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DRUG CONTROL

Expanded Military
Surveillance Not Justified by
Measurable Goals or Results

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the military's surveillance of the drug-smuggling threat. My testimony today is based on a series of reports concerning DOD's role in drug interdiction that we have issued to the House Government Operations Committee over the past several years.

RESULTS IN BRIEF

The Department of Defense (DOD) has significantly expanded the nation's capability to detect and monitor cocaine smugglers--the principal targets of the military's surveillance efforts. However, we found that although this expanded capability has become increasingly more costly, it has not led to any reduction in the estimated flow of cocaine onto American streets.

The fact is, Mr. Chairman, the budget increases that have allowed DOD to expand its surveillance capabilities have not been based on measurable goals and results. Consequently, decision-makers have lacked critical information needed to assess the costs and benefits of military surveillance.

The nation's continuing failure to reduce the cocaine flow is not an indictment of DOD's surveillance efforts. But in the absence of measurable goals for DOD's mission, we believe it is the best evidence available for objectively assessing the contribution that military surveillance has made to the drug war. And that evidence strongly indicates that military surveillance is not producing results commensurate with its costs.

BACKGROUND

The National Defense Authorization Act for fiscal year 1989 made DOD the lead agency for detecting and monitoring air and maritime shipments of illegal drugs to the United States. The mission is part of a multi-agency effort, under the Office of National Drug Control Policy (ONDCP), to deter smuggling and reduce drug supplies by interdicting shipments to the United States. Most interdiction efforts have been concentrated on cocaine from South America, which ONDCP has designated the primary drug threat in the United States.

Interdiction involves two broad functions: surveillance (that is, detection and monitoring) and apprehension. DOD's surveillance mission supports the U.S. and foreign law enforcement agencies that apprehend suspects and seize their cargo, both in the source countries where cocaine is produced and in the transit zones between South America and the United States. Law enforcement agencies participate in both the surveillance and apprehension phases. DOD is generally precluded from the apprehension phase (the so-called "end game") because of laws restricting military participation in law enforcement activities.

Funding for DOD's surveillance mission grew from about \$212 million in fiscal year 1989 to an estimated \$844 million in fiscal year 1993. DOD has requested \$890 million for fiscal year 1994.

DOD HAS EXPANDED SURVEILLANCE CAPABILITIES BUT AT A COST

Before 1989, the limited surveillance assets of civilian law enforcement agencies allowed only intermittent and sporadic coverage of key cocaine-smuggling zones in the Caribbean and the eastern Pacific. Since becoming the lead agency for detection and monitoring, DOD has improved that coverage by providing the resources to conduct extensive surveillance of primary smuggling routes. With this expanded coverage, DOD has contributed to drug seizures by detecting suspects early, monitoring them continually, and handing them off to law enforcement agencies near expected arrival zones.

However, this increased capability has been expensive. DOD's extensive surveillance requires a major commitment of aircraft, ships, and personnel. To put the costs of that commitment into perspective, the commander of one joint task force testified in 1992 that they are equivalent to what would be "expended over a year on a Sixth Fleet deployment into the Mediterranean--a substantial commitment." Some of those costs would have to be incurred for training exercises even if DOD were not involved in counterdrug operations--but some would not. Some aircraft and ship crews engaged in counterdrug operations receive little training related to the military's traditional war-fighting mission.

FUNDING INCREASES NOT BASED ON MEASURABLE GOALS OR RESULTS

This substantial commitment has been made through a series of funding increases since DOD became the lead agency in 1989, even though drug-war planners have never established specific goals or valid effectiveness measures for the surveillance mission. In the absence of such measures:

- the success or failure of military surveillance cannot be assessed quantitatively,
- the resources required for military surveillance cannot be objectively determined, and therefore
- Congress and the executive branch are denied the kinds of objective assessments needed to evaluate alternatives and make policy decisions.

INCREASED SURVEILLANCE HAS NOT PRODUCED COMMENSURATE RESULTS

Despite the increased surveillance capabilities that DOD is providing, interdiction success remains elusive and progress toward national supply-reduction goals remains negligible.

A key goal of the National Drug Control Strategy has been to reduce cocaine supplies on the streets of American cities. According to sources in the intelligence community, however, the estimated volume of cocaine entering the country has not appreciably declined since DOD was given its lead-agency mission. This failure to reduce the drug flow into America cannot be attributed to the efficiency of DOD's surveillance efforts or any single initiative in the national strategy, but the inability to interdict shipments in decisive numbers is a contributing factor.

Interdiction has had limited successes. Seizures have increased, and traffickers have been forced to adopt new, and presumably more expensive, smuggling methods. But these successes have not made a difference in terms of deterring smugglers and reducing the flow of cocaine. Interdiction assessments that have been made indicate that most smugglers are not apprehended. And the price, purity, and availability of cocaine on American streets has remained relatively stable.

The capability of military surveillance to rectify this situation is limited. The limitation is that surveillance of suspect ships and planes is not the weak link in the interdiction process. The weak link is the inability to apprehend suspected smugglers in transit countries and at our borders.

INTERDICTION SUCCESS REQUIRES APPREHENSION CAPABILITIES

Simply stated, the capability to detect and monitor drug smugglers does not assure interdiction success--no matter how extensive that capability may be. Success ultimately depends on the capability to apprehend smugglers--arresting people and seizing their cargo and equipment. However, DOD's surveillance capabilities exceed the apprehension capabilities of law enforcement agencies, especially in the countries that U.S.-bound cocaine transits.

Cocaine traffickers have been able to remain relatively immune to apprehension by adopting new tactics. Instead of flying cocaine directly into the United States, for example, they fly it into Central America and Mexico--where U.S. law enforcement agencies lack jurisdiction and host-nation apprehension capabilities are limited. The traffickers then move the cocaine up near our Southwest border by various means and transport it into the United States in cars, trucks, and other conveyances. Traffickers also

transport cocaine in shipping containers and in the numerous, difficult-to-find hiding places aboard large vessels.

Without more law enforcement assistance in the transitting countries and without improved search technology at U.S. ports and border crossings, traffickers can continue to ship cocaine via these methods with relative impunity. Sustaining or increasing DOD's surveillance capabilities will not do the job.

DRUG PROFITS MAKE INTERDICTION SUCCESS DOUBTFUL

According to the National Drug Control Strategy, the real value of interdiction lies in the disruption of trafficking organizations, thus raising their cost of doing business. However, this is difficult to achieve, even with the increased surveillance capability provided by DOD. Part of the problem is that the enormous profits in cocaine trafficking make interdiction losses relatively inconsequential, especially in light of the fact that production and smuggling costs account for such a small part of street prices. In 1988, for example, the RAND Corporation reported that only 10 percent of cocaine's final price is attributable to production and smuggling costs.¹

Most of the price growth occurs after cocaine crosses U.S. borders. Our 1991 report noted that the price for enough cocoa leaf to produce one kilogram (2.2 pounds) of cocaine was between \$65 and \$370. The finished product that entered the country was valued at \$800 to \$5,000 per kilogram. After being diluted, the street price equated to between \$70,000 and \$300,000 a kilogram. Therefore, the profit margin--after cocaine has passed beyond DOD's surveillance and the threat of interdiction in route or at our borders--could range from about 6,000 to 8,600 percent. Given this huge profit margin, it appears unlikely that interdiction will be a significant cost deterrent to traffickers, regardless of the surveillance support that DOD provides.

CONCLUSIONS

In summary, Mr. Chairman, military surveillance has not demonstrated that it can make a contribution--to either drug interdiction or to the national goal of reduced drug supplies--that is commensurate with its cost. The portion of the federal drug budget allocated to military surveillance has nearly quadrupled over the last 5 years, without measurable goals or results to show that the increases were warranted. Moreover, the available evidence indicates that they were not warranted. Even with DOD's

¹Peter Reuter, Gordon Crawford, Jonathan Cave, et al., Sealing the Borders: The Effects of Increased Military Participation in Drug Interdiction. The RAND Corporation (January 1988).

increased surveillance support to interdiction, cocaine remains affordable and readily available in the United States. The continuing failure to reduce the amount of cocaine entering the country can undoubtedly be attributed to many factors. But the fact is that adding military surveillance to the nation's interdiction efforts has not made a difference in our ability to reduce the flow of cocaine to American streets.

The National Drug Control Strategy has noted that interdiction efforts should be viewed, not in isolation, but as merely one of the fronts on which the drug war is being waged. The same can reasonably be said of DOD's part in the interdiction process. Some level of surveillance is an essential part of the interdiction program called for in the National Drug Control Strategy. However, the level of that effort should be commensurate with the relative contribution that it makes--and can be expected to make--to the national war on drugs. We believe that contribution has not been demonstrated by expanded military surveillance. We also believe that continuing failures to interdict decisive numbers of cocaine shipments and to reduce the cocaine flow into the U.S. indicate that the government is not getting a reasonable return on the increased funding provided for military surveillance.

Mr. Chairman, that concludes my statement. I will be happy to answer any questions you or members of the Subcommittee may have.

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