows them a small amount of money to hopefully take the resources that they are contributing and we are contributing and make them have maximum effect. That is enormously important, and we are trying to support that.

On the issue of the institute per se, this was added, as you may know, a couple years ago as a training feature. The organization you mentioned said we seek this, we can fund it, and you give us startup money, and we will get private money and keep it going. That is not what has happened. The task has been to continue to fund it and to fund it with another $1 million.

Now, is training a beneficial and leverageable thing? Yes. But in this case, remember, what I am making a decision about is $1 million is 10 community coalitions. Now, given the fact that it is started up, there was a commitment to raise private money. I think there is support here for this. I think that tradeoff is something we ought to give to 10 more communities. I recognize other people will differ. I recognize CADCA has a different view. But, again, given what happened here, I think that makes sense. And it is not detrimental to community coalitions. In fact, it increases the number of actual coalitions. We fund mentoring coalitions that also help train other coalitions here. So we are not killing the transmission of knowledge. We are trying to make it as effective with the dollars we have.

Again, as you may know—and as I know other members of the committee do; I have talked to both of you in a separate meeting. There has been some concern about at the field's request we moved the administration of this program from the Department of Justice Juvenile Justice Office to HHS, the Prevention Office of SAMHSA. In the course of that, we were asked by SAMHSA to review the existing transferred applications to make sure that they were abiding by the original grant for the purposes of their taking responsibility for administration. That was not a chairman review. It was an eligibility review.

In the course of that, of roughly 600 applicants, 62 were found not to be in compliance and were not continued in their funding. We have offered, as I have made to both of you, technical assistance to allow them to come back in and compete to be successful. We are now in the process of again writing each applicant with the specific reasons why they failed, allow them to come back and comment on that. If we made mistakes in the review process, given the investment we have made and the good work of people, we will fix those mistakes.

Nonetheless, there has been a view of some that what I consider to be good stewardship of public money is outrageous and unacceptable. I don't think that is true. I regret that there have been those kinds of feelings formed by people. Again, you have a lot of experience. We have talked about this. A 10-percent failure rate among grass-roots startups in these kinds of environments is an enormously low failure rate, and we would like it to be zero. And we will work to provide technical assistance to get all these started up. But the vigor and the animosity that has been created I regret because I think it creates a fight among the family, and the family works better when we are all moving ahead.

Mr. CUMMINGS. I just will tell you, I had a chance to meet with a lot of those folks after we spoke, and, you know, it just—they are the kind of people who you just want to—you want to hold them by the hand and say, "I am going to walk this road with you." And I guess my biggest fear is that when I think about the money that we spend for all kinds of stuff—and I am not going to get into all of that, but we spend a lot of money for a lot of things in this country. And when I have people that are willing to volunteer to deal with something like drugs—and some of them have programs that could possibly bring them harm. I mean, just—I mean, when you start messing with drug reduction—dependency reduction and

things of that nature, you start—you can get into some very bad situations. I guess, for the life of me, if anything, I would be one trying to make sure that even if CADCA wasn't able to do what they said they were going to do in the time when donations from charitable kind of groups, you know, going down because of Katrina and probably a whole lot of other things, it just seems to me that we could step up to the plate a little bit better, that is all.

Let's talk about methamphetamines. You were just talking to the chairman, and I think you said that there was a reduction in methamphetamine use among young people? Is that what you said?

Mr. WALTERS. Yes.

Mr. CUMMINGS. One of the things that was so interesting, and I think Mr. Souder will testify to this, is that when we—a few years ago, this subcommittee, we didn't get a whole lot of attention. People said poor Souder and Mica and Cummings, you know, this subcommittee that deals with this negative issue, drugs—you know. And then suddenly methamphetamines came along and we became the most popular people in town because it was discovered that methamphetamines are in communities. They are not in the inner cities, they are on the farm, they are in the Midwest, West Coast. People who never even thought about us—I am talking about Members of Congress—now, how can I help you, you know, can you help me get a methamphetamine bill through, and all this.

I guess my point is, you know, you have a situation where—and I want you to just talk about this a little bit—the administration is proposing $25 million for methamphetamine treatment, treatment grants using some kind of voucher system. Is that right?

Mr. WALTERS. It is part of what people can—they can use other treatment money for methamphetamine treatment. We are trying to do some targeted initiatives both with NIDA to improve treatment for methamphetamines, but part of the access—the 14 States and one Native organization that received the 15 first Access to Recovery Treatment Expansion Grants, some of those, like Missouri, have focused, where they have had methamphetamine problems, the expansion of capacity on methamphetamine. So there is flexibility here for application. And of course the larger block grant can be used as needed in States, based on the situation they find themselves in.

Mr. CUMMINGS. And so—but there are a finite set of treatment approaches, is that right, for methamphetamine?

Mr. WALTERS. Yeah. One other area here—I mean, this is not unlike some of the discussion we saw earlier about crack, that, you know, it is not treatable. Well, it is treatable. And we have people that are in recovery, we have courts that are using techniques with treatment for drug courts here, and we have treatments that work. Now, it is a horrible drug—there is no more horrible drug—and it is devastating to people. It is not easy, as it is with other drugs, including heroin, as you know, and cocaine, crack, and others, to get off methamphetamine. But it is not true that people have to be hopeless.

Mr. CUMMINGS. Well, you know, that is one of the things that concerned me. I mean, all the testimony that we have heard, and we have heard testimony from a whole lot of folks with regard to this drug. And I was just thinking, if you give somebody a voucher,

you have finite approaches to treatment—and what I know about the meth addict—I am just wondering, is that a good idea when these folks—assuming they have troubles making decisions anyway. Do you follow what I am saying? Is it good to just say, OK, here is a voucher, you go and shop this, I mean, and this guy just—you have heard some of the things that meth addicts do. I am just wondering. I mean, what is the thinking behind that?

Mr. WALTERS. I think maybe that is a misimpression that the word "voucher" has created. This isn't like "Here's a slip, go find treatment." It gives, essentially, a reimbursement commitment for an individual, who then can choose the kind of treatment provider. Most of the States that have implemented this now have a case manager. I think the goal of the program was both to increase access, but also to allow the support of recovery services.

As you know, recovery is a longer process than just the time you spend in an inpatient or outpatient treatment situation. And the success rate of treatment can be based very clearly on can we get you back into housing, can we get you into education, and other support services; can we get you in job training, did we get family support for this? What the program allows is also an expansion of support and flexibility in that support, but it also usually includes in the States that have done this a case manager that helps the individual receiving services to put those services together.

You are right, people are addicted. They are impaired. They have trouble putting their lives together. In fact, you could say that addiction is about your life falling apart. So what this does, for the first time, is, in some cases, some States are going to find—are reporting to us—as they put it all together, it gets more expensive. It is also more effective. And it is more capable of utilizing capacities in the community that are there, that are not frequently tapped.

So what we see this as doing is allowing people who are addicted to enjoy the same kind of situation that most Americans receive their health care under. You get identified as needing services, you have an insurance company or a provider who is going to provide services for wherever you are referred suitable for your condition, and we are going to pay them for the services they provide at a reasonable rate.

So all this does is—it doesn't say, in some cases, to an addict, you have one choice; we're funding this center here, which may be doing a great job, but it also may be a long way from where you are, it may not be the right place for you, there may be other places that could help you and other services in support of that place that it would help optimize your recovery. We are trying to capture what the field has shown us is needed to optimize success rates and to allow that to be a part of the way we provide funding.

That is why we are excited about what we think is possible here, not because it is simply trying to fund a certain kind or it has tried to have people walk around for the sake of saying, oh, we're for vouchers, if you like vouchers you will like this. It provides a kind of reimbursement process that allows case management, follow-on services, tracking, and the ability then for the maximum application of what we know works.

Mr. CUMMINGS. This is my last question, because I know we are going to get to Mr. Mica.

At the CADCA conference the other day, they had this question that they wanted answered. And the question was what is the perception on Capitol Hill about treatment effectiveness? And they wanted to know what is it that they could do to convince the administration that more money was needed for treatment. Understand, a lot of those people probably come in contact with folks who need treatment and they know—and they, basically, they are the choir. They see treatment they believe, for the most part, that it works. They know that people slip back and, you know, they get that piece. But they are in those communities where they don't have always the access to treatment that they need, but yet still they have to live around this person who is now a ghost of who they used to be. They are lying, stealing, robbing, and what have you.

So, I mean, what is your perception of treatment that you believe is working? And how are your beliefs manifested in this budget? In other words, how do you take your beliefs, whatever they are, and how are they prioritized in this budget?

Mr. WALTERS. I don't think there is any question that treatment works. And I would say the best response to those people who have questions about that is, you know, go to the graduation of a drug court or a treatment center, or talk to some of the millions of Americans who are walking around in recovery. I don't think we need to debate this anymore. I recognize there are also people who had a particular family situation where a family member has been wracked with this for a long time. We know it is not a victimless activity. It makes everybody—and there are people who have lost hope. I have met those people in Government and out, where they know it is not politically correct to say treatment doesn't work, but they believe it because they have been suffering so much.

But that is not the common reality. And I don't think anybody that has a family member, even if he had a tough time, is going to say, well, my next family member that has a problem, I am not going to do anything for. We want treatment. We want effective treatment, we want it early.

But what this also—this budget and this policy—reflects is, I think our view—and we have learned this from the field; it is not me—we need to thicken what we consider to be treatment and intervention. We know that people start getting in trouble before they are 10 years addicted. They start getting in trouble when they are teens. So we are starting to strengthen prevention and intervention—community coalitions, the Media Campaign, other programs. We are also trying to do interventions through student drug testing, to use the tool that lets us connect the dots between addiction-is-a-disease and the way we detect other disease and allow us to bring the care we know will work at an early stage when we know we can optimize results.

Also, we are supporting intervention in public health system. We know that people who begin to and have substance abuse problems are more likely to get diseases, be in accidents, be victims of violence and perpetrators of violence. We don't screen effectively in our health system. We want that to be a greater part of it, and we

are asking for more money in that to build into—and we have gotten through this effort major certification organizations to look at whether or not to certify shock trauma centers on the basis of they screen everybody that comes in, so that we can refer people to appropriate levels of intervention and services and cutoff the path of destruction more effectively, as we have done with those diseases.

In addition, we have asked for an expansion, as I said, of drug courts. It is extremely disappointing for me that, after asking for year after year for more money, that we end up with less than $10 million. We are asking for $60 million more because this is a great investment. The Federal Government, again, starts up drug courts and allows communities to continue them. They save money on incarceration, they save lives, cycles of crime. The people who—you have been there, you know. The people who are involved in this on the judicial side, on the prosecutorial side, on the public health side—not to mention the clients—think this is a Godsend.

It is growing. But we could make it go faster. And the faster we make it go—again, the slide about interdiction. What pulls those drugs into this country? One essential thing: addicted users in the United States. Ten percent, 15 percent of the heaviest users consume 60 to 80 percent of the drugs. The drug trade in the United States depends on addicts and is continuing to crush addicts with the volume of addiction. If we pull those addicts out, every one of those people is worth tens of non-addicted users because of the quantities involved, the dollars involved, not to mention the destruction in our communities.

So, yeah, what we want to do is thicken intervention. You mentioned how many untreated people there are. The other reason to thicken intervention is, as you know and we have talked about, this is a disease that involves denial. You don't say I have an attack of appendicitis and I have come to get help. I am candid about my symptoms and I do what I am told. When you confront many people that have this—and every family has been touched by it—they get angry: No I don't; mind your own business; leave me alone. We have to do it anyway. And when institutions do that, whether they are criminal justice, whether they are health, whether they are education, whether they are workplace and employment, whether they are in schools, we have a chance of changing. We know how to do this. We are impatient to move it forward.

And I will tell you, one of my other concerns—we are talking about dollars here. I will be happy to work with any of you all the time up here to work with appropriators to convince them to put these dollars in. Because I think on the drug courts, you know, we sought $200 million when we proposed Access to Recovery, and a lot of you tried to help us. We got $100 million. We have implemented it. We would like to continue to use the innovations that it has shown to broaden out and reform for more people the treatment system so that it can be as effective as we know the current understanding allows it to be.

So, yeah, I think this does reflect not my view, but, as you travel and as you look at it, what people who are doing the work tell us will optimize it. Now, can we put more resources in? Sure, we could put more resources in. But I have a problem with the absorptive capacity of the Government to accept the proposed resources that

we have had here. And frankly, it is hard for me to make recommendations for moneys after Congress has said we don't want to appropriate at that level. Because there are many other demands in education and health for, you know, senior citizens and other demands that are here. And I think the question comes down, as it does to you, when you can't get a consensus on something, why don't we try to fund the things there is consensus on that are still important and valuable.

Mr. CUMMINGS. Thank you very much. Perhaps you can give me a written response to this issue of girls. There was a recent report that I heard about girls using drugs at an alarming rate, much faster than—I mean, in other words, the numbers are going up for our girls, and I just—maybe you can answer that while you are answering somebody else's questions. But that is something that certainly concerns us, because I don't want us to move—you know, have this happening, and we are so busy looking at the total picture that we don't look at our girls.

Mr. WALTERS. Right. It is historic. In short, as the indications are there, the pie size of the number of teens using drugs has gotten smaller for girls and boys. The slice that is girls has grown to levels that it hasn't since we have been measuring it. They are equal to boys in using overall drugs and in alcohol use; they are greater than boys in using marijuana since 2002; and they are greater than boys in using cigarettes and abusing prescription drugs. We tried to give a wake-up call—got to pay attention to girls. Girls use for different reasons. We are trying to use our Media Campaign to make sure we test messages, as we have been over the last several years, that work for girls and boys. And we're trying to alert parents: Don't just worry about the boys, you have to worry about the girls and you have to take on board the reasons that they use. We will give you the information.

Mr. CUMMINGS. Thank you.

Mr. SOUDER. Mr. Mica.

Mr. MICA. Thank you.

Thank you, Director Walters, also for recognizing some of those that have made a difference in our communities and across the country in this difficult substance abuse effort. In particular, I appreciate your pointing out and recognizing effectiveness of a drug-free community coalition like we have represented here with One Voice for Valusia. These folks, not Congress, where the Office always makes a difference; it is those community efforts. I have a couple of questions about those efforts as I conclude my questions.

I have been playing dual secretaries—we have Chertoff across the hall. It was kind of interesting to hear Chairman Souder talking about some of the things that were done with the creation of Homeland Security. We got into the same discussion next door, the efficiency of 177,000, 20-some agencies being put together and trying to operate. It is quite a challenge.

But we identified over there, before I came over here, one of the problems. I identified it as Congress. Congress created that.

One of the issues that I wanted to lead into that we are having a problem with is HIDTA. And I know you are running into another brick wall. Maybe you like bashing your head against that brick wall—it feels good when you are done. But other than that,

the proposal sounds like it is sort of DOA again. I have already been lobbied very effectively on the issue, but it still remains a challenge. Congress created HIDTAs to put Federal resources in targeted areas where we had serious drug problems and combine it with other local and State resources. How many HIDTAs do we now have?

Mr. WALTERS. Twenty-eight.

Mr. MICA. And how long have most of those been in existence? When was the last one created, do you recall? Most of them are—have been around for some time.

Mr. WALTERS. I think the last one was created in 2000. I will double-check that. But most——

Mr. MICA. Approximately 2000.

Mr. WALTERS. There were five original HIDTAs in——

Mr. MICA. How many have we eliminated?

Mr. WALTERS. I am not aware that a single one has been eliminated.

Mr. MICA. It is very hard, you know, when Congress—and I think you read the list of all—there is a list of opponents to doing anything. Maybe we need a BRAC commission for HIDTAs. Not that they aren't good and not that we don't need them, but again, it is very frustrating. And now the—it is a quarter of a billion dollars, approximately, on them. Not targeted. I got mine. I had to get mine—you know the story, I was on the wrong side of the political aisle and Clinton wouldn't do it. We had people die, young people in particular dying in the streets of central Florida, and no one would do anything about it. McCaffrey was the drug czar. He could have created one, but the others got theirs, I wasn't getting mine, I wasn't up. So I put mine in legislation.

And then I remember the call from the press, "Mr. Mica, you have just been identified by Senator McCain as having a pork project, a bad earmark and disgraceful performance." I called John McCain and read him the riot act. What had happened over in the Senate, they added two more HIDTAs for God knows where, and they are still there, that really weren't needed. And John did give me a letter of, I guess—what is it when the pope grants you a pardon? Indulgence. I got an indulgence from him.

But I still have my HIDTA. Mostly they are getting the same amount.

So I recognize the problem, and they have mounted a great campaign. Maybe you ought to look at something else, maybe some compromise, John, to try to move some of this money around. I mean, many of them are still doing a good job, but that wasn't the purpose. Is that basically correct?

Mr. WALTERS. Yeah, I think many of them are doing a good job. Unfortunately, in the proposals that we have tried to make to reflect the capitalizing on that good job, the view has been taken that we are against the program. Again, I was over when the first five were designated in the President's father's administration. I think this could be useful. But the problem is that it has to be focused.

Mr. MICA. Do you have the power to move any of that, or is it still targeted to each one? I mean, you should increase your security, because these people are hopping mad that you might take their HIDTA money away or move it somewhere else.

Mr. SOUDER. Mr. Mica? In 2003, we proposed giving him authority to reallocate, and ONDCP opposed being given that authority.

Mr. MICA. Do you have that authority?

Mr. SOUDER. No, he opposed it.

Mr. MICA. You opposed it?

Mr. WALTERS. Well——

Mr. MICA. Would you now—I mean, you are not going to get what you asked for, so that—I mean, I propose this again as one solution.

Just think about it. But again, I can tell you, around here 218 votes beats the best argument you can possibly come up with.

Mr. WALTERS. Well, let me just ask the two of you. I know you can't represent the whole Congress; you are part of it. I do have the authority, as I understand it, to designate and de-designate counties in HIDTAs. What do you think would be the result if I actually said, oh, I won't de-designate whole HIDTAs; I will de-designate counties where drug use appears to be down, or where the problem doesn't seem to be as severe? And I de-designated, say, 50 counties of the program, which has many, many counties, as you know, all over the country.

Mr. MICA. Well, my opinion is——

Mr. WALTERS. What do you think would be——

Mr. MICA. I think we should give him the authority to do a tough evaluation of the effectiveness of the programs and then move the money around. That would be my opinion. And I would support that proposal. Then you do it, you will be even probably more unpopular than you are right now, but somebody has to do it. And obviously, Congress isn't going to do it.

Mr. SOUDER. We have several things here. First off, the appropriators have asked you, and you have the opportunity at any time to propose to them, how you think the money ought to be reallocated. And they have an open invitation. We tried to make that change in law on reallocation. We also, in the current ONDCP bill, give you more flexibility to do that. And as you know, I was willing, and we were trying to work out some kind of compromise on this national focus in the HIDTAs to try to make sure that they didn't all go to State and local. It became partly complicated, which I didn't fully understand at the time, because many of the newer counties, like in Oklahoma, in the north Dallas, in the Missouri HIDTA, were meth HIDTAs. And since we didn't have a national strategy on meth, and their biggest problem was meth and at the local level they wanted to do that, well, we had some disconnects.

So part of this has been a battle over meth. I think your question is a fair one. What would happen if you actually did try to do something?

Now, the question is—I think it would be very difficult. The counter-question to that is, why?

In other words, it isn't enough to say, oh, this is just a pork project and each Member of Congress is defending it. What we are saying is the local law enforcement in charge of narcotics come to us and say this is the most effective program that we have. They are saying the same thing on Byrne Grants. I don't have a HIDTA. I didn't offer to do a HIDTA and I said, no, I don't need a HIDTA.

We have the Byrne Grants, drug task force, that is what my community wanted to do more. Not everybody has a HIDTA.

And I have had my concerns here and there, but the bottom line is this. The reason it would be hard politically to change it isn't because there is some kind of graft or pork or this kind of stuff, it is because local law enforcement has found this to be an effective tool of leveraging, as we have had multiple people come up to us and tell us that as they are squeezed at their local level. The Phoenix Police Department, for example, gives three people to the Southwest Border HIDTA, and he said that if there isn't HIDTA funding, he will pull his out. And without the Federal dollars, they won't do this.

And so that pressure is hard here because this is a popular Federal program. It is not a popular Federal program among a few people, it is popular at the grass roots overwhelmingly, and they were early on responding to meth. And that is why it is hard to change and why there is an increasing demand. It is one of the only areas in narcotics where there is an increasing demand for it. And what we have right now is this incongruous situation where the people who have been leading the efforts for years to buildup your office, to fight narcotics, who get most of our drug support are just really upset because you have not exercised your authority to even make a proposal of where it should go.

Last year, and I am more than willing to ask you again this year—is there any HIDTA that you think should be decertified? Is there any HIDTA that you think isn't doing well? You and then the Justice Department say that they can be more effective with OCDETF. I asked Paul McNulty the other day and I asked you last year, OK, which one? How aren't they being effective? Don't just tell me, oh, we think we can be. How aren't they being effective? Because if you can't give us one example of a HIDTA that doesn't work, one example of what isn't effective that could be more effective; if you can't show us a single reason for the change, of course Congress is going to oppose a change.

Mr. MICA. Reclaiming my time.

You see the problem. Now, I would—it is very difficult. I got them, I want to keep them. You know, to paraphrase the President, we have an addiction to Federal money. And these people have all gotten hooked on it. Somebody has some other Federal money and you pull the plug, maybe it is like a little bit with an addict, we have to work out a program for withdrawal. Maybe there are a lot more addicts someplace else that need attention, but we have ourselves in a dilemma here and we need to find a—again, the current proposal, as I said, is DOA.

Let me jump from that, and hopefully, something productive can come from this discussion.

Last year, we talked about moving some of the media dollars around a little bit. And I know you have limited media dollars. But we talked about the Media Campaign not following some of the problems that Cummings was interested in because of this new emergence of females sort of leading some of the addiction problems.

But I saw where you have responded and you have an online campaign for, what is it, 14 to 16. But we are finding even more

and more people of all ages get their information from online. I can get all my drug recipes online and concoct meth and everything else. But there is not a lot in other categories. Maybe with a few bucks we could get online some—and again, I know you have some limited, but just a suggestion to take back.

Mr. WALTERS. Well——

Mr. MICA. One of the other things—I just throw that as a suggestion. You don't have to respond.

Mica's last suggestion for the day: In dealing—again, I inherited in the last 36 months a different district than I had the previous 10 years. I had fairly sophisticated communities that could—we could write the best damn grants in the world and get them approved, and I would back them up and we would send little letters in and that money would flow in. But I find in my experience with the poor districts, where I have drug problems that make everything else pale, the addiction and criminal justice problems, is the lack of sophistication to even put a grant together. Now I am finding a lack of moving forward. I mean, to put a grant together—and you know what I am talking about—we had to bring in people from three other entities to even try to meet the requirements.

So you are probably getting the best and most sophisticated and putting our money to those who know how to operate this, but you have folks here who don't have that capability.

Then the second part is even actually running, for example, a community drug-free program. And I am seeing the same thing here. They don't even have the resources to put that kind of a program together.

In any event, I am rethinking some of what we are doing there as leaving people who need the attention the most, who are least capable. They are going to be, probably, the people that score some of the lowest scores in those traditional applications and then sort of flub the dub, and they are the people that need some kind of help.

So I think that is something else we need to take another look at.

Mr. WALTERS. I agree with you in a couple of dimensions there. One, we have put into place efforts to do outreach and technical assistance to areas that have more limited resources. We also give a priority for those areas that have economic disadvantage, rural, urban, Native American tribal areas. And I am pleased to say that in the Safe and Drug-Free Schools program, for example, 40 percent of those awards go to disadvantaged areas. So that is partly working.

But I also agree with you that we need better ability to track where the problem is.

Can I ask you to put up the meth chart, No. 8? I want to give you an example of what we are trying to do. This has methamphetamine, but you could use cocaine or marijuana or opioids.

We are now getting information from the largest workplace drug tester in the country. No identifying individual information, but millions of tests a month, down to three-digit Zip Code, which is what you see there. Some of these areas that are less populous, the three-digit Zip Code is of course bigger. But that, in short, for calendar year 2005 is the methamphetamine problem in the United

States. You will see how the darker areas are the more intense rates of positivity. It tracks with what you see in the newspaper, of course, States that you see mentioned.

But even within individual States, it is extremely concentrated in some areas. What we are trying to do is to work with the community coalitions, with our friends in Justice and HIDTA and other places—and I like HIDTA. Let me just say that because I think it has gotten lost here. Not every part of it, and I think there are going to obviously be some changes, but I like what we are doing here. What we are trying to do is to blend the kind of intelligence we try to use to be effective in the war on terror. Because we have a problem that is not everywhere, it is not equal everywhere, and by hosing water everywhere, we don't put the fire out where it is. And we certainly don't put it out where it is very intense.

So what we are trying to do is provide a way to move this information and other information like it directly to the people that have to work—in State government that are our partners, national government—so that we can also then say, look, why aren't we driving treatment resources in these areas where this exists? Why aren't we better targeting drug courts or community coalitions into these areas where it exists? Can we actually program now, effectively, the response to where the problem is in a more localized fashion?

In fact, in these States, if you—actually, we ran this data. The positivity rates in these States—and, for example, the small toxic lab data. If you run small toxic lab data for the overall States, the change for a 2-year period, and you run it against the Uniform Crime Reports measures of violent and property crime, they don't correlate beyond .3—which is not a correlation. Why? Not because meth doesn't cause a great deal of violent property crime, not because it isn't extremely intense where it is; it is just so focused in States that in some cases that focus is not causing an overall trend in the State.

So if we are going to deal with it, we need to localize. And I think that is an issue for getting to disadvantaged communities, getting to communities that are broken because of the magnitude of the drug problem. But I also think it is a matter of how we begin to use law enforcement to cutoff either access or production of drugs so that the supply and demand parts can work.

That is what I think is an example of how we want to move dynamic change into HIDTA, into drug courts, into Media Campaign programming, is that we can begin to tie some things together through these data sources and through responding to them.

Mr. MICA. Now, for the record, in closing, Mr. Chairman, I would like the Office of National Drug Control Policy to provide an overlay where we have the current HIDTAs on that map, just for the record. I think that would be interesting to see.

Thank you, Mr. Walters. Carry on. But I would advise getting more personal security.

Mr. WALTERS. Can I respond to one other thing? On the Media Campaign suggestion you made, which is a very good one, we have been trying to watch this, we have tried to use some of our money to track this—we have moved more of the messaging online because the kids are not necessarily watching conventional television

or even cable television. They are online, and through the help of the best people we have working with us in advertising, we have moved more appropriate messages online and tied this.

Also, with respect to girls, we have learned that girls have different motives, we have tried to use, as you know, a new branding of the youth antidrug campaign, called Above the Influence, to get at both the aspirational and the feelings that many young people, both boys and girls—particularly girls—say they feel pressure as young people, adolescence is a difficult time; they use drugs or they get caught up in drugs because they feel pressures to conform. We are trying to reinforce those sentiments generally, and we hope the campaign will help play into that research as well.

Mr. MICA. My point, too, is not just that category—and you have done a good job there—is looking at other categories. And again, I know you have limited resources, but maybe with a little creativity we could get more online for different categories.

Mr. WALTERS. Oh, I would be happy to look at and work with you, if you want to look at expansion. All I would say is, all the research we say is we have to maintain the weight. Remember, as this goes down, the remaining group is harder. So if you want to talk about letting it take your eye off the ball, if we want to expand it, that is fine, but there have to be more dollars. We have to have more dollars to hit the current target audience, in our judgment and the judgment of the partnership and others that we work with, and we have to be able to put the—if you are going to talk about expansion, we have to be able not to throw out the base as we move on to other areas.

Mr. SOUDER. One of our fundamental disagreements here is I understand why you have the strategy you have—marijuana is the base drug, it is going to show more evenness across the country. But partly both in—just as background, this is partly marketing and advertising, and that you also have to be able to capture people's attention, it is the kind of intensity of watching an ad, the uniqueness of it. Trends go. Our message isn't about a particular drug, our message is illegal drugs are bad. And if you are in a curve in the country where there is an intense interest in meth, even in an area where it is not hypothetically, or Oxycontin comes up, the novelty of that and the focus and how it gets covered in CSI and Law & Order and other types of things means that the basic message is narcotics are bad, and underneath it marijuana and often drugs and alcohol are the gateway. But if you keep the same message over and over again, it wears out and your intensity. It isn't that you don't change certain kinds of premises, or even the marijuana questions.

I had some police people in from Noble County, Drug-Free Noble County, this past week. They reported the first THC between 40 and 50 percent in Indiana. It is the seventh—could you leave the chart up there on meth? I have some technical questions on that.

But in the fundamental with this, that you have to show some movement. And if you don't, the Members of Congress are reflecting not just, yes, there is opposition on the marijuana campaign, but it isn't meeting where the demands are.

But let me ask a couple of questions about that chart, and it would relate to other drugs as well.

How old is the data? How timely is that data?

Mr. WALTERS. I believe it is a—as it says there, it is a consolidation of calendar year 2005.

Mr. SOUDER. So these are tests that occurred in 2005, or data that was given to you in 2005 from tests earlier?

Mr. WALTERS. It is data from, I believe, tests in 2005. I will check to make sure I am stating that correctly. And it is positivity rates among those tests.

The data is available monthly, but in order to have sufficient cell size in all the Zip Codes, it is generally amalgamated.

Mr. SOUDER. And do you lay that over with emergency room, lab seizures, and so on?

Mr. WALTERS. We are beginning to be able to do that, yes, sir.

Mr. SOUDER. Because I would say any particular piece of data will suggest something slightly different. This is also a reflection of how many drug tests you have. For example, in a rural county you are going to have fewer people doing drug tests; therefore, if you find a little bit of meth, it is going to be darker brown. You have bigger tests—I mean, I took multiple courses in statistical analysis. There are some fundamental questions there, because, for example, what I can do is look at my whole thing and go, man, is that wrong, that there is some total disconnect with emergency rooms, law busts. The brown is not in the places where the law enforcement problems are, where the school problems are, where the treatment problems are.

And the other thing, I look at that map, is, man, I have been wrong, meth is a national problem, I thought it was a regional problem. It is more intense in the rural areas, but this stuff has moved into Florida. We hadn't thought that meth was down in Florida to that extent. We didn't know it was up in New England to that extent. Man, meth is a national problem. And that we have been buying that the intense brown, it is just that it is more intense in those areas and it is a newer drug there, and those Members of Congress are going crazy.

And the other thing is, how does this map relate to the 2004 map and the 2003? My premise has been that the areas that were kind of orange moved to lighter brown, then moved to darker brown, and we have seen a steady progression of this. And this is a drug that you can in fact get ahead of because this is one we can sell and we can use that as a gateway to do the others. And I have been trying to make that message and I think Congress is doing that. So instead of it being in the National Media Campaign, you have had more or less a rump Ad Campaign startup, which I believe was up to $6 million this last year targeted specifically to meth, that is totally outside, based on individual Members' ability to convince people to write that in, just like meth hot spots is coming up as a separate earmarked program because there has not been a coordinated strategy that is responding to the fact that map is dramatically changing. That is a great thing that we should have had a long time ago.

So first off, I compliment you on doing drug testing because it is something that is being done on a regular basis. So are drug courts. So are child protection questions. So are emergency rooms. And as we get better data, we can move that and then look at how

is it changing. And instead of reacting, try to get ahead of it. And I would argue that a blended strategy—and I just said "basic"—I don't think you are going to get—I mean, I have been trying to sell this ad program, too. And what I know is when we went to the floor with an amendment to put money into meth in the National Ad Campaign, which, by the way, wasn't ruled out of order, so I assume it would have been allowable—that it had overwhelming bipartisan support and we were able to increase the Ad Campaign. But when it came back out, then the Ad Campaign went back down. And that there are some practical tradeoffs here.

I would also argue that I don't know how many kids use meth. In my opinion, it tends to be weight loss, more like an amphetamine, or tends to be adult-oriented but kids get caught up in it. At the same time, I don't believe the current survey structure is going to find kids who are using meth anyway. In many cases, they aren't in school, their parents are disorganized, they are almost zero percent likely to return any kind of questionnaire. It is arguably the most dysfunctional unit of Government—or unit of drug use to try to test. They are worried somebody is going to smell their drug lab. If I was a person doing a survey, I would be—as a postman, I might be afraid to deliver, let alone try to hand-deliver something. Or in school. It is a much harder population even than heroin and cocaine to try to get in your survey anyway.

And we certainly can't make policy on how we are dealing with meth based on the fact that it dropped from 1.3 percent to .9 percent, which is statistically irrelevant in the change anyway because it is too small a sample size to—probably the variation is at least 5 to 7 percent statistical variation when you get down to that few people inside of a category.

But the bottom line is we are still splitting hairs here because I don't think that this is the target problem on meth.

Mr. WALTERS. Well, again, let me just go back. First of all, the number that you cited in that survey is statistically significant—not all the changes are—but even at that small cell size. But the point is, I agree young people are not the major using population for meth. It is young adults. And we target those people as well. But again, if you show here—what you are seeing in the press that I think is reflected in the data we have—can you show me the——

Mr. SOUDER. By the way, can I ask a fundamental question? Maybe your staff knows. Were there 1,000 people in this survey or 100,000?

Mr. WALTERS. I believe there is about 70,000. Oh, 49,000 in the Monitoring the Future survey.

Mr. SOUDER. So 49,000 means that there were 490 meth cases that basically dropped to about 410 meth cases, something on that order.

Mr. WALTERS. Yeah, I would have to check the cell size.

Mr. SOUDER. I would argue——

Mr. WALTERS. And I don't do these surveys. We rely on statisticians that do that.

Mr. SOUDER. Well, that statistical differential is greater than 5 to 7, which is what you normally measure.

Mr. WALTERS. Well, again, I am not——

Mr. SOUDER. It is significant, because you made that as a pivotal point in your statement.

Mr. WALTERS. No, I——

Mr. SOUDER. And also in your comment that it had dropped. And what I am arguing is a statistical variation even of 3, when you only have a point–4 or 5 differential, means that it could be 4 percent, which would be 4 times higher. That your standard deviation on a sample size that small——

Mr. WALTERS. Again, I don't run the numbers. I rely on the statisticians who do. In this case, they are not Government, they are under contract at the University of Michigan. They have been doing this since the mid-1970's. They tell us what is statistically significant over the period of time. The change can be smaller over a longer period of time to be significant as I have seen it in the past. But these are not my numbers. These are numbers by the people who have been doing this for well over 20 years.

What I wanted to say is, on the larger population of meth users, which I think is an important issue here—No. 7. What we have seen in the larger household survey, which you referred to earlier, that has been going on for awhile, we have made efforts to try to capture some of these individuals. These are not a census. They give us relative sizes. I agree with you, these are hard things to survey.

But what we have here are those who are age 12 and above in household survey. The numbers for the comparable years, the survey structure, as you know, has been changed. It has been made automated. We have now to maintain a sample size and integrity, paid individuals for participating—that causes some change in the survey. We have, at my direction, changed the placement of the meth question for the next year to make it more prominent, to make sure that we are not underreporting because of where it may be in the survey. I did that after I took the survey. The results were not part of the national sample, but I insisted on seeing how these instruments work and asked that, particularly with meth, that we try to make it more a prominent part.

So we will adjust this estimate, probably, up some. It won't be a perfect census, but it is a relative measure, as it has been over years of looking at the issue of cocaine and heroin and other drugs, a relative probable suggestion of trends and relative magnitudes among the other drugs. What you see here is the troubling dimension of meth, I think.

On the overall, we haven't had much of a change in the aggregate number of meth users. But each year for the last 3 years, the number of people addicted has increased by 50 percent. The smaller portion of those individuals, as you see in red, are those whose primary addiction is to meth. The larger portion, also increasing by 50 percent per year, are those who have a primary addiction to another drug and are also using meth.

So what we have is an increasing overall portion of the overall users of meth who are addicted. The need for treatment, the burdens you have seen yourself and heard in the press—emergency rooms, treatment facilities being burdened here—are exactly what we see in these national numbers. But again, I point out, as from the other map, that is not going to be uniformly displayed across

all counties in all places at all times. It is going to be where the drug is concentrated.

The earlier charts show workplace tests. Probably most of those tests, positive tests, are not people who are addicted. Some of them may be, but they are probably coming in because they are detected using but they are not yet addicted.

This figure gives us a slice through that shows us something about those who are the heavy or most addicted users. What we obviously want to try to do is array that data as well across individual geographic spaces and populations so that we can see where there are concentrations. We do get reports from drug courts, we do get reports from HIDTA. We do get price and purity and availability data. We do get data also from other surveys—the User Risk Behavior Survey as well as others—some of which have city, urban, sometimes non-urban concentrations.

Our goal is not just to kind of have numbers about things, but the problem that you face and we face is how do we make sure we are driving the resources to where they belong. As Congressman Mica said, we have poor areas that don't apply for grants. They are too much under fire to apply for grants. It is our job, if we are going to make a difference, to be proactive and to be there and try to make sure the programs are where they need to be, and to tell you when programs are working. I take your point. We want to focus law enforcement resources as well, and HIDTA resources here. We have instituted, as you know, the first comprehensive implementation of an evaluation process for HIDTA. We will begin to have those results. We are asking them to program against those results. We are asking them to be accountable.

But you also know that the pressure that we get in the appropriations process, a markup of this committee, is not to reduce HIDTA counties. I have a lot of friction with Members of the House and Senate because they want to add counties. Now, sometimes they want to add counties where we should add counties, I think, from the data. Sometimes they want to add counties because they have people who are working hard and want additional resources and will put them to good use. I understand that. But our job is also to say, well, is want identical with the best deliver of limited resources? Sometimes it is not. And I recognize that those are the decisions that we are trusted to make. So we do the best we can here.

But I don't see much language in the appropriation bill telling me to reduce HIDTA counties. What I see is directions to add. And the problem with that is not that we won't try to do this responsibly, it is that when you add it, what am I going to have to do? You know what the program has done—it has cut money, as a portion, to some of the major original HIDTA areas that are cities and towns that still have major problems, and arguably have greater problems. That the spread of the program without additional dollars—and even though Congress has appropriated different amounts than the administration, it has not expanded the program.

Mr. SOUDER. But even using your own kind of model of measurement—that we have added HIDTA counties, we have added

HIDTAs, and the drug use has gone down 5 straight years—it must be working.

Mr. WALTERS. That is not my model. I mean, the sun came up every day, too, and I don't think the sunrise caused drug use to go down. It is not a matter of proximity, it is a matter of can we demonstrate that these programs have had a particular effect on the problem. Drug-Free Communities. We are asking the Drug-Free Communities program to institute measures of effectiveness that include, first and foremost, are you driving down drug use? It is not so easy to measure in a community-wide effort. But if the program is not doing that, it is not doing its job. We are trying to do that with accountability in the treatment program.

Now, you raise the issue of Safe and Drug-Free Schools. The problem that I have is—and we have talked together. I know you are on my side on this. So, I mean, we are arguing as if we are at opposite, and we are not—I think. There is no consensus to put that kind of accountability in the block grant program, because it is supposed to be a block grant. It is not supposed to be just a drug prevention program. And people do not want to change the authorities to do drug-free. I understand that. But under this environment, as we have looked at it—I recognize other people have different views—those millions of dollars are better used elsewhere, given what they——

Mr. SOUDER. Here—and I have one more thing and I will see if Mr. Cummings has that.

Our problem here is not that I don't think it is as effective as it should be. I don't believe it should be zeroed out because I believe it is one of the only prevention programs we have that, I believe, had between 20 and 30 different amendments in the Education Committee last time, on Safe and Drug-Free Schools, to try to tighten it, to cut allowable uses, to tighten it up, that they had to have an antidrug message if they did an after-school program. At one point I got so frustrated I offered an amendment that education itself be one of the allowable uses, because I am sure that would reduce drug use.

In other words, is this an antidrug program or not? "Safe" got added in. School violence, the time we did it last time, Columbine happened around that same time. We are about to start hearings again, not only here but in the Education Committee. That is going to be one of my primary things: let's figure out how to make it work. Getting rid of prevention programs, when it is one of the major legs, is not a solution. Drug testing is part of it, but it is not just drug testing. I believe that even if these programs aren't as effective as they should be, they, plus the community coalitions, plus the National Ad Campaign, plus the arrests, mean we have a net reduction in drug use, that there is a holistic, interactive relationship when you get different teen groups, no matter what the antidrug program is in the school, and it is very hard to measure, but it is a backup behind the National Ad Campaign working with the community antidrug efforts with testing behind it, and that we need to make it more effective. You don't just say let's zero it out.

That has been my argument. It is a nuance of the same argument, but the same. We can't just take it over and knock it out.

Now, we have a major difference here on methamphetamine. And we can sit here and argue some of these numbers, but here is some of the mistrust in Congress. ONDCP seems intent on disproving what everybody else in the country is seeing, that methamphetamine is an epidemic, in that you continue to come up with numbers that I believe illustrate my point, and I don't understand the lack of understanding with this. In other words, first off, I don't know if I agree with that chart. And I believe you were correct in interpreting that chart of intensity, and that is part of what we have happening in emergency rooms.

But there is another phenomenon that happens. Because States have been implementing pseudoephedrine control with no help from the Federal Government or guidance on this. As States have been implementing this, labs and some of this drops. Then new people come in. Then as we implement our Federal law, it is likely to still stay relatively flat, or have a slight decline, because of what we did, not because of any help out of ONDCP or the Federal Government, the executive branch. And that what we are seeing here is new people come on board.

And I believe, first off, your data is wrong. I believe that the Association of Counties reflects that. I believe that when you mix a whole bunch of things together, you will find that the casual use is up as well as the codependency use, and definitely the intensity use is up. But partly, when we go after the meth epidemic in individual States, we defeat it. Unlike some of our others where we try to control it and get it down, meth is one where we can go from 200 labs in an area down to 20. And that then crystal meth comes in behind, which is going to be—is this crystal meth or labs, or both? I assume both.

Mr. WALTERS. That is both.

Mr. SOUDER. And that the other thing is this chart is going to change internally. And if you can't get a sophistication of what is happening, that this goes in one regional area, it gets intense, the community responds; then it goes in another area, it gets intense, the community responds. It looks like it is flat when it is not. It is Jello moving around that could have been defeated. And now it is going to move as we get control of pseudoephedrine—opposed by HHS—get control of international standards, which was opposed by the Department of State and, in effect, the executive branch sitting aside, other than Attorney General Gonzales and the DEA, watching us do this.

Yeah, we have kept it flat. We have been going at it like crazy with meth hot spots, with HIDTAs developing it, trying to do regional efforts. The Partnership for a Drug-Free America has some ads, but they are doing it outside the Ad Campaign. So if that is true that it is relatively flat, it is because State and locals have been fighting like crazy to do this, with a little bit of help—and we are jumping in.

And I still don't believe that is ultimately going to be flat because now crystal meth is going to come in and suck up the demand with a more potent and cheaper drug behind it and be able to cut out, potentially, some of the Colombians and other dealers because of being able to basically get this through Mexico with legal drugs.

Now, we are working at that. I know we have talked on the phone. I know you understand the India-China problem, that you are becoming engaged on this as it moves toward crystal meth. And I believe it will be then more of a traditional battle. But the frustration you are hearing out of Congress when you release figures like that, it is like "this isn't a big problem," when people are battling their heads off to get control of this.

Mr. WALTERS. Mr. Chairman——

Mr. SOUDER. And you are saying it is not a national problem. It is a national problem. It is a national—39 States where this is their biggest problem, and you are telling me it is not a national problem.

Mr. WALTERS. Mr. Chairman, I didn't say it wasn't a national problem.

Mr. SOUDER. You said it was regionalized and localized, even within States.

Mr. WALTERS. I said the intensity of the problem is extremely localized based on the data I see. I can only tell you what I have as the available information to me that comes from credible sources. I cannot report something that I don't have a credible source for. I did not say this was not a serious problem. I believe I said this is as serious and harmful a drug as there is. I believe that the good news here is that, yes, States have been passing pseudoephedrine controls as well as carrying out enforcement. They have been doing more treatment, some of it with the President's Access to Recovery money in some States.

Under the management of my office, the HIDTA program has more initiatives on meth than any other single drug, I believe, over the last several years. We have not been avoiding the problem of meth. We have controlled what was first, as you know, the diversion of pseudoephedrine and ephedrine from industrial-size quantities in the United States for super-labs. There was then importation from Canada, and our law enforcement at the national level worked with the Canadian RCMP to shut that down. We have had remarkable success, it looks like, through State and through enforcement action more broadly on small toxic labs, which helps us on toxic waste sites, on drug-endangered children, on danger to first responders. And we hope that will also change some of the availability here.

We are also now working with, and I met with, the Chinese Ambassador a week ago. We are meeting with the other major supplier countries of Germany and India. There is a conference in Hong Kong. And we are working to cutoff the supplies that have now been in combination and single ephedrine and pseudoephedrine products coming into Mexico where this is coming, so we addressed that issue as well. We are systematically attacking both the supply and demand for meth.

I think one of the great things on our side is, frankly, that the media does not glamorize meth. I mean, unlike the early days of the cocaine epidemic and some of the times a marijuana and some of the talk in the entertainment business about ecstasy, which was the great threat when I took office in 2001 that was coming for our children, we have, I think, a real depiction of the dangers of meth,

which help us generally in making a better understanding of the risk to young people and young adults and adults generally.

So again, we are not there yet, but we are not failing to pay attention. We are not failing to take steps that are making systematic efforts. And I would say last, on the general point of what we oppose, what we don't oppose, we support the Combat Meth Act as an administration. Send it, we will sign it.

Mr. SOUDER. We like leadership, I know. I appreciate that you never opposed it. And you informed me early on——

Mr. WALTERS. The President will sign it when Congress passes it, the sooner the better. November would have been better than December, February is better than March.

Mr. SOUDER. Well, the President, for the record, has not vetoed any bill. The question is leadership. And the fact is that different agencies inside the Federal Government, inside the executive branch, were opposing the bill.

Mr. WALTERS. But I have been up consistently with Members of Congress——

Mr. SOUDER. You have not opposed this.

Mr. WALTERS [continuing]. And I have said send us the bill, send us the bill in a variety of the earlier forms. The one thing I have worked with Members on is said I do not want a floor on the ability of States to operate precisely because State regulation is making a difference. And we don't want to cutoff States that want to have heavier regulation. Congress has accommodated that. And I think the sooner we get this, as you pointed out, the data I arrayed, we have creep into States that now don't see this as a major problem. The law will allow us to give protection to some of those States. And the good thing is we have a tool that works on the localized production of meth. We want to use it.

Mr. SOUDER. Ms. Norton.

Ms. NORTON. Thank you very much, Mr. Chairman.

Let me begin by indicating that there are some very important points of agreement that I would like to note. I looked through several of the charts. I have a very serious question about the chart that you and Mr. Souder were talking about. I am reluctant to get into it, but I have a meth question and a question about that chart.

This is a wonderful chart. This is a chart about the drug courts. And this administration has consistently asked for an increase in drug courts. You did so last year, and it took the Congress to knock that down. It is such an important prevention device, and you have not been deterred, apparently, by being cut by the Congress. And if you are really talking about preventions, if you talk about carrots and sticks, if you are talking about tough love, a very good place to begin is with drug courts. You have to scare the bejeezus out of them, really.

And I must tell you, being brought before a judge that is on a drug court has proved a very effective way to do it. I can't tell you how many lives you have saved, economic and actual lives you have saved by sticking with the drug court notion which, you know, took off. It was in experimental phases we can see, in the late 1980's and 1990's, just kept taking off, and I encourage you to continue to do that no matter what the Congress does.

I also am in strong agreement with your priorities—stopping drug use before it starts, then you go to healing drug users and then disrupting the markets. It seems to me that is the right order of priority.

One of the reasons I so favor your first priority, starting before it stops, goes back to something I think Mr. Souder has heard me say in this committee. Those of us who aren't addicted, let us say, to cigarettes or to drugs don't have a real appreciation, I guess, of what real addiction is about. But everyone has something that they wish they could give up. And for me, you know, it is sweets. So I can't imagine, given how difficult it is for me to push aside my sweet tooth, what it must be to be truly addicted to a harmful substance, particularly since we know now addiction to alcohol, to drugs has some compulsion factors that we are still trying to understand. So getting it early could not be more important. And it seems to me it is the most important thing we could do.

I am not one of those who—I am a great admirer of the multitude of programs to get people off drugs. You see, I don't believe it. I really don't believe by sitting down and talking to somebody or—I believe you can get people off of it and then they go back on it. We all understand what that kind of recidivism is about. We don't understand—I mean, if you talk about smoking, people who smoke, whatever those things they—you know, they put on them all the time. I mean, you know, I just think we have to begin to—science is going to help us on this.

So until then, you say, hey, look, just get it before it starts. I would like you to reconcile that with a very small portion of the budget to be spent on prevention. Just, as I understand it, 11 percent of your projected budget you ask for prevention programs. And I was so disappointed that represented a 2 percent decline from your fiscal year 2006 levels. I understand there is a tiny increase overall, but the last place I would have expected an administration who has focused relentlessly on drug courts to take from would be the already small part of the budget that goes to prevention, the best chance we have on drug addiction in this country, in my judgment.

Mr. WALTERS. Yes, thank you, Congresswoman. We have tried to focus, as we talked earlier, on what we think are the programs at our disposal that work. And one of the areas that causes the array to look the way it does is—we have just been talking about this—that we have a disagreement over whether the outputs from the Safe and Drug-Free Schools program, the larger prevention program in the Department of Education, because it is limited in its focus on drug prevention, is an effective way to target that money. I wish it was. We have tried to work with this before. The chairman and I have worked on this, and I have worked with others, to try to build some accountability into that program. And I am not saying there aren't people who are using that money for good things. I have gone around the country, too, and I know there are.

But the issue is not whether out of hundreds of millions of dollars a few people are doing a good thing or some are, I think the proper management and demand in this environment for sustained funding is that the program itself can show that it can generate results. Drug courts do that. The Media Campaign, we believe, does

that. The community coalitions campaign, we believe, does that. The HIDTA program, I believe, produces results. Again, we have been back and forth about the HIDTA program, but the fact of the matter is in this budget, as you have seen, the administration has taken, again, some pretty hard decisions about revenue sharing with State and local law enforcement, some of which are not going to be popular and may not even be sustained.

In this budget, we have proposed level funding for the HIDTA program. But on the prevention side, what we are trying to do is support those avenues that we think will make a difference. And in a competitive environment where, as you know as well as I do, you have to make these decisions and provide support for education programs, for health programs, for job programs, and for others, what we have tried to do is maintain those that will show they can drive the prevention forward in a direction it has been going and follow through, and we have not been able to request money for programs that are not as effective.

Ms. NORTON. Do you do control studies on these programs? How do you know what is effective and what is not effective unless you are doing control studies?

Mr. WALTERS. Well, they are required by the laws passed by Congress to have performance measures and release those performance measures as a part of what they submit to the Congress and what they submit to OMB.

And look, here is the real problem, I think, with the Safe and Drug-Free Schools program. It is conceptually not intended to create specific results. It is intended to be a block grant. It is intended to have money which is not specifically directed, but for a range of activities to be deployed as State and local officials see fit within the parameters of that program. The problem is, in an environment we have like drug courts, where you have a certain number of individuals going in, a certain number of individuals going out, where we have a Media Campaign where we are measuring attitude changes on the target audience, where we a community coalition campaign that is measuring declines in drug use——

Ms. NORTON. Mr. Walters, you have a convert on that. You are talking to somebody that doesn't believe in these people saying, you know, we have cured X number of people and so forth. But what you haven't convinced me about is that there are not a sufficient number of programs that in fact have undisputed results that should be funded. And indeed—Let me tell you the difficulty. People see the administration as eliminating programs in order to cut budgets. I think you would have had a better chance, it seems to me, of convincing people like me who are with you with all these programs, shucks, in a school system, you—you, School System, figure out where your folks—I am all for local control. You know, I argue that all the time, for very good reasons.

But the only way I would do it, of course, would be to say, look, School Systems, we have looked at programs tried in representative school systems; you are in a big school system, you are in a rural school system, you can choose one of these programs. But you sure can take this money, you know, and give it to, you know, X, Y—Ballou High School, you can have this, Wilson, you can have

your share. You wouldn't be able to do that. That is something I would support.

The notion, though, of cutting prevention programs because there are not enough good programs out here, that is very much—given the priority you put on prevention, that is very hard for me to accept. Because you have the right priority. You have not put your money where your mouth is.

Let me go on to my second question.

Mr. SOUDER. Will the gentlelady yield to that point, to kind of—I just want to add one thing that I have been brainstorming that has not been developed. For example, one of the problems is, by driving it to the individual school, often they don't have enough money to do something, so therefore they couldn't afford this type of program. But we could do that by who we drive the dollars down to. If instead of—a lot of my school districts have just one high school in it. If you did, not to the Governor but to some sort of coalition, whether it is a county or a four-county area or different things, and then, like you do with CTAC, where there are certain allowable things—you don't allow police departments to just come in and say this is what we want, you say these are the things that work in narcotics. And then you review that and say in this size school, this type of thing works. And then for the type of area that this area is representing, if it is a cluster of rural districts, you say what tends to work in rural districts, what are some national models, and this is pooled between those schools, much like what we do in drug-free Indiana, much like we do with some of the community antidrug coalitions.

There are creative ways that we can work with this other than have it be just run out of Washington, but Washington could give some guidance. And the question is, how can we make this program more effective because it is one of our only prevention things. It is in the school and it serves to back up the National Ad Campaign.

Mr. WALTERS. Just one suggestion here from my own experience, but—this is not obviously an administration suggestion in the budget. First of all, it is a lot of—keep in mind, I want to emphasize one point you made and make one comment. It is a lot of money, but when it gets down to individual schools, it is not a lot of money. So part of the problem with this program is one of the demands of effectiveness, you are right, if you are going to be fair, when you get down to where the rubber meets the road, it is, like, "I'm supposed to do what with this?"

So the issue is can we focus it. These block grants, I don't need to tell you, there is enormous controversy within the Congress about changing the formula. So it is not so easy to say, well, OK, then just focus it. But second, the minimum thing, I would say, as we are trying to do with community coalitions and we are trying to do with others: measure drug use in the school every year so people know what is happening and they can measure whether the efforts combined are working there or not. That has not ever been a requirement of this program. So when you are trying to say, well, how do we have accountability, if you don't have accountability against that measure, what do measure and it makes any dif-

ference that you know is going to be connected to making the problem smaller?

Ms. NORTON. Thank you.

Let me go on to a very serious question I had. You are a professional in this field, are you not?

Mr. WALTERS. Well—my hesitancy is I am not sure there is a professional drug czar, but——

Ms. NORTON. No, I am talking about what you have been doing for 4 years.

Mr. WALTERS. I mean, I have worked in this policy issue in Washington for a while, yes.

Ms. NORTON. The reason I ask this is because I have a very serious question. The most important issue for me as a Member of Congress and an African American really isn't anything that finds its solution in a piece of legislation, although legislation is, like almost everything, a part of what we can do. It has to do with the decline and fall of family life in the United States and particularly in the African American community. I have joined with a good friend of mine on the other side of the aisle in the Senate, Sam Brownback, with whom I cannot have more thoroughgoing disagreement on something he is doing in the District of Columbia called Marriage Development Accounts, because I am so concerned about it, the notion that marriage has gone out of style, as it were. I hate to use it that way. You have White children being born to never-married mothers, you have twice that African American children. Anybody who thinks that you can raise children that way, it seems to me, hasn't gone into communities where mostly mothers are trying to raise children on their own. So I have very, very serious concerns here.

So when we look to the various causes, they are multitudinous—some internal, some historic. They are very large. And there is no pathway into solving this problem.

But I have to ask you, Mr. Walters, about one cause that is explicit. And I want to ask you very frankly what your view is and if you think this policy should continue. That is the policy that began in panic after crack was introduced in society in the early l990's and crime went up so badly, and we developed a difference in the treatment of crack cocaine and powdered cocaine. Democrats and Republicans both embraced this difference not understanding what I am sure were unintended consequences. Well, the consequences were the low-level drug dealers, mostly people from the poorest communities, got caught up, while the guys on top, the ones you want to go at in Priority No. 3, Disrupting the Markets, were left to continue to plow drugs back in the poorest communities in the United States.

What is the effect on marriage when somebody gets a felony record, and most of these drugs types are people who were dealing—very little in the way of violent crime. Jails are full of these nonviolent drug-addicted dealers. You finally get out with a felony conviction, you know, and it is written on your forehead. And if you happen to be African American, it is written on your Black forehead. It was bad enough being Black if you came out of a poor community, but now the word "felony" is over that.

Well, people will have children. African American women know how to control children in various ways, from abortion to birth control, so they have one perhaps, no more than two. Their birth rate is not much different than the birth rate of White women. But the whole notion of marrying the father has very much disappeared, because in a real sense you marry somebody who is—disproportionate numbers of whom have either been to jail and have a felony record or are hustling—that is not in your jurisdiction; it has to do with unemployment, the rest of it—are hustling and, God knows, on their way to jail. Even though a pregnancy occurs, the family will say do not marry him. In your generation and mine, of course, the family said the opposite—give the child a name even if you don't stay with him. Or whatever. The way to look at such a man, ripe for such a charge or with such a charge, is that he is unmarriageable, he is not deemed to have the capacity to become productive in the society.

So if you are looking for various things, and you see I am looking for everything I can find—that is why Sam Brownback and I are working on Marriage Development Accounts to make marriage attractive again because part of the problem is, of course, that people wonder whether they want to take on financial responsibilities of marriage. It encourages savings and it rewards saving. But I don't see how one can overlook crack and powdered cocaine.

If one wanted to overlook it or consider that this is Eleanor Norton, Black woman in Congress, then I would have to, lawyer that I am, cite you to perhaps precedents that are more persuasive—like Supreme Court Justices, beginning with Justice Rehnquist or Justice Kennedy. For a Justice to speak out, as they have, against the guidelines that result in this disparity, saying, as they have, that rank injustice has been done. And for us over here to kind of ignore it and keep going willy-nilly while a whole generation of Black people are condemned now to losing the family culture, and a whole generation of Black children are being raised with no father, and a whole generation of Black women, including middle-class Black women, find such a disproportion between the number of marriageable people without records, even if they are not already in the middle class, marriageable Black men and marriageable Black women, so that there is a whole generation of Black women who will never be married.

Now, I cannot tell you that you have or I have the answers to such a complex problem, but I can tell you one thing, that disparity, which sweeps up boys and men without economic opportunity in the poorest Black communities is one cause. It is a cause. If a woman makes a mistake, she is making another mistake to marry this man, and these children are left without a parent. And I have to ask you in your professional judgment, whether you think it is time to at least take another look at the disparity between the sentences for powder cocaine and the sentences for crack cocaine.

Mr. WALTERS. This has been, obviously, a concern almost since the differential in sentencing was enacted. Of course, the original reason was that people were trying to protect people in the Black community. I was here during the Reagan administration. I worked with Charlie Rangel, and you and others here on this that were outraged that on top of the other burdens that Black inner city

Americans bear. Someone had designed an incredibly addictive and destructive drug, I mean, similar with what we talk about with meth. If you change the drug, you would be talking about crack if you talked about the inner city instead of rural western United States.

I do think that, obviously, the goal here was to say if we had harsh penalties that really put people away, we would stop this cancer from eating one generation after another.

Ms. NORTON. And you and I agree these are thoroughly unintended consequences. But one has to be a fool to see unintended consequences and say, "Let's keep on doing what we're doing." What do you want to do, wipe out any prospect for African Americans? Is 70 percent born to—not enough? What will be enough? Will 80 percent turn this around? Have we not reached the point where everybody ought to take a hard look at this, even if they are not prepared to make a judgment on it.

Mr. WALTERS. And I think the other part of this is that the adjustments that have been made still leave some disparity here, as you point out. I mean the effort to create a bypass a number of years ago if you were not a repeat offender, if you didn't have a gun, there was a bypass created in the Federal law. Of course, the Federal law also is—it is used in some jurisdictions, but not in all jurisdictions. Washington is somewhat unique in that regard.

It seems to me that the real——

Ms. NORTON. Most jurisdictions in their own criminal law don't have the guidelines that the Federal law has, and the DA will sometimes pass off to the Feds, really go get them, so I understand that. It is interesting that the States haven't followed suit with what the Federal Government has done.

Mr. WALTERS. I agree with you that there is—I think that reflects the difference about what is the proportionate level of punishment, which is always going to happen in jurisdictions, and it partly is going to be based on threat, it is partly going to be based on individual judgments.

To get to the thrust of your question, of course, the Federal law also does not actually involve a large number of the offenders. If this were the only thing that were pulling in—I am not trivializing its contribution, but it is a small part of it. Obviously, the underlying issue is substance abuse, and we have let substance abuse particularly impact cities. I mean I have been here a long time and I have said before, if what is happening to the inner cities—permit me to leave meth aside for 1 minute, and rural America in our debate—if what is even happening today with crack and powder cocaine, were happening not in downtown Washington or Baltimore, but in Chevy Chase, D.C. or Maryland, our response would be different.

We would not allow open-air drug markets in those areas. Why? Because they are poisoning the people who live there. They are taking their dollars from much less to begin with, and turning them into an asset against economic opportunity and education and safety and health. They're spreading blood-borne diseases. They are turning people's families into hollow shells. I agree with you.

I think that the key here is that we can look at the proportion of enforcement, but we have to—I visited a re-entry program in

New Jersey within the last week—we have to first bring people back and use what we have in helping young men learn how to be parents that are coming out of the institutions. We have too many there to forget them. And there are programs that work here and we are funding them, and we need to have more resources to fund those re-entry programs.

We also want to start at the beginning, I think, and that is why I am proud that 40 percent of our community coalition dollars go to disadvantaged communities. We worked with Mr. Cummings on trying to make sure that this gets to more places. I believe we ought to have more of these community organization funds in the D.C. area. And I have asked my staff, and we have tried to work with people in the D.C. metropolitan area to build more of these capacities. But I agree with you, the problem also is that what we allow is young males, White and Black, particularly African-American males, to get into trouble too far before we pay attention.

I tell people—and I know that there's resistance to this and I have talked to others—if you want to also stop this—and I am not begging the question about the distinction—but if you really want to stop young men starting this, it is time to connect the dots on public health measures and do drug testing. We are working with the city of Detroit today to bring drug testing to what is considered to be the worst school in Detroit. Why? Because they have talked about this and understand once you get over it, it is not going to be used as punishment. It is going to be used as an enormously powerful prevention tool, and it is going to be used to get people help early before they are in the juvenile justice system.

There is a lot of sensitivity. Can we do this? Is it really going to be run that way or is it going to be run a different way? If we can do that in Detroit, I believe we can show this can be done in a whole range of settings.

And what does it also do? It shows those kids who are at risk that we have programs for, you know, bringing adults into their lives when the family structure falls apart. We don't connect them soon enough. The testing shows you also which kids are going to bring a gun to school, which kids are going to be truant, which kids are on the path to poor academic performance. It allows us to wrap those services around, and doesn't allow us an excuse to say, well, we didn't know what was going to happen until he got in a fight or until he got arrested.

Ms. NORTON. Mr. Walters, I couldn't agree with you more. I have my own Commission on Black Men and Boys. I mean, here I am a card-carrying feminist, and I could not agree with you more.

I have to ask you very directly as a professional in this field, not speaking for the administration, do you believe it is time to take a second look at the disparity between crack cocaine and powdered cocaine, either as a matter of fairness, as Supreme Court Justices have said in a number of speeches, or as a matter of policy on other counts, or do you support the present disparity?

Mr. WALTERS. I don't think—I can't separate myself from my position, so I can't—my opinions are not just my opinions in this job, and I understand that. I think we are always willing to work. We have been working with Senator Sessions in the Senate and others

about looking at—if there is going to be a review of the law here, what it could be.

At this point I will tell you that, from my experience looking at this, the relative number of individuals that are brought into the crack mandatory minimum—because that is what we are really talking about—is fairly small, and it is partly smaller because the Federal Government is not generally focusing enforcement at that level.

In addition, you have to separate those who have pled down from a more serious charge to get to the ones you want to talk about, which are those who are charged largely because they are not a serious offender. The bypass has removed some of those individuals. I do think though that the issue here is it is symbolic now, and I think that is really what we are talking about because a number of individuals is really relatively small. I can get the number for the record.

It is known to have a disproportionate effect, and the issue, is, why should that be? Again, it has not stopped Congress from passing a mandatory minimum, as you probably know, for meth that has its pattern on the crack mandatory minimum. That will also be a racially disproportionate enforcement mechanism. Now, again, the argument here though that we have had, and that I have had, and I know you have probably had if you talk about this, is when you change the penalty to be less severe on the offender—and I recognize the offender also masks children, wives, families—but the offender, what are you doing to the victim, the person who they are making a living off of poisoning? Sometimes they are also poisoning themselves, but what I have heard from people I have talked to in the Black community when this comes up, who sometimes oppose it—not everybody and I think there is a pretty broad consensus this should be changed in the African-American community of people I talk to—but there are people who are in that community who say, "Who speaks for us? Who speaks for saying that these people are doing something really wrong, given the power of crack and what we know."

Ms. NORTON. I will tell you who speaks for them, the people they elect, and I can tell you that the Congressional Black Caucus, speaking for them—and if they don't like what we are saying, they know how to tell us—are hearing these are killing our families, this is killing our community.

Could I have one more, ask one more question on meth and I am interested in knowing about its possible crossover effects. I don't quite understand why it is being contained. I understood something about the big city incubator for heroin, for example. I don't understand meth and what we might do to prevent its spread. I particularly wondered about this chart, and I must say it is very clever. It was the other chart that was up there, and I think Mr. Souder was dealing off of that chart. This is a chart that is designed to show that the number of meth users are going down, because it combines the meth users with other drug dependencies, if most drug users didn't get there by being on something else. That is kind of drug abuse 101. Most people don't jump into the bad drugs like heroin, cocaine or meth without going through the pathways. It can be anything from marijuana to alcohol and up. If you looked

at these people—and I take it there is no illicit drug dependence abuse—it should have said "except for meth." Then, of course, you can look, and the numbers go down.

I don't understand that way scientifically of looking at drug use because I don't understand it to comport with how drug dealers in fact get to hard drugs independent, and then somehow you factor in all these things.

My other question was related. I saw a television program—maybe others saw it—recently. It was the most fascinating thing I have ever seen—maybe it was the program, maybe it was a little slip—that showed that meth addiction, severity of addiction, went up and down according to almost absolutely correlated to purity. And thus, they suggested that if you looked at purity, you would know when addiction—and then they put the two lines together, and I have never seen anything like it. So my question is, why talk about drug addiction in this way, when our common knowledge is that is not what addiction is all about. We have to assume people are multi-addicted, and does it really help us get rid of addiction to look at it that way?

And the second is, is purity the thing to look at when we look at meth, and is meth going to come to the big cities any time soon?

Mr. WALTERS. First, I apologize if the chart is not clear. What it is designed to show is not that meth is not serious. What it is designed to show you is our ability to measure, through the largest national survey we have, meth use. While it has been constant over the three comparable years of the survey, that within that constancy for population age 12 and above, every year the number of addicted people among the meth users has increased by 50 percent. The red bar—I am sorry that is not in color—the red bar is those whose primary addiction is meth. The blue bar is those who have a primary addiction to something else and also use meth. Both of those are increasing at a rate of 50 percent per year, while the total number of all meth users, addicted and non-addicted, has remained constant.

This has become, not unlike—if you have seen similar data for heroin—the conversion rate from first use to dependency is extremely rapid, and in fact, for heroin at different times in the past, the number of addicted users exceeds the number of non-addicted users, because we have had longitudinal studies that show if use heroin 10 times, you have a 50 percent probability of becoming addicted to it because it is that addictive. Methamphetamine is showing some of those similar properties here, and it helps also to explain why while you could have rates of use that may not change, that nonetheless put enormous strains on the treatment system, it is not—fortunately, there is not enormous number of new users coming on board. In fact, that proportion of the overall user population is shrinking.

The problem is, the consequences for addiction are increasing at 50 percent per year. We need treatment resources here.

And also on the point you made, which is very important, people are coming to meth from—I have met people who say they started with meth, and I don't doubt some have, but generally speaking, they are coming to meth from using other drugs. What that means—Mr. Souder's and my earlier conversation about the Media

Campaign, that is a different prevention problem for us. We can't run a prevention campaign saying, "Look, we know you abuse alcohol and marijuana, but don't use meth." That is not a very powerful Ad Campaign. And we certainly have the news media talking about meth in a way that is very powerful.

So we are trying to look at prevention strategies and intervention strategies that work, given the different phenomenon of this problem. It is serious, and I think on the issue of cities, yes, we are very worried it could come to cities. Why? It already has done that in the Southwest, certainly Los Angeles area. And second, as you see in the drug strategy—and we have a chart but I won't bother to put it up now—the number of small toxic labs that we have all been concerned about or should be concerned about because of the consequences of the environment for children and others is going down. The remaining source that is now becoming bigger, is crystal meth being made in Mexico and distributed by the same organizations that are bringing, in some case, cocaine and heroin and marijuana. They have marketing outlets in our cities. They have the capacity to go nationwide very rapidly.

That is why we are working with the Mexican Government to control the precursor chemicals that are now being focused in Mexico to distribute this. That is why we are also looking, in addition to local law enforcement against small toxic labs, task forces that will deal with these organizations as we have with cocaine and heroin, that are international. That is why I met with the Mexican ambassador this morning, to talk about how we can strengthen those cross-border operations, as well as the efforts we are making to cutoff—we have cutoff significantly the precursors necessary to make meth from Canada, from within the United States, and the amount of production is declining over-the-counter drugs as a result of regulation, which we want to follow through on.

But the issue now, and the danger for our cities, is if we aren't successful on the Mexican produced, organization distributed meth, you will have meth as a bigger problem in major cities if the patterns were to continue.

Now, we don't entirely understand this, because there is a tendency for these drugs, like a disease, to spread as an epidemiological phenomenon. They don't come from nowhere. They come from contact of one person that is involved to the people around them. So there can be pockets of intensity. There can be limits, but that is why I talked about the need to localize this, especially in the early stages. If we are going to wait until that is—Mr. Cummings mentioned there is 19 million Americans who use an illegal drug once a month or more frequently. Fortunately, by a comparative measure, which is not a census, this is about 600,000, 700,000. If we want to wait for this to be 3 million, we will have a meth problem of gigantic proportions. Our goal is——

Ms. NORTON. It is going to depend a lot on the price of crystal meth.

Mr. WALTERS. Purity and price, yes. I believe that what you saw and what you cited is a critical matter because that reflects availability. Those changes up and down though, I think the suggestion—I saw just a transcript of the Frontline program—the suggestion was that the drug traffickers are manipulating the purity. We

don't have perfect knowledge of this, but I think the actual—if you look over time there, what is actually manipulating the purity is the effectiveness of enforcement in cutting off pseudoephedrine to major labs in California that were run by organizations, the ability to control some of the pseudoephedrine at the State level, that in fact, it is a consequence of the law enforcement and regulatory——

Ms. NORTON. If that is the case, how come it goes up and down?

Mr. WALTERS. Well, because what happened was, first of all, you had large production by organizations largely focused in California when pseudoephedrine was available inside the United States. We cutoff that source of large bulk supply. There was a downturn. Then it came from Canada. They established routes through pharmaceutical firms in Canada. We worked through it at the RCMP to cut that off. Then the enormous explosion of small toxic laboratories occurred from over-the-counter production. That was lower purity, but more availability. That has been—it has dropped over the last year by about 50 percent.

Ms. NORTON. So when you say it is purity and—I mean the purity lines were converged absolutely. I am going to ask you to go back and have somebody do a study to prove what you are talking about, law enforcement.

Mr. WALTERS. Sure.

Ms. NORTON. But are you saying purity was not a factor or——

Mr. WALTERS. No, purity was a factor.

Ms. NORTON [continuing]. Was an additional factor?

Mr. WALTERS. No. I was saying the cause of the purity—again, we don't know this perfectly, and I don't want to overstate this—the cause of the purity change I believe was suggested to be manipulation by drug traffickers. There may be some effort to adjust this, but generally speaking, they are producing what they can produce with the picture that is put on them.

Ms. NORTON. But they may have pressure to produce more to get to more users. Wouldn't they be inclined to dilute what they got?

Mr. WALTERS. Well, they may not be able to produce as pure a product when their precursor chemicals they need to produce it are not as available, yes. That is what I am saying. And when they have to use smaller lab sites—again, this is a dangerous drug. The purer it is, the more dangerous it is. Does the change in purity reflect manipulation by the bad guys, or does the change in purity reflect the progress of the good guys?

Ms. NORTON. I appreciate what you are saying, Mr. Walters, because you are approaching it scientifically and you are talking about hypotheses. I wonder if you are in a position, the drug czar is in a position to put out an RFP so we can find out what in fact produces this, and pinpoint, so that we know more then perhaps about how to stop it.

Mr. WALTERS. We are trying to look at that internally. We will be happy to share those results with you.

Mr. SOUDER. Also, there is more purity if an area is crystal meth as opposed to mom and pop labs, because they don't achieve the same purity level. So depending on the mix of the meth, you get a different—so, let's say in Oklahoma—part of this is going away, so let's say in Oklahoma they are doing mom and pop labs. They do the pseudoephedrine law that purity was lower. We shut down

the mom and pop labs. They move to crystal meth. The purity goes up so the addiction goes up. Then you bust a big distribution network, which has a lag effect. The Canadian bust he is talking about at Windsor and Detroit, we think took out at that point 40 percent of the raw pseudoephedrine for a period of time in the United States. Then it found another way to come in.

But the problem, when we talk about meth, is that there is two types of meth going on in the country, and the urban threat is crystal meth, although we are starting to see some labs. But it is not just a rural phenomena, and you repeated that here, and that you clarified. Phoenix has it. Los Angeles has it. Minneapolis has it. And there was an early myth that because right now crack is still the choice in most major cities and African-American areas. But in Minneapolis, at our hearing in St. Paul and the Minneapolis side, one neighborhood gang in the African-American community switched from crack to meth, and all of a sudden, 20 percent from a standing start of zero, 20 percent in I think it was 3 months of the people who were addicted—I believe it was a Drug Court measurement—in the African-American community, were meth predominantly, because—and that city was, I believe, 5 to 10 percent, and it showed that it could be a crack epidemic if the distribution network changes.

And I believe the disservice that you are continuing to do is to act like it has flat-lined, when in fact, this is a rolling phenomena.

In my district, Elkhart and Fort Wayne, the two biggest cities, don't have any meth or minimal. Elkhart is starting to get some, because crack is still the drug of choice. But as it moves and we get control out here in the mom and pop labs, and the crystal meth comes back in, all of a sudden—and so the line is changing, and the reason we have a flat line and the reason we are going to see purity go up in America, could be, is that the bill we are about to pass in the Combat Meth Act, is going to regulate pseudoephedrine at a Federal level.

Now, that means the mom and pop labs are going to be scrambling as to how to deal with this. The net effect of that is, is crystal meth is going to jump short term. But we also put international precursor controls in, and agree we can do that, and get control of the Southwest border, they will have to water it down and blend it in order to do it.

So you have to have multiple different strategies. But to understand that, you have to understand the risk of the drug.

I thank you for your patience. I know this is kind of our Valentine's Day gift to you, and you love this every year, to come up here, but we appreciate the thoroughness and the ability to talk this through.

I personally believe that the disparity is wrong in cocaine, but I believe we need tougher penalties on powder. The drug of choice of Whites should not be less severe than for the drug of choice that is more likely to be African-American. Those are just tilt area, but to the degree your statistics are right, I think what Senator Sessions is looking at is, OK, if we take this down, do we also increase the powder? And I thought it was a good discussion, but I would have a slightly different resolution to it.

But I thank you for your testimony. We will continue to, I am sure, try to refine as we move through, and particularly, since I believe Safe and Drug-Free Schools is still likely to stay there, and as we move into the next thing of how to creatively try to address this huge prevention program, including the drug testing.

With that, the subcommittee stands adjourned.

[Whereupon, at 5:03 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

April 3, 2006

The Honorable Mark E. Souder
Chairman
Subcommittee on Criminal Justice
Drug Policy and Human Resources
Committee on Government Reform
U.S. House of Representatives
B-377 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

Thank you for the opportunity to help the subcommittee better understand the President's FY 2007 Federal Drug Control Budget. Please find enclosed answers to the Committee's questions for the record. I hope they prove to be helpful in the work of the Committee.

Thank you again for your dedication on the issue of drug control and your support for the President's *National Drug Control Strategy.* I appreciate your valuable insights and perspectives. If I may be of further assistance, please contact me directly at (202) 395-6700 or have your staff contact my Office of Legislative Affairs at (202) 395-6602.

Respectfully,

John P. Walters
Director

Enclosure

Questions Relating to Prevention

1. As in years past, the Administration's 2006 National Drug Control Strategy identifies drug use prevention – "stopping drug use before it starts" – as one of the three key pillars of drug enforcement. Yet in both absolute and relative terms, prevention programs are rapidly shrinking as a part of the Administration's actual drug budget. Prevention comprises only 11.7% of the entire FY 2007 drug control budget – a 19.3% decrease in prevention funding from FY 2006. In fact, prevention is the only drug control area that has seen a consistent, five year decline in funding.

> **a. Why is it that prevention -- stopping use before it starts – one of the three pillars of the drug control program – is the only area that ONDCP has certified for funding below the prior year for five years in a row?**
> **b. How does a consistent drop in prevention funding support the overall administration goal of demand reduction?**
>
> The FY 2007 Budget requests $12.7 billion for the FY 2006 National Drug Control Strategy. Prevention programs that are effective at reducing drug use or that show strong promise of effectiveness in America are strongly supported. For example, the Administration has requested $79.2 million for the Drug Free Communities Program; $120 million for the National Youth Media Campaign, an increase of $21 million over FY 2006; and $197 million for Safe and Drug Free Schools National Programs, an increase of $56 million over FY 2006 to support projects with measurable outcomes and strong accountability mechanisms to help ensure that Federal funding produces positive results. The FY 2007 Budget for SDFS National Programs includes $15 million for Student Drug-Testing programs, an increase of $4.6 million over FY 2006. The Administration has proposed a comprehensive, balanced, and functional strategy to continue to reduce the nation's illegal drug use. The Strategy and the budget reflect the realities of effective drug control: prevention is coupled with treatment and research, and demand reduction efforts are supported with measures to reduce the domestic and international supply of drugs. The Administration is confident that the proposed funding levels for the complementary elements of the strategy can deliver results.

2. Last year ONDCP used CADCA and its extensive network of community coalitions to plan and implement the new grantee applicant workshop. CADCA did this at cost for $99K and produced over 800 individuals at these workshops. Given ONDCP's budget is constrained, why would you pay a Beltway Bandit more than three times as much money when they have no connection to the field and in fact have secured less than 200 attendees to date?

The Office of National Drug Control Policy (ONDCP) contracted with Capital Meeting Planning at a total cost of $48,885 – less than half the cost of last year's CADCA-run event. Capital Meeting Planning is a small business on the GSA schedule that has successfully executed several similar previous events for ONDCP. Additionally, since 600 fewer organizations/individuals qualified to attend this year's event, the final attendance of 346 for this year's event is very appropriate.

In the interest of reducing costs and improving the quality of the training, ONDCP decided to contract directly for the logistics for the FY 2006 Grant Application Workshops because of several problems associated with last year's event. Those problems included (1) the online registration for the events was not built in an appropriate time frame, (2) the contracts with the host hotels were not in place even after the dates, locations, and hotel contact information had been published to potential applicants, and (3) materials did not arrive at the first training until midway through the training.

ONDCP believes that by contracting with a firm whose sole purpose is the successful execution of meetings and conferences, we secured the talents and resources necessary to improve the quality of the workshop at half the cost. ONDCP also relied on the unique strengths of our partnership with CADCA and its network of community coalitions to reach out to its membership on behalf of the program and advertise the workshops in the exact same manner that they did last year. Additionally, ONDCP worked with the Coalition Institute in the planning of the agenda, and institute staff presented at the workshops on coalition development, as they had done last year. Aside from providing logistics services, CADCA and the Coalition Institute contributed the exact same services to the workshop as last year.

ONDCP is pleased with the quality of this year's event, the reduced cost of this year's event, and our ability to partner with CADCA and others to ensure appropriate participation in this year's event.

Questions Relating to State and Local Law Enforcement Assistance

1. The Administration's budget again proposes to zero out Byrne Grants, and would make deep cuts in the COPS and other assistance programs for state and local law enforcement. Those state and local agencies make 95% of the drug arrests in this country. They have, collectively, a lot more manpower than federal drug enforcement agencies. They have access to intelligence and information that federal enforcement agencies need to be effective. If federal agencies aren't aware of what state and local agencies are doing, and vise versa, you can have direct conflicts between investigations. And finally, quite frankly, state and local cops have been your most reliable allies in the political fight against marijuana and other drug legalization initiatives. So, why have you been certifying budget requests that cut the programs state and local law enforcement agencies actually like?

The President's FY 2007 budget request for the Community Oriented Policing Services program (COPS) doubles the amount of funds available to clean up methamphetamine labs. Since 1998, the COPS Office has partnered with the DEA to support state and local law enforcement and their efforts to clean up methamphetamine labs. The request for FY 2007 for this purpose is $40 million -- up from the enacted level of $20 million in FY 2006.

The request also includes funding for COPS for other critical law enforcement needs including training and technical assistance. These funds are available to train state and local law enforcement on community policing strategies to combat crime and drugs. The request also

funds programs to support Indian country, doubling the amount available to help Tribal law enforcement agencies improve their crime-fighting infrastructure. The FY 2007 budget does not request funds for hiring additional community policing officers, consistent with FY 2006 enacted levels, and consolidates interoperability grant programs into the Department of Homeland Security.

The ONDCP and this Administration values the hard work of local law enforcement in the fight against illegal drugs. However, the Byrne Grant program has simply not demonstrated results adequate with its previous funding levels and, in fact, has received a "Results Not Demonstrated" rating in the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) process. This lack of demonstrable results may be directly attributed to the fact that the program, with its six purpose areas (now seven, per the DOJ Reauthorization of 2005) and previous 29 purpose areas, serves as a "catch all" funding program for many types of responses to various types of crime and social problems. In fact, Byrne Grants funds can be used to support virtually any type of programming with a justice nexus except construction of facilities. With these funds being so diffused, the ability of local law enforcement to make an impact at the level necessary to justify the program has been greatly reduced or "watered down." It is simply not feasible for local law enforcement, despite their tremendous efforts and many localized successes, to have the necessary impact under a program with such broad funding purposes. For this reason, the Administration, while strong in its support for law enforcement, cannot support the Byrne program.

Questions Relating to ONDCP's Budget Request

1. The Administration's request for ONDCP's operations and salaries is $23.3 million, which is $3.6 million less than what Congress appropriated last year. You told us last year that some of last year's similar reduction was accounted for by a $2.6 million shift in rent costs from ONDCP's account to another office within the White House. Assuming that is the case again this year, what accounts for the remaining $1 million decrease?

The FY07 budget request reflects a net reduction of over $3.3 million from the FY06 post-rescission level of $26.6 million. The net reduction includes moving $3.6 million for rent and $.099 million for enterprise service expenses to *The White House* consolidated appropriation; and increasing $0.3 million for projected increases in personnel compensation and benefits.

2. The Adminisitration is also asking for the authority to transfer up to 10% of ONDCP's annual appropriation from Congress to any other department or program, without any prior approval of Congress. Apparently there is no restriction on the purpose or reason for such a transfer, meaning it wouldn't just be restricted to national emergencies.

> **a. Why is the Administration asking for the authority to take away one-tenth of your annual budget?**

The FY 2005 10% transfer authority encompassed eleven EOP accounts, including ONDCP. The FY 2006 10% transfer authority currently encompasses nine EOP accounts, but does not include ONDCP. The FY 2007 10% transfer authority request to reinstate the ONDCP Salaries and Expenses account provides the President limited flexibility and consistency in transfer authority across all EOP accounts to address emerging priorities and shifting demands. It should be noted that the transfer authority enables funding to be both transferred in, and out, of accounts with a limitation of increasing any appropriation by 50%, and that such transfers are not intended to be used for new missions or programs.

b. What would be the impact on ONDCP if it suddenly lost 10% of its budget? How would you make up for the loss?

If the 10% authority was exercised in the manner described, ONDCP would have to reevaluate our budget and cut spending in areas that would not directly affect ONDCP's mission.

c. Do you support this proposal? Do you think it is good for drug control?

ONDCP supports all proposals of the President's budget. This proposal will improve the President's flexibility and effectiveness in meeting needs across the EOP (including drug control, if necessary).

3. You mentioned Mr. Garland, the Acting United States Interdiction Coordinator (USIC) in your opening statement. How much of the ONDCP budget request would go towards the USIC position? What exactly does that pay for?

None of the budget request is specifically for the USIC position. Historically, however, ONDCP has supported the USIC staff with approximately $0.2 million for supplies, incidentals, travel-related costs, and analytical services.

Questions Relating to the HIDTA Program

1. The Administration is once again proposing to transfer the HIDTA program to the Department of Justice, where it will (apparently) be managed by the Organized Crime Drug Enforcement Task Force (OCDETF) program (see DOJ 2007 Budget and Performance Summary, page 107: "The FY 2007 President's Budget proposes the transfer of the HIDTA program from [ONDCP] to OCDETF."). We have several questions related to this move:

a. How will the transfer improve the HIDTA program? Please provide some specific examples.

For the FY 2007, the Budget proposes transferring the HIDTA program, operated by the ONDCP, to the Department of Justice (DOJ). Moving the HIDTA Program to the

Department of Justice makes sense for a number of reasons. First and foremost, HIDTA is principally a drug enforcement program. Even though several Government entities play critical roles in the overall counter-drug effort, it is the Department of Justice (DOJ) that is primarily responsible for pursuing drug enforcement priorities and goals. The Justice Department directly oversees the primary drug agency, the Drug Enforcement Agency (DEA), as well as the Federal Bureau of Investigation (FBI), Alcohol, Tobacco and Firearms (ATF), United States Marshall Service (USMS) and the National Drug Intelligence Center (NDIC). Through its supervision of the United States Attorneys and the Criminal Division, the Department determines which drug cases ultimately will be prosecuted federally and which cases will be handled in partnership with state and local law enforcement. Because the Justice Department is responsible for establishing an enforcement strategy that best furthers the policy goals of the National Drug Control Strategy, it is in the best position to assess how the Government's various drug enforcement resources -- including those of the HIDTA Program -- can be used most effectively to achieve the overall objectives of that strategy. By managing both HIDTA and the Organized Crime Drug Enforcement Task Forces (OCDETF), the Department can develop a comprehensive enforcement strategy, assigning priorities for, and mobilizing the resources of, both programs to ensure that they are working in ways that complement each other but, at the same time, do not unnecessarily duplicate effort. The result will be a more effective attack on the entire spectrum of drug crime.

b. What are the deficiencies in the current HIDTA program that you are seeking to correct? Again, please be specific.

The primary purpose for transferring the HIDTA Program to DOJ is to improve coordination and communication between the HIDTA Program and DOJ, ultimately yielding a more swift, efficient, and comprehensive response to the drug threat facing this Nation. Respectfully, the question is how can we improve our drug law enforcement efforts to achieve greater efficiency and effectiveness? From both a managerial perspective and a strategic perspective it makes sense to transfer HIDTA, an operational program, from ONDCP, a policy office, to DOJ where HIDTA's efforts can be coordinated with other operational drug enforcement programs. This will place the HIDTA program in the same Department as the agencies and programs with which HIDTA participants work on a daily basis in communities across this country.

c. The Department of Justice has told us conflicting things about exactly who at DOJ will be managing the HIDTA program. The documents actually cleared by the Office of Management and Budget (OMB), namely the Administration's printed budget submission, and DOJ's budget submission, indicate OCDETF will run the program; however, other Justice Department officials have told us that someone else would run the program. Exactly which person, or division of DOJ, will be responsible for managing the HIDTA program?

According to the President's budget, the HIDTA program will be administered as a separate entity within the Department of Justice. HIDTA will remain a separate

program within DOJ with its own budget and an independent management structure, residing within the Office of the Deputy Attorney General.

d. What specific changes in the management and administration of the HIDTA program will be made by the Department of Justice?

As stated above, HIDTA will remain a separate program within DOJ with its own budget and an independent management structure, residing within the Office of the Deputy Attorney General.

> **i. You and the Attorney General both wrote me on Tuesday, promising that the Department of Justice would preserve "decentralized decision-making" and "equal partnership with state and locals" in the HIDTA program. Does this mean that you are committing that the Justice Department will never seek to end the current 50-50 voting power of state/local agencies, on the HIDTA executive boards? And are you committing that the Justice Department will never seek to remove the power of those executive boards to determine which initiatives get funded within the HIDTAs, or to hire and fire the HIDTAs' administrative staff?**
>
> The Department plans to retain all of the existing 28 HIDTAs and their Executive Boards comprised of equal federal and state/local representation. There are no plans to alter the power of those executive boards to determine which initiatives are funded and no plans to alter the executive board's authority to hire and fire HIDTA administrative staff.

e. [Note: If he says there is no specific plan, but that the department will study the program and make changes at a later date] The Administration said that last year when it made a similar proposal. As Director of ONDCP, you have been responsible for administering the HIDTA program now since 2001. The Administration first proposed moving the program a year ago. Are you telling me that you still don't have a specific plan for how the Administration would improve the program?

Transferring the HIDTA program to the Department of Justice is designed to improve our overall national response to drug trafficking which threatens the very fabric of our society. This is not about identifying flaws in one program or another. This transfer will unite the HIDTA program with several other drug enforcement programs and agencies in one Department where their capabilities, as a whole, can be leveraged to target the most significant drug trafficking organizations impacting our national drug supply. With its emphasis upon state and local law enforcement, the HIDTA program is well-placed to use the expertise of state and local law enforcement to identify emerging trends and market segments impacting both their home towns as well as the national drug supply. This transfer will facilitate communication and coordination among the other drug enforcement entities.

f. Will the Department of Justice keep the 50-50 balance between state and local agencies and federal agencies, on the HIDTA executive boards? Will those executive boards keep their authority over how to allocate the funds given under the program?

The Department intends to retain the balance between state and local agencies and federal agencies on the HIDTA Executive Boards. The Boards will retain authority to allocate funding to programs which further the HIDTAs strategic plan and which perform successfully.

g. The Administration has frequently argued that this move will allow HIDTA to be "better coordinated" with OCDETF and other Justice Department programs. You and the Attorney General repeated that claim in a letter to me sent this past Tuesday. How, specifically, will this happen? What are the shortcomings currently in HIDTA-OCDETF coordination? Please give some specific examples.

Again, this transfer is not a matter of shortcomings, but rather it is a matter of improving our coordination and communication nationally. Transferring the HIDTA Program to DOJ will enable HIDTA leadership and OCDETF leadership to coordinate their strategic plans to more effectively address the complete spectrum of drug crime. It will facilitate information sharing between the two programs, most significantly by connecting the HIDTA Intelligence Support Centers (ISC) with the OCDETF Fusion Center. The HIDTA ISCs do a marvelous job of deconfliction and they also serve as a repository for historical information which often adds value to existing investigations. Connecting the ISCs with the OCDETF Fusion Center, however, will provide HIDTA investigators with the ability to fuse HIDTA intelligence with that of other participating agencies. Reactive information can then be converted into proactive intelligence leads. Even though the recent ONDCP Reauthorization language requires this coordination, locating the HIDTA Program at DOJ where the OCDETF Fusion Center also resides, can only enhance this process. From a managerial and strategic perspective, it simply makes good sense to house two closely related programs in the same Department.

h. Many non-Justice Department agencies, like ICE, CBP, Coast Guard, and even the IRS, are active participants in HIDTA. OCDETF has not had a very good "track record" of ensuring coordination. Why do you think that moving HIDTA under management of OCDETF, or any other Justice Department entity, will improve the relationship between the HIDTAs and those non-Justice agencies?

Next year will mark the 25th year for the OCDETF Program which has earned a substantial and commendable record of successful drug law enforcement coordination. This "track record" is the very reason that in 2002 Attorney General Ashcroft designated the OCDETF Program as "the centerpiece" of the Department's drug enforcement strategy. In fact, the OCDETF Program has never been more relevant that it is today. It serves a critical role in our nation's coordinated drug enforcement strategy and in successfully implementing that strategy nationally. It is a testament to OCDETF's success that despite having no control over non-justice agency funding, OCDETF's non-

justice agency partners continue to devote critical resources to the OCDETF Program. In fact, ICE, USCG and IRS senior agents participate at all levels of OCDETF leadership including the ICE Senior Special Agent who serves as OCDETF Associate Director. Many of our greatest national successes against major drug trafficking organizations, for example Panama Express which involves ICE, FBI, DEA, USCG, JIATF-South and numerous state and local officers, are OCDETF coordinated and supported operations.

The HIDTA program will be transferred to DOJ where it will remain a separate program, with its own budget and an independent management structure, residing within the Office of the Deputy Attorney General. The HIDTA Program will not be managed by OCDETF.

2. Last year, the Administration proposed to move the program, and to cut it by $126 million to only $100 million. This year, the Administration has proposed $208million. Why did the Administration's proposals fluctuate so wildly over just two years?

The FY 2007 budget request for the HIDTA program is $207.6 million. This request will provide level funding to all the HIDTAs.

a. How did the Administration arrive at the $208 million figure? Since that amount allows all of the existing HIDTAs to be level funded, does that mean the Administration is going to support level funding again?

The $208 million figure is the amount required to level fund all base programs of the HIDTAs. The Administration believes that is the appropriate level.

3. The Administration has also stated that the newly relocated HIDTA program will be "better focused," and will "focus funds on regions that are primary national drug distribution or transit zones."

a. Does this mean that the Department of Justice plans to reallocate the current funding among the various HIDTAs? If so, which HIDTAs will be plussed up (and by how much), and which will be decreased or eliminated?

Improving the HIDTA Program's focus does not require a reallocation of current funding. As stated above, DOJ intends to retain all of the 28 existing HIDTAs.

b. If not, then why propose moving the program at all?

See answers above.

c. If you don't know yet which HIDTAs will be reduced or de-funded, and which will be increased, why is that? Are you saying that, after running this program for almost five years, you still have no idea which HIDTAs are "primary national drug distribution or transit zones," and which ones are not?

See answer to question number 3a.

4. Did you consult with any of the HIDTA directors, or any other state or local law enforcement officials, regarding this proposed transfer? If so, did they support it or oppose it?

ONDCP is in constant communication with law enforcement officials and the HIDTA directors. On this particular issue, ONDCP did not directly consult with the HIDTA directors or state and local law enforcement officials. The Deputy Attorney General, however, met with the HIDTA Directors at their annual meeting in February 2006 to address their concerns. The Deputy Attorney General then followed up with the HIDTA Directors in a March 2006 letter to each of them individually, soliciting their input into the specifics of how DOJ could most effectively administer the HIDTA Program.

5. The ONDCP reauthorization bill approved by our Committee last year, H.R. 2829, includes the "Dawson Family Community Protection Act," which Ranking Member Cummings and Chairman Souder introduced. That legislation sets aside a modest amount of money within the HIDTA program for initiatives to help citizens cooperate with the police to rid their neighborhoods of the kind of violent drug dealers who killed the Dawson family in Baltimore. During our discussions with you about the bill, neither you nor your staff expressed any opposition to, or concern with, the Dawson Family Act provision.

a. Have you or your staff told any Congressional committee that ONDCP opposes, or has concerns about, the Dawson Family Community Protection Act provision within H.R. 2829?
b. If so, why does ONDCP oppose the provision, and why didn't you tell us you opposed it last year?

Response to a. and b. ONDCP is as outraged as anyone about the horrific events surrounding the retaliatory murders of the Dawson family. However, we are concerned that this provision may set a precedent for future earmarking of these funds should similarly tragic events occur in the future. The HIDTA Program is not a good vehicle for addressing all drug-related problems in the United States.

Questions Relating to Counterdrug Technology Assessment Center (CTAC)

1. Your budget proposes to eliminate the CTAC Technology Transfer Program, which provides anti-drug trafficking technology to state and local law enforcement agencies. Why is this program being targeted for elimination?

a. What specific problems did the program have? Did you try to reform or fix those problems before proposing to terminate it?

As you know, this Administration and ONDCP is faced with a tight budget year in which prioritization is necessary. While CTAC's Technology Transfer Program is a well-

functioning program, when viewed in the overall drug control strategy, it is not our highest priority. It is therefore necessary to make cuts to some of our lower-priority programs which in this case encompass CTAC's Technology Transfer Program.

Questions Relating to Homeland Security and Drug Interdiction

1. When Congress created DHS in 2002, it defined drug interdiction as one of the primary missions of the Department. This year, however, the Administration's budget request for the Coast Guard (a key DHS drug interdiction agency) categorizes "Illegal Drug Interdiction" and "Other Law Enforcement" missions as "Non-Homeland Security" missions (Coast Guard Budget in Brief document (page B-2). This proposed change clearly runs contrary to the organic statute establishing DHS.

a. Who proposed this change? Did lawyers at ONDCP and DHS sign off on this abdication of duty?

Section 889 of the Homeland Security Act (P.L. 107-296) authorizes the Office of Management and Budget to compile estimates of funding related to homeland security consistent with the definition from the 2002 Annual Report to Congress on Combating Terrorism. That report refers to "homeland security" as those activities that detect, deter, protect against, and respond to terrorist attacks on the United States. Upon review of the Coast Guard programs for "Drug Interdiction" and "Other Law Enforcement," OMB determined that these programs do not meet government-wide standards for the definition in section 889, and reclassified the funding to ensure consistency in reporting homeland security programs to the Congress. The "Other Law Enforcement" mission focuses on the enforcement of maritime fishery boundaries, primarily in the North Pacific Ocean around the state of Alaska, and does not directly focus on terrorism or terrorists.

OMB also closely reviewed section 888 of P.L. 107-296, which clearly states that categorizing "Drug Interdiction" and "Other Law Enforcement" as "homeland security" only applies to that specific part of the legislation, not the separate section 889 which prescribes how OMB should report homeland security programs government-wide. This interpretation was approved by the OMB Counsel's office and accepted by the DHS Counsel's office.

b. Did you certify the reclassification when you reviewed DHS' budget proposal?

The Director of ONDCP certified a level of funding for all DHS drug control agencies, including the United States Coast Guard that would adequately support the President's Drug Control Strategy.

c. How much will this change impact the Coast Guard Drug Interdiction budget, which you certify? Will it impact out-year budget projections?

The President develops his budget proposal annually to identify the highest-priority needs of the country. The change in homeland security classification of the Coast Guard "Drug Interdiction" budget was made to ensure consistent reporting of Homeland Security funding in the budget document, not to signal a revision to the President's commitment to fund the effort to eliminate the illegal importation of drugs into the country.

The revision to the homeland security classification of the Drug Interdiction budget will also have no effect on the Coast Guard's ability to execute this mission, or on the agency's effectiveness in reducing the illegal drug trade in the maritime environment.

2. The Department of Homeland Security recently reassigned responsibility for protecting the airspace in the National Capitol Region (NCR) to the Coast Guard. Apparently, the Coast Guard is planning to move helicopters currently used in drug interdiction operations in the Caribbean to Washington to fulfill the NCR mission. Have you taken any steps to ensure that Coast Guard "backfills" the loss of those helicopters with new helicopters in the Caribbean? If not, why not?

Until additional helicopters can be purchased and outfitted, the NCR initial operating capability (IOC) will be met by existing fleet aircraft (HH-65C models) typically used to support cutter deployments and special missions. The use of these cutter deployment/special mission helos will be offset by exercising the last year option of the Coast Guard MH-68 armed helo service contract at HITRON Jacksonville, which will continue to provide eight armed helos & 1,000 cutter days deployed at sea (DDAS) until the contract expires in January 2008. Originally the Coast Guard planned to replace the leased MH-68 helos with newly armed MH-65C helicopters in January 2007. Utilizing the last year option of the MH-68 service contract will allow the Coast Guard time to purchase and outfit additional HH-65C helicopters by the time the MH-68 service contract expires in January 2008. This plan, which involves the purchase and outfitting of 7 additional airframes by January 2008 (5 operational; 1 training; 1 support), will preclude the loss of any counter drug DDAS in the interim.

3. The proposed merger of the legacy Customs Air and Marine Operations (AMO) program, with the much smaller Border Patrol aviation program has raised serious questions for us, especially since AMO is now the primary source of maritime patrol aircraft (MPA) for our drug interdiction efforts. We have several questions about your oversight of the AMO Border Patrol merger.

a. Have you, or anyone at ONDCP, been directly involved in the ongoing discussions about how to structure the new "CBP Air" program? In particular, have you taken steps to ensure that the newly merged program does not reduce its drug interdiction activities in the transit zone?

Our overriding interest regarding CBP's restructured aviation program is preserving MPA (P-3) presence in the transit zone. To that end, Director Walters has met with cognizant CBP officials, who have assured Director Walters that CBP's P-3 MPA assets will continue to focus on the "deep" interdiction mission.

b. What is your opinion of CBP's plan to transfer so-called "tactical" control of AMO's assets to the individual Border Patrol sector chiefs? Are you satisfied that the sector chiefs will ensure no drop in counterdrug operations by the legacy Customs assets?

ONDCP is confident that national policy and resource allocation decisions made by CBP senior leadership will be adhered to in the field.

c. Have you spoken to anyone at CBP about the status of the Customs P-3 aircraft under the newly merged program?

Director Walters has raised the issue of the status of Customs P-3 aircraft with cognizant CBP officials, specifically, how the newly merged program would affect support to Transit Zone Operations. The Director has received assurances that there would be no policy or employment changes concerning the P-3 mission. CBP plans to fly at least 7,200 hours in 2006.

4. The Administration's budget proposes to zero out the P-3 service life extension program (SLEP), which Congress funded at over $60 million for FY 2006. Also, according to DHS, the Administration's request for $61 million for "procurement" for CBP Air would be spent entirely on small helicopters for the Border Patrol.

a. Did you certify that request?
b. Why hasn't the Administration proposed either to extend the life of the P-3s, or to purchase a true replacement? What does the Administration expect to happen when the current P-3s wear out in a few short years?

Response to a. and b. above: Director Walters certified a level of funding for DHS that would adequately support the President's National Drug Control Strategy. CBP's P-3s are currently undergoing a Service Life Assessment Process (SLAP), which was included in the FY 2006 budget, to determine the requirements for the eventual SLEP. This process will take some time to complete. Once CBP determines the amount required to SLEP the aircraft, they intend to pursue the funding.

5. Since your budget summary shows a steep decline in prevention programs, and miniscule increases in treatment and domestic law enforcement programs, the only reason the administration's "drug budget" shows an increase is because interdiction and international programs have supposedly increased substantially. Much of the interdiction increase, in turns, comes from CBP's proposed increases for assets for the Secure Border Initiative (SBI).

a. Most of the SBI increase comes in the form of new Border Patrol agents, and technology and assets designed for border operations. However, almost all of the Border Patrol's drug seizures occur at checkpoints on highways behind the ports of entry. In other words, the new assets for Border Patrol are not primarily

intended for the places where Border Patrol actually seizes drugs. Why are you counting those assets as drug budget assets?

SBI secures our borders from all threats, and the threats are very difficult to differentiate. Border Patrol Agents and Inspectors look for contraband of all types. There are no WMD agents/inspectors and drug agents/inspectors -- just agents and inspectors looking for a broad range of illicit contraband. Strengthening our border defenses against WMD or illegal migrants will certainly also strengthen our border defenses against drug smuggling. South of the Border, Drug Trafficking Organizations control territory -- they wield sufficient power to control local law enforcement, judicial, and government officials. They generally know about, approve, and profit from all illegal activity carried out in their territory. Thus, to truly secure our borders from all threats, we must particularly target the drug threat.

With respect to drug seizures, not all seizures occur at checkpoints or ports-of-entry. Significant amount of drugs, particularly marijuana, are seized between the ports-of-entry. For example, in FY 2004, 256,173 kilograms were seized between the ports-of-entry. This is comparable to ports-of-entry and slightly less than what was seized at checkpoints.

CBP is a multi-mission agency responsible for the movement of carriers, persons, and commodities between the U.S. and other nations. A key law enforcement function of CBP is counterdrug enforcement along the nation's borders. As a multi-mission agency, CBP computes its drug-related budget using an established methodology. The FY 2007 figure represents CBP's best estimate of the drug attribution associated with the total agency request of $6.6 billion. A more accurate picture of this estimate will be available when the Department of Homeland Security's Inspector General validates the methodology and reports on the actual distribution of drug control resources among the various CBP organizational units.

b. Did you closely examine CBP's budget proposal, to ensure that their calculation of how much of their assets plus-up was drug-related made sense?

See answer 4.a. above.

6. During the hearing, you testified that declining maritime patrol aircraft (MPA) resource hours dedicated to drug interdiction in the transit zone no longer presents a critical problem to the National Drug Control Strategy. You also showed a poster sized graphic illustrating the decline in both long range and short range MPA support. Your testimony contradicts a message put out by the U.S. Interdiction Coordinator (USIC) on July 1, 2004, which called for community-wide action to address the perilous decline in MPA flying hours. Your testimony also contradicts a November 2005 GAO report (GAO-06-200) which expressed concern that the long-term implications of likely declines in transit zone assets, including MPA, have not been addressed.

a. What has changed since July 2004, to resolve the critical shortage of MPA flying

hours?

b. What role has USIC performed in resolving the MPA issue?

Response to a. and b. above: The USIC has been an integral part of coordinating and facilitating interagency discussions on declining MPA support. Through the intervention of the USIC:

- CBP Air's budget was increased in 2005 to increase flight hours in support of JIATF-South allowing a 400 hour per month increase to Transit Zone operations, for a total of 600 hours per month.

- The Coast Guard budget was increased in FY 2006 to fund 1,500 additional C-130 flight hours, which will also help close the MPA gap. Additionally, the USCG's Integrated Deepwater System acquisition will field the first 3 of 36 total Medium Range Surveillance (MRS) aircraft in FY 2007, and the first of 45 Vertical Takeoff and Landing (VTOL) UAVs is scheduled for delivery in 2008. These capabilities, along with future high altitude/high endurance UAVs, will contribute to the eventual establishment of persistent wide area surveillance in the Transit Zone.

- The U.S. Air Force deployed E-3s to support the Air Bridge Denial program, freeing CBP aircraft for maritime patrol operations.

- DOD is supporting British NIMROD operations in Curaçao.

- The U.S. Navy has improved the on-station time of their P-3s.

- DOD is working to add Canadian Auroras to the effort.

We will continue to make the provision of MPA capability a top priority, emphasizing the need for continued strong support from all of the force providers, to include our foreign allies. Going forward, national security priorities will dictate the extent to which we are able to regain some of the capability that has otherwise been dedicated to winning the Global War on Terror, and Operations Iraqi and Enduring Freedom.

c. Why was ONDCP's solution to the MPA issue not highlighted in the 2007 National Drug Control Strategy?

The 2006 National Drug Control Strategy provided an overview of the very significant accomplishments achieved in the transit zone, particularly the record seizures coordinated by JIATF-South. We will continue to work within the Administration, and with our partners in the Congress, to ensure that adequate maritime patrol aircraft hours are provided to support the critically important counter drug mission.

d. Please provide an ONDCP/USIC projection for community-wide MPA resource hours that will be committed to the transit zone for drug interdiction for FY 2006-FY 2010.

See response to a. and b. above.

Questions relating to Safe and Drug-Free Schools

1. The Administration is once again proposing to eliminate the State Grants program portion of the Safe and Drug-Free Schools and Community program, despite the fact that Congress rejected this proposal last year and funded the program at $346.5 million.

Specifically addressing this program, the Conference Report accompanying the FY 2006, Labor, Health and Human Services and Education Appropriations Act highlighted the fact that the Education Department administrators of SDFSC have neglected to collect state reporting data.

Given that neglect in collecting data necessary to measure the effectiveness of the State Grants program, on what basis is the Administration again asserting that the State Grants program is "ineffective"?

Data collected by the States concerning youth drug use and violence play a significant role in State efforts to assess progress related to preventing youth drug use and violence. However, State-level incidence and prevalence data of the type and quality that the States currently collect are no substitute for nationally representative data when assessing whether the State Grants program, overall, is making an investment toward positive outcomes.

The Administration's assessment of the SDFSCA State Grants program as "ineffective" is based primarily on the 2002 PART assessment of the program. Among other things, the PART cited a 2001 RAND study, which determined that the structure of the Safe and Drug-Free Schools and Communities (SDFSC) State Grants program is fundamentally flawed. It concluded that the SDFSC grants, which distribute funds according to a formula, are spread too thinly to support quality interventions. For example, 64 percent of local educational agencies were provided with allocations of less than $10,000 amounts that are typically too small to develop and maintain effective drug and school safety programs. Considering the 2002 PART assessment, and desiring to allocate scarce federal resources to effective programs, the Administration proposes reallocating resources to SDFSC National Programs – activities that will support drug prevention and school safety projects in a manner that permits grantees and independent evaluators to measure progress, hold projects accountable, and determine which interventions are the most effective.

2. The major reforms relating to the State Grants program required in Title IV, Part A of the "No Child Left Behind Act," were never implemented by the Department of Education. To date, the Department has failed to provide any guidance to the states regarding implementation of the requirements for a Uniform Management Information and Reporting System (UMIRS).

What actions have you taken to get the Department to improve this program?

ONDCP has worked with the Department of Education to encourage the collection of consistent UMIRS data among states in order to facilitate the data aggregation that links state and local activities to national outcomes. However, UMIRS would not address the RAND finding that the state grant amounts are spread too thinly for the program to be effective. Hence, the Administration has proposed a more targeted use of funds – a reallocation to SDFSC National Programs – activities that provide direct support to critical LEAs in amounts sufficient to make a real difference.

Questions relating to the Department of State

1. The day of the Administration budget roll-out, a week and a half ago, my staff asked what the net effect of the counter-drug funding to Colombia would be in the request given that the line item for stopping smuggling of cocaine and heroin by air, the Air Bridge Denial Program, is now expected to be paid out of the Colombia account. My staff was told yesterday that no information on any aspect of the budget request will be provided to Congress until after Secretary Rice has completed her testimony schedule before the House and Senate.

Stonewalling information requests is not restricted to our Committee. The House International Relations Committee tried all week to get the Director of the State Department's Air Wing, who was in town this week, to brief on replacement aircraft in Colombia (some 22 aircraft supplied by the United States have been destroyed and are not budgeted to be replaced). The response? "We are just too busy to brief you."

So it is clear that while a coca-grower is elected in Bolivia and the president of Venezuela is destabilizing the entire region, our South American counterdrug programs are being short-changed and the Administration doesn't want to be up front with Congress. What is the net effect on our counterdrug programs? Will lost aircraft be replaced? Will Colombia and our partner nations see their counterdrug programs cut?

First, we understand that although there were some difficulties in scheduling a briefing on replacement aircraft, INL, including the State Department's Airwing Director, did brief staff of the House International Relations Committee, House Government Reform Committee, and Speaker's Drug Task Force, on this issue on March 2, 2006.

There is no question that the loss of these aircraft has had the effect of reducing some potential capability in Colombia. However, even as those 22 aircraft were lost, others were entering the inventory and the COLAR, the CNP and our contractors were all getting more efficient at using what they had, resulting in improved results with the same number of assets.

The Department of State has been very diligent in replacing lost/damaged spray assets and adding to that capability throughout the life of Plan Colombia. We began Plan Colombia with 54 helicopters, 10 spray planes, and 17 other fixed-wing aircraft, and today we have 147 helicopters, 21 spray planes, and 36 helicopters. We are also in the process of purchasing three more spray assets, this year with FY 2005 ACI funds. They also plan to purchase three more with FY 2006 ACI funds and another three with FY 2007 ACI funds. The specifications of these new aircraft will far exceed those of the aircraft they are replacing. Furthermore, State has additional spray

aircraft programmed for purchase in the out years under the Critical Flight Safety Program for the purpose of replacing aircraft that attrit: $65.7M under Critical Flight Safety Program in FY 2007, which includes $6.7M for 2 Huey IIs for Colombia. This is above the service life extension program refurbishment for all of the OV-10 spray aircraft.

As directed by Congress, the Administration is working to nationalize as much of the Plan Colombia program assets as makes sense over the next several years – that involves reducing our funding support for much of the hardware, the fuel, the maintenance and the contract personnel currently involved in the counterdrug programs in Colombia. However, we do not intend to remove our support before the mission objectives have been attained.

The original intent of the Plan Colombia was to provide Colombia a certain capability to support a very specific strategy over a limited time. The U.S. was to beef up Colombian capability to push into the South, the coca-cultivating breadbasket in 2000. That capability was a combination of mobility assets (UH-60s and Huey IIs), spray assets, alternative development programs and justice reform initiatives. The assistance was focused more on counternarcotics than counterterrorism and maritime patrol capability was less of an issue because the U.S. had plenty of assets in the area. The enemy consisted of one drug trafficking organization (DTO), the North Valley Cartel, which was not as big as the old Cali and Medellin cartels. Coca cultivation was centered in southern Colombia in huge, plantation-sized fields. The objective was to reduce cultivation by 50 percent in Putumayo within 5 years. That objective was easily exceeded through a coordinated aerial eradication campaign that expanded the reach and presence of the Colombian military and the Government of Colombia in previously outlying areas.

The situation in Colombia and the world has changed considerably since the start of Plan Colombia. The mid-sized cartel has fragmented into numerous smaller drug-trafficking entities and three foreign terrorist organizations (AUC, ELN, FARC) have been recognized as being deeply involved in drug trafficking, to the point where they have become DTOs. Counterterrorism is now an important mission in Colombia. Pursuing the leaders of the foreign terrorist organizations (FTOs) is a legitimate CN mission because of their involvement in drug trafficking, but it puts an unforeseen toll on CN assets procured for Plan Colombia. Coca cultivation has moved away from southern Colombia into other departments in smaller and more hidden plots. Aerial eradication has become a more dangerous endeavor as farmers, aided by the FTOs, use ever increasingly lethal methods to defend their fields. This has caused State to better protect the spray aircraft and their pilots by adding helicopter gunships and search and rescue helicopters, making the spray packages larger and more expensive. Finally, maritime patrol aircraft were recalled to protect the U.S. homeland in the wake of 9/11, a capability that is returning to the area of operation in a more effective, targeted fashion, thanks to better intelligence.

The bottom line is that things have changed in Colombia and continue to change as the enemy adapts to our strategy. We have to remain flexible and recognize that yesterday's strategy and tools may not necessarily be the ones we need today or tomorrow. We continue to evaluate the situation in Colombia and in our other partner nations to ensure that we meet the threats there and support our allies to the best of our abilities. Our present funding requests reflect our best

estimate of the situation and of what we will need to attain our objectives and meet the challenges.

2. What specific role has ONDCP played in coordinating counter-narcotics efforts between the Department of Defense, DEA, INL and USAID in critical areas such as Colombia and Afghanistan? What specific changes in policy have been made because of ONDCP's activities?

ONDCP works very closely with other Departments and the interagency for the coordination of both domestic and international counternarcotics policy and performance measurement. ONDCP establishes, for the State Department and other Drug Control Agencies, broad drug control policy by annually developing, coordinating and releasing the National Drug Control Strategy. With this background of policy guidance, ONDCP annually also provides written drug control budget guidance to the Department and other Agencies, and certifies the adequacy of our drug control budget each fiscal year. For coordination of more specific drug control or program issues, ONDCP chairs or co-chairs several interagency committees, including the Policy Coordinating Committee for International Drug Control (PCC-IDC), as well as the Southwest Border IDC-PCC Sub Group, the Synthetic Drug Inter-Agency Work Group, and the Market Model/Market Disruption Inter-Agency Work Group. In addition, ONDCP participates in relevant Deputies' and Principals' Committee Meetings. For countries where the U.S. has broad policy interests including drug control issues, e.g., Colombia and Afghanistan, there are also country-specific Policy Coordination Committees chaired by the Department of State, which address prominent drug control objectives and which are regularly attended by ONDCP representatives. Other ONDCP coordinating activities include production of the Classified Implementation Annex to the National Drug Control Strategy, oversight of the National Interdiction Command and Control Plan (NICCP), and publication of Interdiction Planning Guidance through the United States Interdiction Coordinator (USIC).

3. INL appears to be the only bureau within the State Department that is included in the Administration's National Drug Control Strategy regarding its work on the Andean Counterdrug Initiative. It is also known, however, that USAID plays a crucial role in the implementation of ACI and "alternative development" programs. USAID also implements one of the Alternative Livelihoods Program in Afghanistan, as a part of the USG 5-pillar counter-narcotics plan in Afghanistan. Why aren't these USAID programs listed in the National Drug Control Strategy?

The 2006 ONDCP Drug Strategy includes a text box on page 39 which describes in some detail the critical role USAID plays in the establishment of an effective Alternative Livelihoods Program in Afghanistan. The four major elements of this program are highlighted: 1) Immediate Needs; 2) Comprehensive Development; 3) High Visibility; and the 4) Good Performers Fund. ONDCP believes that USAID also plays a critical role in the Andean Counterdrug Initiative via its extensive alternative development programs in Colombia, Bolivia, and Peru.

Questions Relating to Department of Health and Human Services

1. One of our most critical national drug abuse problems today is prescription drug abuse, second only to marijuana abuse. Conspicuously absent from the scrutiny of the drug budget oversight is the Food and Drug Administration (FDA) which is responsible for drug approval. The FDA consistently claims that the problem of diversion and abuse is solely one for the DEA.

a. Does it seem incongruous to you that the FDA maintains sole authority to approve drugs – including drugs likely to be abused – and at the same time, maintains official non-involvement in any sort of drug control program?
b. Why doesn't ONDCP certify a drug control budget for the FDA?
c. Short of Congressional action establishing formal ONDCP scrutiny over the FDA for drug control budgeting, or establishing a formalized role for the DEA in the drug approval process, what can be done to bring the FDA to the National Drug Control Strategy table?

Under the Federal Food, Drug and Cosmetic Act, the Food and Drug Administration (FDA) is solely responsible for approving drugs, including those with potential for abuse, for medical use based on the safety and efficacy of the substance. Under the Controlled Substances Act (CSA), DEA is responsible for scheduling substances based on their abuse potential. Scheduling under the CSA imposes restrictions intended to limit illegitimate use and abuse, while still allowing access to drugs for useful and legitimate medical purposes. FDA plays an important role in the scheduling process by providing DEA with a medical and scientific evaluation on a substance and a recommendation on whether the substance should be controlled under the CSA. In addition, although FDA is not a drug control agency as that term is defined by statute, ONDCP and other drug control agencies such as DEA work closely with FDA on a variety of drug control issues, including strategies to reduce the illicit use of synthetic drugs like controlled substance prescriptions and reduce abuse of prescription drugs.

The ONDCP Director designates drug control agencies for inclusion in the drug control budget at the Department level. ONDCP has coordinated with FDA several times on issues relating to medical marijuana and the non-medical use of prescription drugs. In March 2004, an Administration initiative was announced joining several agencies in an effort to address growing prescription drug abuse. The effort brought the efforts of FDA, Federal substance abuse prevention and treatment agencies, and law enforcement to bear on the factors contributing to rising prescription drug abuse. The strategy incorporates education of medical professionals and consumers, outreach to businesses involved in Internet commerce, pharmaceutical manufacturers, and pharmacies, as well as increased investigation and enforcement activities. DEA, in conjunction with FDA, has implemented additional investigative efforts and enforcement actions against the illegal sale, use, or diversion of controlled substances, including those occurring over the Internet.

FDA's primary mission, as it relates to drugs, is to ensure that prescription and over-the-counter drugs are safe and efficacious for use as labeled. The diversion of such drugs for non-medical use, however, falls under the mission of the DEA. FDA has not been

included in the drug control budget since FY 2001. Even then, the only part of FDA's budget that was included in the drug control budget was that portion that dealt with underage tobacco use.

As noted above, the division of roles between FDA and DEA is clear. FDA is charged with the scientific assessment of the safety and efficacy of drugs and devices, and their approval and regulation. DEA is charged with enforcement of controlled substances laws and to curtail the illicit drug trade.

Questions from Congressman Patrick McHenry

Early warning and detection is a key component to identifying drug trends and being able to combat new threats. The meth epidemic has quickly spread from out West to Western North Carolina and a number of health, environmental, and criminal problems have ensued.
The use of such an early warning system for the supply and demand of drugs was mentioned in your Oct. 2004 National Synthetic Drugs Action Plan. Then the Synthetic Drug Interagency Working Group (SD-IWG) introduced in the May 2005 interim report the Early Alert and Response Mechanism (EARM) to indicate at a relatively early state the emergence of a specific synthetic drug abuse threat.

1. Can you provide us the status of the pilot program that was to begin during the later months of 2005?
2. Perhaps the cost, location of pilot program area?
3. Are the Federal agencies able to work with states and local law enforcement and public health agencies to take advantage of this technology and start to track and confirm the drug use in their areas?
4. Have the monthly meetings been set up to evaluate the data and discuss how the system will work?
5. Being meth specific: While we are waiting on the Meth Epidemic Elimination Act to be enacted, which will restrict the sale of precursor chemicals and enhance penalties for production, possession, and trafficking, can the EARM help to identify emerging trends in the country?

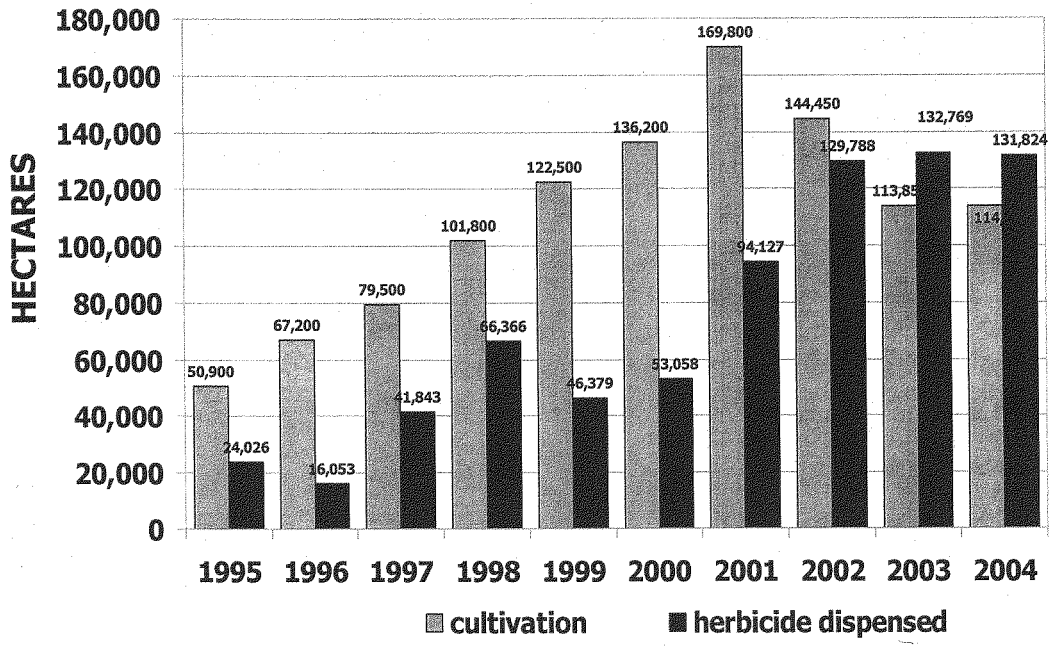
The Early Alert and Response Mechanism utilizes a combination of the DEA's Methamphetamine Task Force (MTF) and other information capabilities regarding prescription drug abuse. The MTF collects investigative and intelligence information concerning methamphetamine trafficking and trends from domestic and foreign DEA offices, state, local and foreign law enforcement agencies, domestic and foreign regulatory counterparts and competent authorities, prosecutors, law enforcement professional groups (such as the Clandestine Laboratory Investigators Association) and law enforcement networking groups (such as the HIDTA Sponsored National Methamphetamine Chemical Initiative). MTF components analyze this information on a monthly basis, focusing their efforts in such areas as trends in chemical trafficking and manufacturing methods, clandestine laboratory cleanup issues, changes in trafficking routes and patterns, regional abuse and distribution patterns, chemical and equipment sources and methods of procurement, foreign and domestic precursor sources, smuggling, methods of financing and other issues that effect the overall methamphetamine trafficking situation worldwide. After completing the analysis of this information, MTF components identify specific methamphetamine related issues that require action. The MTF formulates ideas and methodologies that will provide potential solutions to address the identified issues.

With respect to prescription drug abuse, all health care professionals authorized to prescribe controlled substances are required to register with the DEA. The DEA, in turn, receives very general data, without any patient identifying information, highlighting the number of controlled substance prescriptions written by each DEA registrant. Law enforcement evaluates information

received regarding physicians' prescribing habits and determines whether additional information is necessary. As part of the Administration's strategy to reduce opportunities to divert controlled substance prescriptions, law enforcement examines situations where prescribers write prescriptions for an unusually and obviously high number of controlled substances absent legitimate circumstances to identify emerging trends in prescription drug abuse.

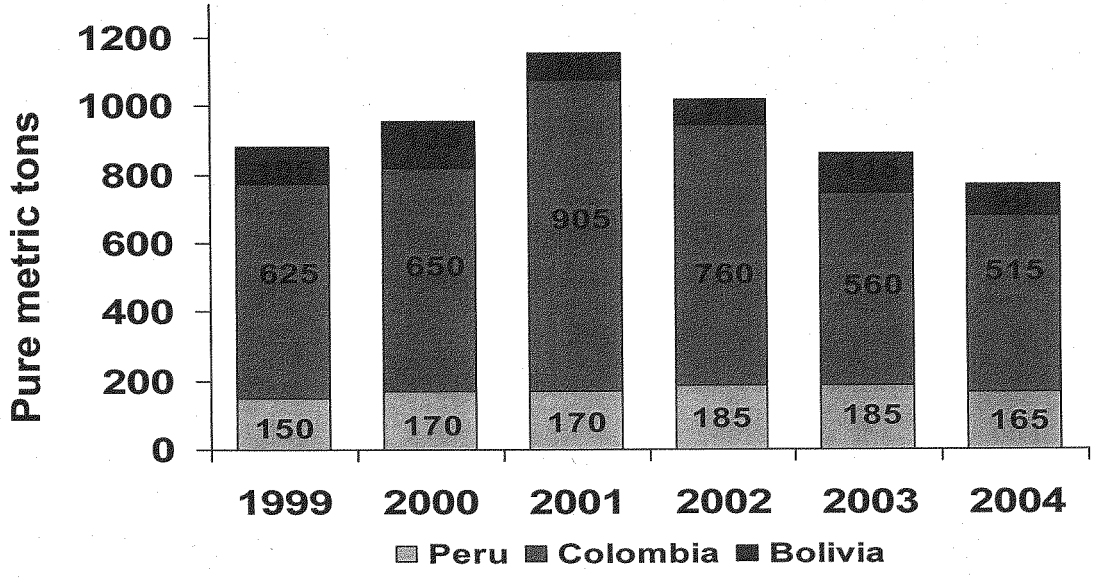
The SDIWG considers information, ideas, and policy recommendations from DEA's methamphetamine task force and from the controlled substance prescription system referenced above. The SDIWG brings together all federal agencies that have statutory jurisdiction concerning any aspect of methamphetamine manufacture, trafficking or abuse, or prescription drug diversion, and the SDIWG is charged with making policy recommendations concerning emerging trends in the abuse of synthetic drugs. If approved by the SDIWG, the recommendations are forwarded to policy makers for further action and incorporation into the National Synthetic Drug Control Strategy.

COLOMBIA COCA CULTIVATION VERSUS SPRAY LEVELS



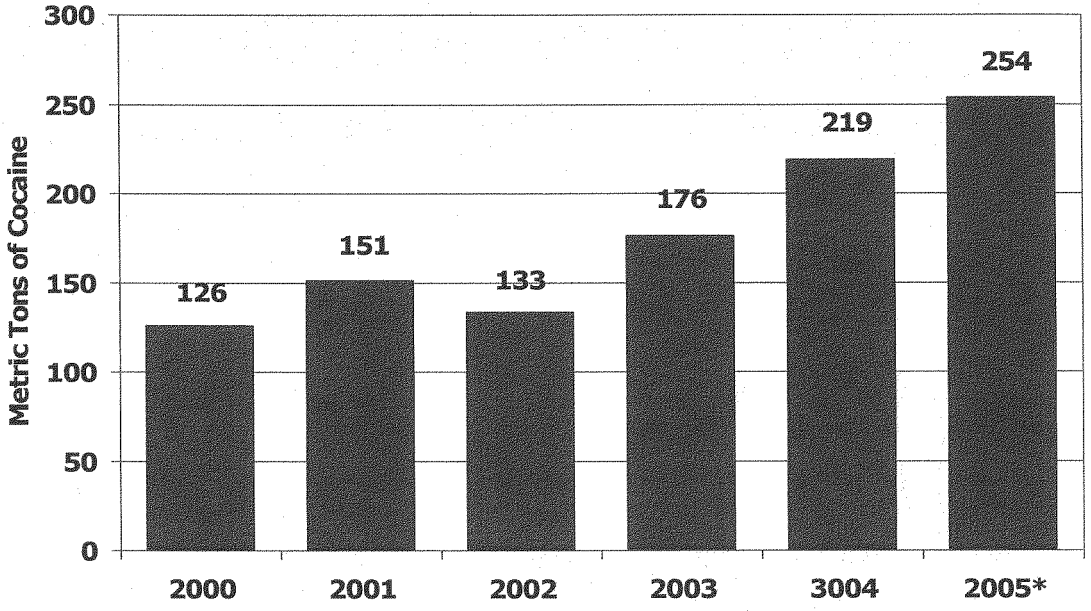
Source: INL Air Wing, CNC Cocaine Estimates, Feb 2006.

Andean Potential Export Quality Cocaine Production



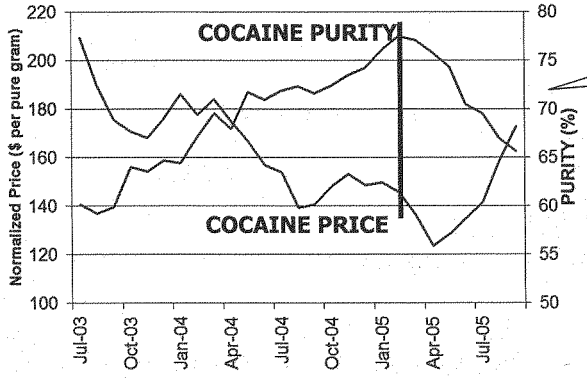
Source: 2004 Colombia Coca and Opium Poppy Estimates, CNC, March 2005.

Increasing Transit Zone Cocaine Seizures



Source: Consolidated Counterdrug Database (CCDB).
U.S.-bound seizures include subsequent flow.

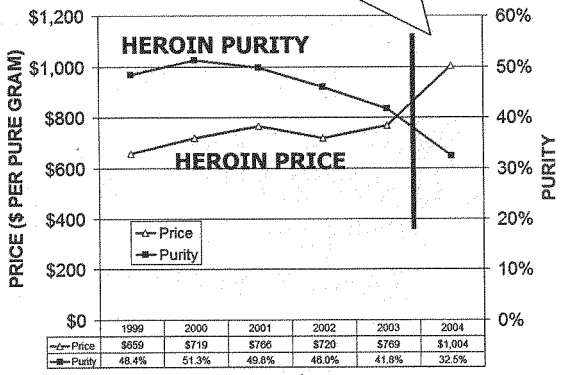
Retail Purity of South American Cocaine and Heroin Has Dropped While the Price Has Increased



Source: IDA analyses of STRIDE, Jul 2003 to Sept 2005, Nov 2005

15% purity drop and 19% price increase from Feb-Sept '05

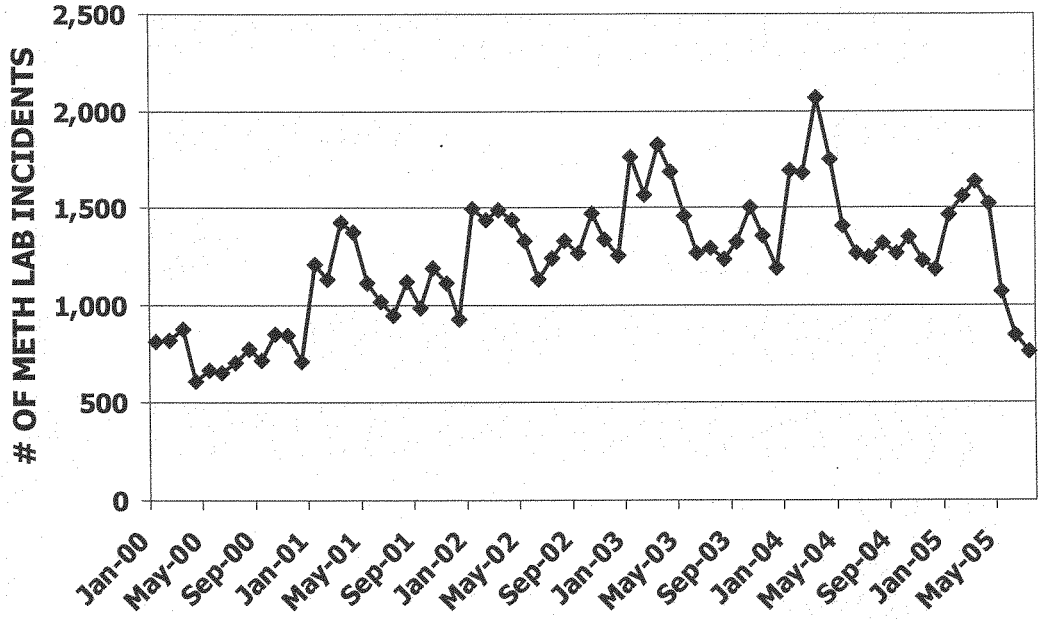
22% purity drop and 30% price increase from 2003-2004



	1999	2000	2001	2002	2003	2004
Price	$659	$719	$766	$720	$769	$1,004
Purity	48.4%	51.3%	49.8%	46.0%	41.8%	32.5%

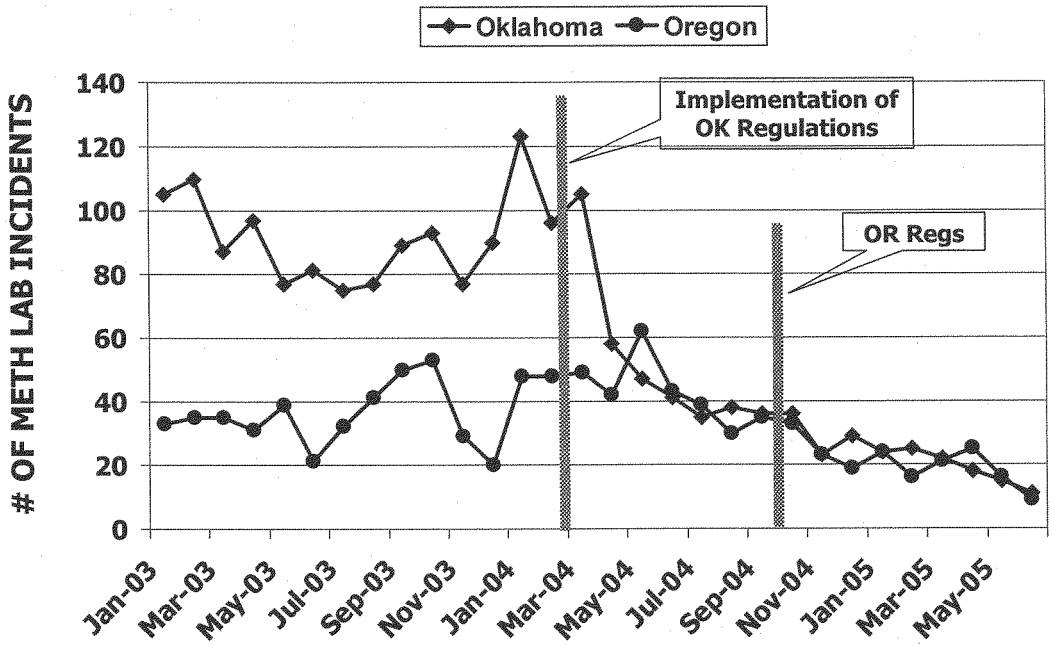
Source: Domestic monitor Project (DMP), average of all program samples, DEA-05017, June 2005

National Meth Lab Incidents
January 2000 to July 2005



Source: Clandestine Lab Seizure System, EPIC, extracted Feb. 14, 2006.

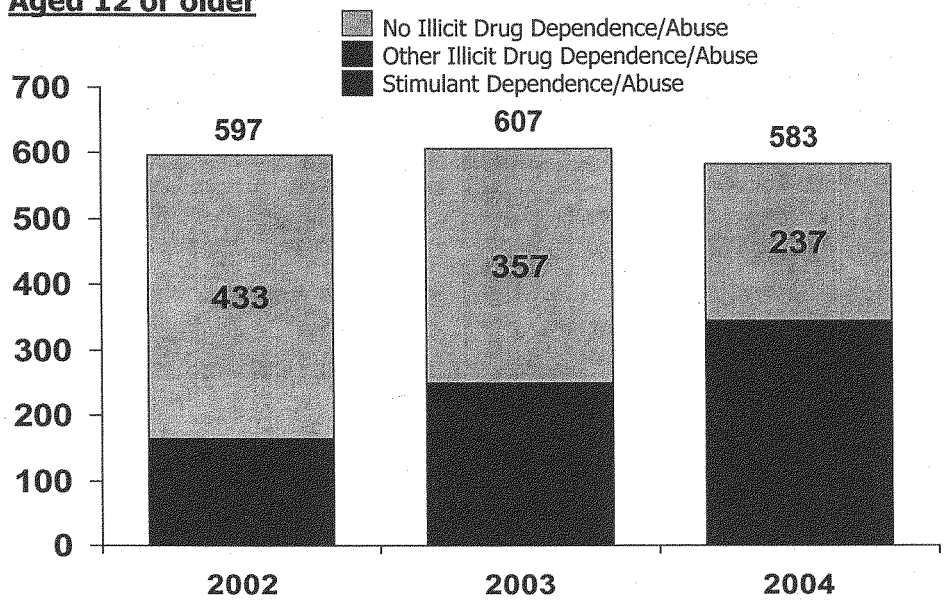
OK & OR PSE Laws Have Had Impact



Source: Clandestine Lab Seizure System, EPIC, extracted January 2006.

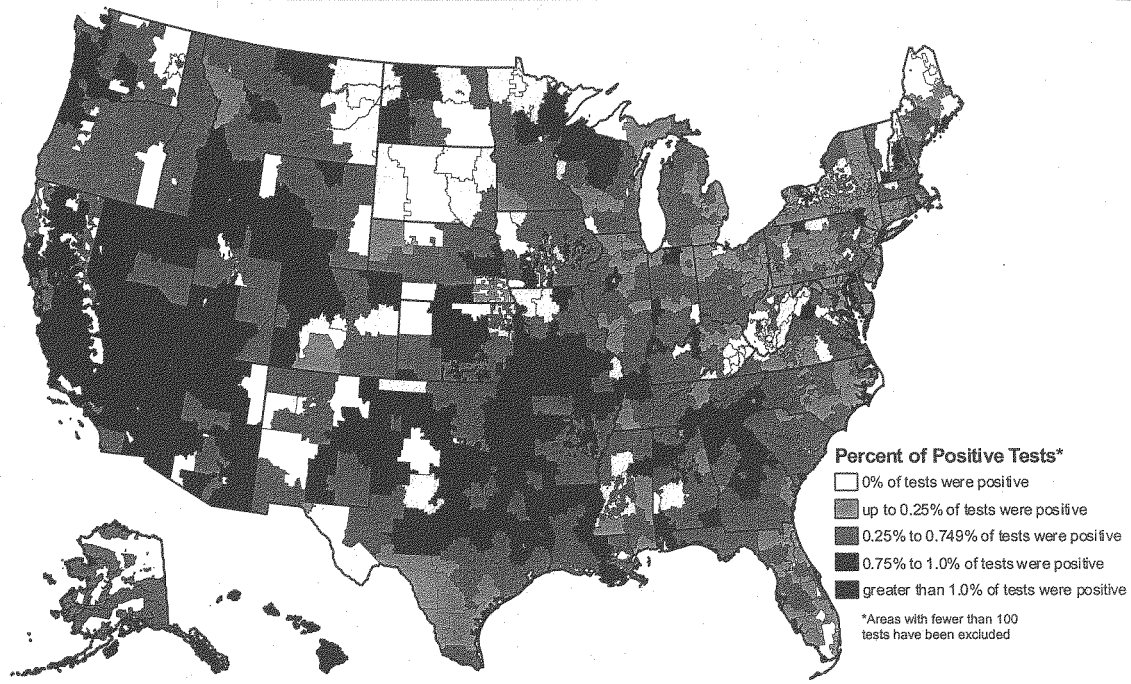
Methamphetamine Use in Past Month, by Dependence and Abuse: 2002 to 2004

Numbers of Past Month Methamphetamine Users (in Thousands) Aged 12 or older



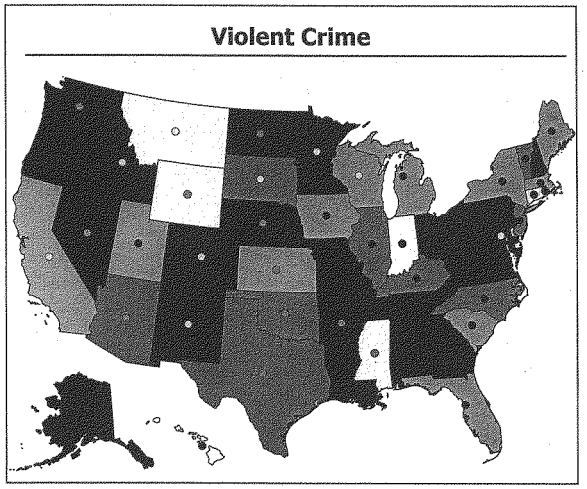
Source: SAMHSA, *NSDUH Report: Methamphetamine Use, Abuse and Dependence: 2002-2004* (September 16, 2005).

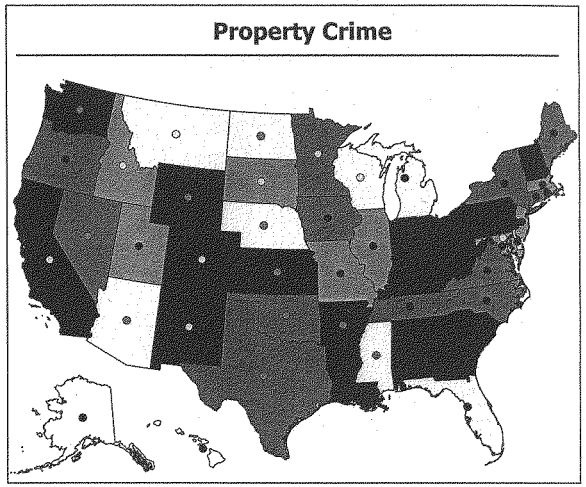
Percentage of Positive Amphetamine Workforce Drug Tests by Zip Code 3 Areas CY 2005



Source: Consolidated Corporate Drug Testing - Quest

Percent Change in Crime Rates from 2003 to 2004 with Change in Number of Meth Lab Seizures from FY03 to FY04





Change in Violent Crime Rate

- -20.0 to -6.0 rate per 100,000
- -5.999 to -2.5 rate per 100,000
- -2.4999 to -1.0 rate per 100,000
- -0.999 to 2.5 rate per 100,000
- 2.5001 to 12.0 rate per 100,000

Change in Number of Seizures

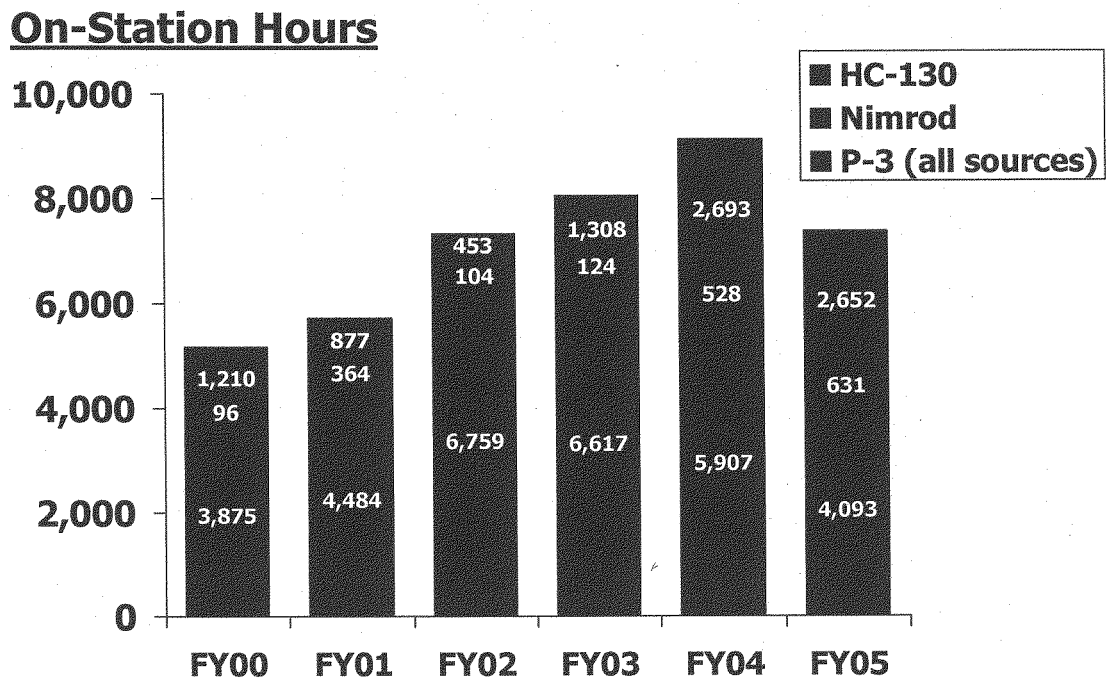
- -67 to -22 percent change
- -21.999 to -3 percent change
- -2.999 to 10 percent change
- 10.001 to 50 percent change
- 50.001 to 410 percent change

Change in Property Crime Rate

- -17.0 to -5.0 rate per 100,000
- -5.0 to -3.0 rate per 100,000
- -3.0 to -1.5 rate per 100,000
- -1.5 to 0.5 rate per 100,000
- 0.5 to 10.5 rate per 100,000

Long Range MPA Support

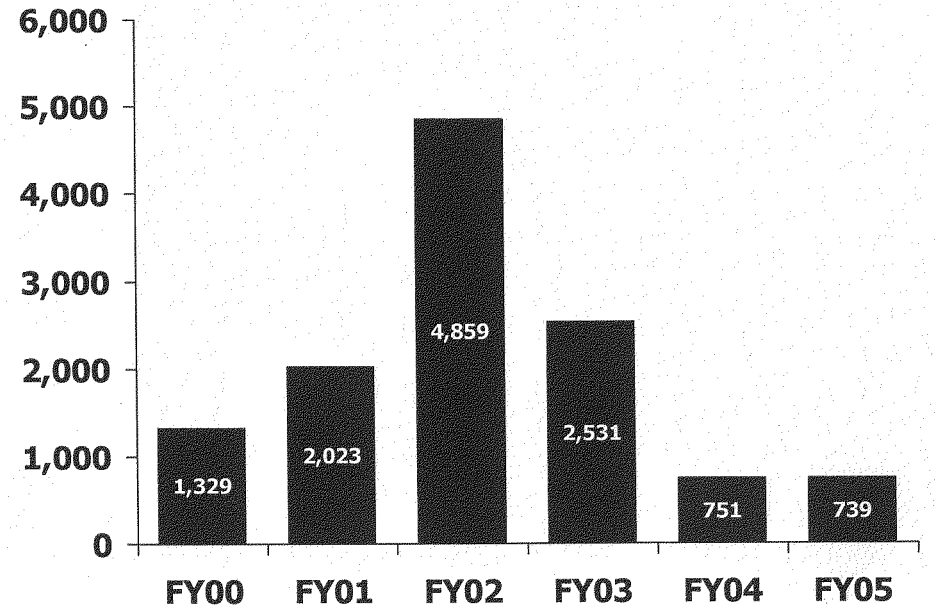
JIATF South FY00 – FY05



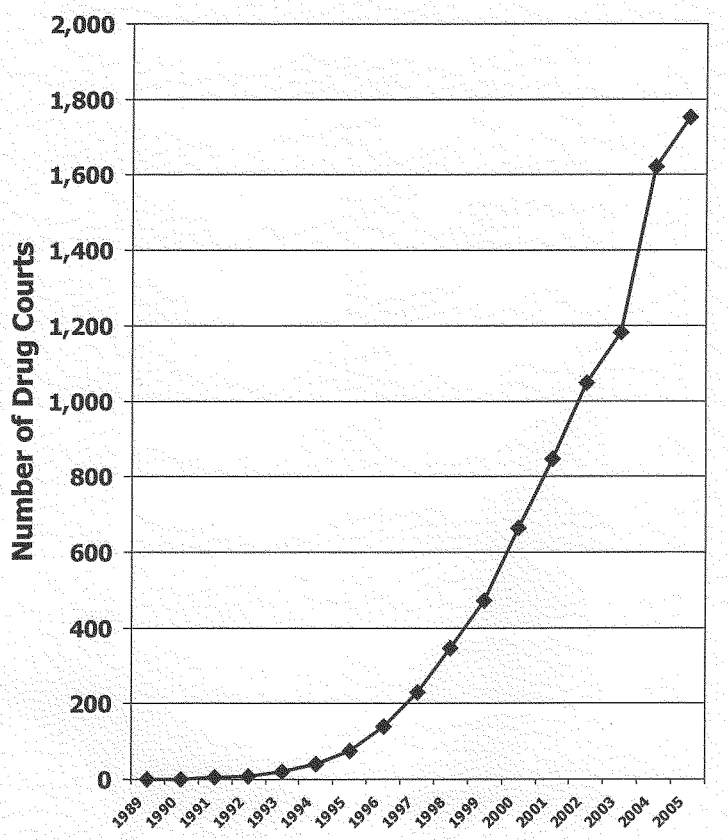
Short Range MPA Support

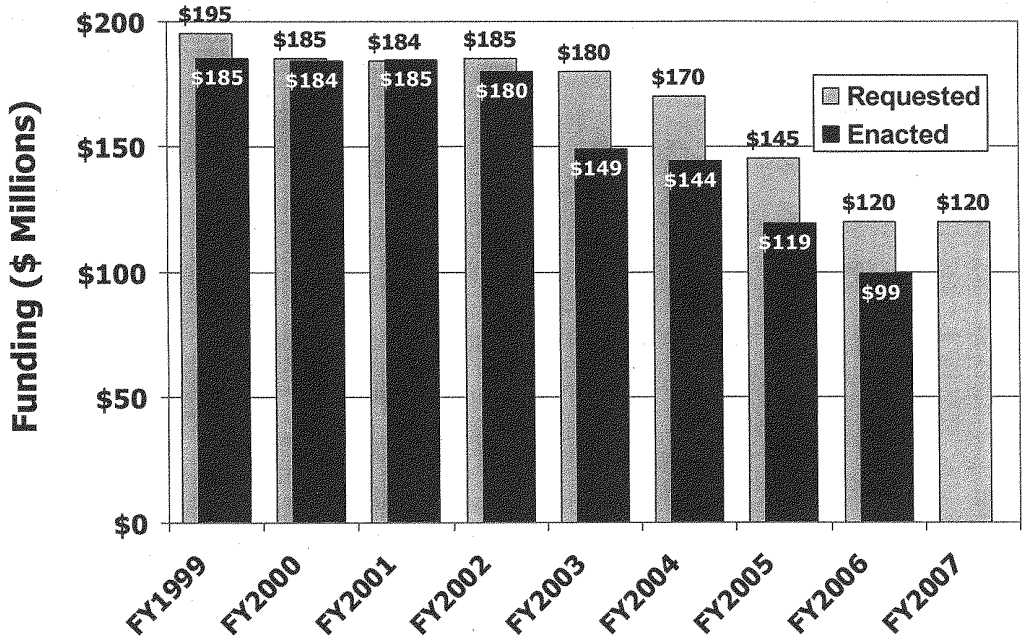
JIATF South FY00 – FY05

On-Station Hours



Drug Courts Nationwide, 1989-2005



Source: National Drug Court Institute (January 2006).

ONDCP Media Campaign Funding Levels FY1999 - FY2007 (in $ Millions)