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ONDCP'S FISCAL YEAR 2011 NATIONAL DRUG CONTROL BUDGET: ARE WE STILL FUNDING THE WAR ON DRUGS?

HEARING

BEFORE THE

SUBCOMMITTEE ON DOMESTIC POLICY

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

APRIL 14, 2010

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ONDCP'S FISCAL YEAR 2011 NATIONAL DRUG CONTROL BUDGET: ARE WE STILL FUNDING THE WAR ON DRUGS?

WEDNESDAY, APRIL 14, 2010

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DOMESTIC POLICY,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. Dennis J. Kucinich (chairman of the subcommittee) presiding.

Present: Representatives Kucinich, Tierney, Foster, Jordan, and Issa (ex officio).

Staff present: Jaron R. Bourke, staff director; Claire Coleman, and Charles Honig, counsels; Jean Gosa, clerk; Leneal Scott, IT specialist; Charisma Williams, staff assistant; Adam Fromm, minority chief clerk and Member liaison; Stephanie Genco, minority press secretary and communication liaison; Ashley Callen, minority counsel; and Molly Boyl, minority professional staff member.

Mr. KUCINICH. Thank you for being here. The committee will come to order.

The Subcommittee on Domestic Policy of the Committee on Oversight and Government Reform is now in order. The hearing will examine the priorities and objectives of the Office of National Drug Control Policy under the Obama administration and how those goals are reflected in the 2011 Fiscal Year National Drug Control Budget.

Without objection, the Chair and ranking minority member will have 5 minutes to make opening statements, followed by opening statements not to exceed 3 minutes by any other Member who seeks recognition.

Without objection, Members and witnesses may have five legislative days to submit a written statement or extraneous materials for the record.

We are here today to evaluate the Office of National Drug Control Policy's 2011 budget, the first drug budget formed under the Obama administration. President Obama and Director Kerlikowske have said that the Nation's drug policy should be guided by examining the evidence of what works. To that end, they have suggested that drug abuse should be treated as a public health issue instead of a criminal justice issue.

Director Kerlikowske has rightfully called for an end to the war on drugs. This is an obviously important shift from the previous

administration. The question to be addressed at this hearing today is whether, despite this important rhetorical shift, the ONDCP is in fact engaging in employing an honest assessment of what works and what does not work in U.S. drug policy.

We will ask: Does the budget support programs of demonstrated effectiveness for reducing drug use and its harmful health consequences here in the United States? Or does the budget continue to fund a war on drugs that is unsupported by science and research?

It is unfortunate that ONDCP was not able to release this year's National Drug Control Strategy or budget summary prior to this hearing. Not only have they missed by over 2 months the February 1st statutory deadline mandated by the 2006 reauthorization, but it has frustrated the subcommittee's ability to conduct oversight.

Without the strategy, we will have to speculate to some degree about the administration's approach from the budget highlights and other drug control agency budget agency documents.

From the information available, it is clear that at least in some areas, we are beginning to see drug policy decisions based on science and evidence, instead of politics. This is especially true in the area of treatment in international source country programs. The increased funding for treatment programs and commitment to funding addiction screening is falling short of the goal of providing treatment for all who need it, and reflects the recognition that handling drug addiction as a medical problem is most effective.

On the international side, while the budget continues to drastically overspend on failed interdiction policies, at least we are finally seeing a shift in spending in source country programs, focusing less on the military side of drug enforcement and crop eradication, and more on providing assistance to strengthening the rule of law, democratic institutions and addressing border security.

The budget proposes funds for new demand reduction programs in source countries that have drug problems largely as a result of supplying the United States with drugs. These are all positive steps that support evidence-based and cost-effective drug policy. But if the administration truly acknowledges the plethora of research demonstrating that treatment and evidence-based prevention are more effective at reducing drug use than law enforcement interdiction and source country eradication, then why is our drug budget still so lopsided in favor of less effective approaches?

If we compare the current budget request for supply side and demand side programming to the previous administration's last drug budget in 2009, the difference in spending for supply reduction in the upcoming fiscal year is only one-half of 1 percent. The 2011 budget still spends at least two-thirds of the total drug budget on supply reduction programs because the drug budget still fails to comprehensively account for all Federal drug control expenditures as required by the 2006 ONDCP Reauthorization Act. Despite the subcommittee and congressionally ordered reviews and repeated calls for ONDCP to follow the law, the misguided and unsupported orientation to supply side efforts is actually more.

The drug budget as calculated now contains only those expenditures aimed at reducing drug use, rather than those associated with the consequence of drug use. For example, the budget fails to

account for the billions of dollars a year spent on prosecuting and incarcerating drug offenders. Congress has clearly spoken on this issue and we hope that this administration will work quickly to reintroduce a budget methodology that actually communicates to Congress and the public the levels of public spending on drug policy.

I am going to ask unanimous consent to just put the rest of my statement in the record.

[The prepared statement of Hon. Dennis J. Kucinich follows:]

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Opening Statement
of
Dennis J. Kucinich, Chairman
Domestic Policy Subcommittee
Of the
Oversight and Government Reform Committee

"ONDCP's Fiscal Year 2011 National Drug Control Budget:
Are We Still Funding the War on Drugs?"

Wednesday, April 14, 2010
2154 Rayburn HOB
10:00 A.M.

We are here today to evaluate the Office of National Drug Control Policy's 2011 Budget -- the first drug budget formed under the Obama Administration. President Obama and ONDCP Director Kerlikowske have said that the Nation's drug policy should be guided by examining the evidence of what works. To that end, they have suggested that drug abuse should be treated as a public health issue instead of a criminal justice issue. Director Kerlikowske has rightfully called for an end to the War on Drugs. This is an obviously important shift from the previous administration. The question to be addressed at this hearing today is whether – despite this important rhetorical shift – ONDCP is in fact engaging in and employing an honest assessment of what works and what does not work in U.S. drug policy. We will ask: Does the budget support programs with demonstrated effectiveness for reducing drug use and its harmful health-consequences here in the United States? Or does the budget continue to fund a war on drugs that is unsupported by science and research?

It is unfortunate that ONDCP was not able to release this year's National Drug Control Strategy or Budget Summary prior to this hearing. Not only has ONDCP missed by over two months the February 1 statutory deadline mandated by the 2006 ONDCP Reauthorization, but it has frustrated this subcommittee's ability to conduct oversight. Without the Strategy, we are left

to speculate to some degree about the Administration's approach from the ONDCP's Budget Highlights and other drug control agency budget documents.

From the information available, it is clear that at least in some areas, we are beginning to see drug policy decisions based on science and evidence instead of politics. This is especially true in the area of treatment and international source country programs. The increased funding for treatment programs and commitment to funding addiction screening, while falling far short of the goal of providing treatment for all who need it, reflects the recognition that handling drug addiction as a medical problem is most effective. On the international side, while the budget continues to drastically overspend on failed interdiction policies, at least we are finally seeing a shift in spending in source country programs focusing less on the military side of drug enforcement and crop eradication and more on providing assistance to strengthening the rule of law, democratic institutions, and addressing border security. The budget proposes funds for new demand reduction programs in source countries that have drug problems largely as a result of supplying the U.S. with drugs. These are all positive steps to supporting evidence-based and cost-effective drug policy.

But if the Administration truly acknowledges the plethora of research demonstrating that treatment and evidence-based prevention are more effective at reducing drug use than law enforcement, interdiction, and source country eradication, then why is our drug budget still so lopsided in favor of the less effective approaches? If we compare the current budget requests for supply side and demand side programming to President Bush's last drug budget in 2009, the difference in spending for supply reduction in the upcoming fiscal year is only one-half of one percent. The 2011 budget still spends at least two-thirds of the total drug budget on supply reduction programs, and because the drug budget still fails to comprehensively account for *all* federal drug control expenditures as required by the 2006 Reauthorization Act – despite the Subcommittee's and a Congressional-ordered review's repeated calls for ONDCP to follow the law – the misguided and unsupported orientation to supply-side efforts is actually more. The drug budget as calculated now contains only those expenditures aimed at reducing drug use, rather than those associated with the consequences of drug use. For example, the budget fails to account for the billions of dollars a year spent on prosecuting and incarcerating drug offenders. Congress has clearly spoken on this issue, and we hope that this administration will work quickly

to reintroduce a budget methodology that accurately communicates to Congress and the public the levels of federal spending on drug policy.

I recognize that it will take time to reverse the course of the last decade of failed drug policy, and the current restrictive budget environment, institutional inertia, and the entrenched interests of stakeholders in the current approach temper our expectations for rapid fundamental change. But these obstacles to reform are not insurmountable and should not dissuade ONDCP from spearheading the adoption of pragmatic, evidence-based, cost-effective policy approaches that are consistent with this administration approach to policy more generally.

The legacy of the last decade of failed drug policies based on ideology and politics over science has led us nowhere. The U.S. is still the largest consumer of drugs in the world, and most illicit drugs remain readily available, with some drugs becoming even more accessible in some areas. Domestic demand for drugs has contributed to the explosion of drug-trafficking-related violence in Mexico and has created an imminent threat of violence spilling over into the United States. Continuing to emphasize the failed supply-side policies of the last decade makes no sense.

Before concluding, I want to emphasize that science and research instruct us that ONDCP should not just be promoting programs to reduce drug use, but also needs programs to focus on the reduction of disease, death, crime, and other suffering associated with drug use. We have seen some recognition that the Administration recognizes the importance of reducing drug overdose and the spread of HIV/AIDS. Similarly, the Administration seems to recognize the damage being caused by punitive drug policies and selective law enforcement – including excessive incarceration and resulting disenfranchisement that disproportionately hurt communities of color. We can no longer ignore the negative consequences of the war on drugs and must have a plan for reducing them. The budget is silent on these important issues. At a minimum, ONDCP needs to fund research and trial programs to assure science-based policies with respect to harm reduction and alternative drug policies.

As this Subcommittee begins to review options for the reauthorization of ONDCP, I hope this hearing will provide Director Kerlikowske with an opportunity to share with us how he intends to address critical aspects of our nation's drug problem, both through changes in policies at ONDCP as reflected in the budget and the upcoming Strategy and in changes in the organization and operation of ONDCP itself.

Mr. KUCINICH. Mr. Jordan, you are recognized.

Mr. JORDAN. Thank you, Mr. Chairman.

It is good to have the Director with us again. I appreciate the Director's response to a letter that many of us had sent to him and the fairly detailed response that he sent back to us.

Mr. Kucinich, I want to thank you for holding this hearing.

Our Nation continues to face a drug problem that takes lives, brings about violence and tears apart communities and families. We need to take every opportunity and make every effort to eliminate this problem with an approach that focuses both on keeping drugs from entering the country in the first place and curbing addiction here at home.

The Office of National Drug Control Policy has an extremely difficult task in coordinating many different agencies to address issues at home and abroad. The ONDCP budget must strike a balance between funding programs to tackle both international and domestic supply reduction, demand reduction at home, drug-related violence along our borders and in our streets, addiction treatment and health-related issues stemming from abuse of both illicit and prescription drugs, and enforcement of our drug laws and punishment of those who are in violation.

Regional disparities mean different drugs are more readily available to be bought, sold and abused in different States, compounding the challenge of creating one budget and one strategy for the entire country.

For example, methamphetamines are a growing problem, especially in rural areas all over the country, and I have seen the detrimental effects of this drug in our home State of Ohio. My colleagues from districts along the southwest border have seen increases in spillover violence as Mexican drug cartels have become more brazen and moved operations further north toward Texas, New Mexico, Arizona and California.

The many domestic and international factors that contribute to our drug problem necessitate a strategy that addresses both supply and demand reduction initiatives, eradication of drug crops in source countries, interdiction, domestic anti-drug campaigns and treatment programs must all be a part of a successful national strategy.

The last time Director Kerlikowske testified before this subcommittee, he had been on the job for only a few days. As a result of our budget process, during his first year at ONDCP, the Director operated largely under the framework of a budget and strategy prepared by the Bush administration. I especially look forward to hearing about the Director's experiences during his first year at ONDCP and what his expectations are for the future of the Office during the Obama administration, including what changes to the budget he is seeking and how the national strategy will change to reflect the goals of the current administration.

I am only sorry that we could not have postponed this hearing until the ONDCP national strategy had been released, but hope that we may have another opportunity to speak with the Director once the strategy has been finalized.

With that, Mr. Chairman, I yield back the time.

Mr. KUCINICH. I thank Mr. Jordan.

Mr. Foster, do you have an opening statement?

Mr. FOSTER. I would just like to make one brief comment. When you are optimizing a budget, it is very important to understand what it is you are optimizing for. And I think that the starting point for this discussion should be what is it that we are optimizing for. It seems to me that it ought to be something like the number of man years lost to drug abuse in this country. And then you can look at the entire range of things that we spend money on and find out which contributes most to that.

So I will be very interested in how you set up the framework for optimizing all of our expenditures.

Thank you. I yield back.

Mr. KUCINICH. Thank you very much.

I want to introduce Mr. Kerlikowske, who is the sole witness on the first panel. He is the Director of the Office of National Drug Control Policy. In this capacity, Mr. Kerlikowske coordinates all aspects of Federal drug control programs and implementation of the President's national drug control strategy.

Mr. Kerlikowske brings nearly four decades of law enforcement and drug policy experience to the position, most recently serving 9 years as chief of police for the Seattle Police Department. He also served as Deputy Director for the U.S. Department of Justice Office of Community Oriented Policing Services, and president of the Major Cities Chiefs Association.

I want to thank you for appearing before the subcommittee today. Mr. Kerlikowske, it is the policy of the Committee on Oversight and Government Reform to swear in all witnesses before they testify. I would ask that you rise and raise your right hand.

[Witness sworn.]

Mr. KUCINICH. Thank you very much.

Let the record reflect that the witness answered in the affirmative.

Mr. Kerlikowske, I would ask that you give a brief summary of your testimony and to keep the summary under 5 minutes in duration. Your complete written statement will be included in the record of the hearing, and I ask that you begin.

I am just going to say that rather than to trouble future witnesses, staff should be instructed to make sure that every witness is prepared to testify, including demonstrating to them the appropriate use of the microphone.

Thank you very much. You may proceed.

STATEMENT OF GIL KERLIKOWSKE, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

Mr. KERLIKOWSKE. Thank you, Mr. Chairman and Ranking Member Jordan for the opportunity to testify. And I am happy to return back to the committee. I was only on the job a few days, and it has been an exciting year, quite frankly.

I look forward to the discussion. I look forward to answering your questions.

The Obama administration understands that addiction is a disease. Prevention, treatment and law enforcement must be included as part of a comprehensive strategy to stop drug use, to get help to those who need it, and to ensure public safety.

The public health consequences of drug use are enormous and the public safety impact of drug use is equally dramatic. Drug overdoses now outnumber gunshot deaths in America. They are fast approaching motor vehicle crashes as the leading cause of accidental death.

Since I last appeared before the committee, I have been focused on drawing attention to a series of problems. One in particular is drugged driving. Results from the Monitoring the Future Study indicate that in 2008, more than 10 percent of high school seniors admitted to having driven a vehicle after smoking marijuana in the 2-weeks prior to the survey. This is a troubling statistic that is consistent with data from the Department of Transportation study that was released in December last year.

I have also been focused on raising awareness about prescription drug abuse. Prescription drug abuse harms the people who misuse these pills, as well as those close to them. While we must ensure access to medications that alleviate suffering, it is also vital that we do all we can to curtail diversion and abuse of pharmaceuticals.

Moreover, between 1997 and 2007, treatment admissions for prescription painkillers increased more than 400 percent. These issues, as well as a renewed focus on the importance and effectiveness of smart prevention, are reflected in the soon to be released 2010 National Drug Control Strategy. The inaugural strategy commits the Obama administration to reduce drug use and its consequences. It is based on common sense, sound science, and practical experience.

The President's Fiscal Year 2011 National Drug Control Budget lays the foundation for our efforts. It contains requests totaling $15½ billion, an increase of $521 million over the fiscal year 2010 enacted level. The resources are categorized around five major functions: substance abuse prevention, substance abuse treatment, domestic law enforcement, interdiction, and international partnerships. And overall, the budget request for prevention and treatment represents a 6½ percent increase over fiscal year 2010 enacted level.

The budget also includes $151.3 million for the five priorities established by ONDCP and our Federal partner working together as part of the Demand Reduction Interagency Work Group.

Let me summarize those five priorities: creating a national community-based prevention system to protect adolescents; training and engaging the primary healthcare system to intervene in the emerging cases of drug abuse; expanding and improving integrating addiction treatment into the Federal healthcare systems; developing safe and efficient ways to manage drug-related offenders; and creating a community-based drug monitoring system.

However, our renewed focus on prevention and treatment does not come at the expense of effective law enforcement. We are committed to a balanced approach that places as much emphasis on enforcement as it does on treatment and prevention. Over $3.9 billion is included in the fiscal year 2011 budget request for domestic law enforcement efforts, an increase of $73.8 million over the fiscal year 2010 level.

With the forthcoming strategy and added resources, we will take a comprehensive and balanced approach, combining tough but fair

enforcement with robust prevention and treatment efforts, and that we will be successful in stemming both the demand for and supply of illegal drugs in our country.

I look forward to continuing to work with the committee's members to address these challenging and important issues. I recognize that the many things ONDCP and my executive branch colleagues want to accomplish would not be possible without the support of the Members of Congress.

Thank you very much.

[The prepared statement of Mr. Kerlikowske follows:]

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

Testimony
of
R. Gil Kerlikowske

Director
Office of National Drug Control Policy

House Oversight and Government Reform Committee
Domestic Policy Subcommittee

Fiscal Year 2011 National Drug Control Budget
and the
Priorities, Objectives, and Policies
of the
Office of National Drug Control Policy

Wednesday, April 14, 2010

House Oversight and Government Reform Committee
Domestic Policy Subcommittee

"Fiscal Year 2011 National Drug Control Budget and the Priorities, Objectives, and Policies of the Office of National Drug Control Policy"

April 14, 2010

Statement of R. Gil Kerlikowske
Director, National Drug Control Policy

Chairman Kucinich, Ranking Member Jordan, distinguished members of the Subcommittee, thank you for providing the Office of National Drug Control Policy (ONDCP) the opportunity to appear before you today to share our views on the Fiscal Year 2011 National Drug Control Budget and Priorities. It has been almost one year since I testified before this committee and, at the time, I had only recently been confirmed as Director. Much progress has been made over the past year and I am pleased to report on it today.

Drug use continues to place a major strain on our economy, accounting for significant expenditures every year in health care costs. The public health consequences of drug use are enormous. One in ten cases of HIV diagnosed in 2007 were transmitted via injection drug use, contributing to the spread of infectious diseases nationwide.[1] The public safety impact of drug use is equally dramatic. Drug induced deaths now outnumber gunshot deaths in America and are fast approaching motor vehicle crashes as the leading cause of injury death.[2] Whether struggling with an addiction, worrying about a loved one's substance abuse, or being a victim of drug-related crime, millions of people in this country live with the devastating impact of illicit drug use every day. This stark reality demands a new direction in drug policy: one based on common sense, sound science, and practical experience. We have many policy interventions to choose from, and on the record I would like to reiterate the Administration's position against any form of drug legalization.

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[1] CDC 2009 HIV/AIDS Surveillance Report, 2007, Vol. 19.
[2] Special tabulations from CDC's Wonder database on vital statistics.

Domestic Policy Subcommittee Testimony (April 14, 2010)

Drug addiction is a disease with a biological basis, and drug use – whether or not the user is addicted – raises the risk of traumatic accidents, infectious disease, psychiatric disorders, family violence, and a host of other health problems.

Drug use greatly increases the likelihood that someone will interact with the criminal justice system. We have made it a priority to focus on approaches that can reduce recidivism by drug involved offenders, and get treatment to those who need it. Their criminal behavior and drug use, monitored by regular drug tests, can be altered through the consistent application of swift, certain, but modest sanctions – as demonstrated by numerous testing and sanctions programs administered by courts.

Research on testing and sanctions sponsored by the Office of Justice Programs has begun to show consistently positive results for such programs in a local court setting, like Hawaii's Opportunity Probation with Enforcement (HOPE). HOPE is a court-administered testing and sanctions program that monitors offenders through regular drug tests and the consistent application of swift, certain, but modest sanctions. Evidence suggests that many probationers with drug histories can be induced to stop using drugs. Research showed the rate of positive drug tests among almost 1,000 HOPE probationers fell 83 percent during the first three months following baseline. Also, missed probation appointments fell by 71 percent among the HOPE group during the same time period.[3] The threat alone, with the certainty of a swift jail sentence if found to be using drugs, was generally sufficient to change behavior among most probationers in the program. HOPE probationers spent no more time in jail and had less time in prison compared with non-HOPE probationers (112 days vs. 303 days)[4]. Thus, HOPE reduced drug use, crime, and incarceration. Currently, HOPE replications are happening all over the country, including in Las Vegas, Nevada; Fairfax County, Virginia; and in the States of Alaska and Arizona, among other places.

Such probation and parole programs should not be seen as alternatives to drug courts, but as complements to innovative and evolving criminal justice systems that help break the cycle of

[3] Hawken and Kleiman 2009 Managing Drug Involved Probationers with Swift and Certain Sanctions: Evaluating Hawaii's HOPE. Report submitted to the National Institute of Justice.
[4] Ibid.

drug use and crime. In addition to their potential to sharply reduce drug use, crime, and probation revocation, such initiatives have the potential to distinguish those who truly need intensive drug treatment from those who can be induced to stop their drug taking through other means.

Since my confirmation, I have also been focused on raising awareness about prescription drug abuse. Prescription drug abuse harms the people who misuse these pills as well as those close to them. While we must ensure access to medications that improve health or alleviate suffering, it is also vital that we do all we can to curtail diversion and abuse of pharmaceuticals. The number of past-year initiates of the non-medical use of prescription drugs has surpassed the number for marijuana initiates.[5] Moreover, between 1997 and 2007, treatment admissions for prescription painkillers increased more than 400 percent.[6] Researchers at the University of Michigan's Institute for Social Research conduct the annual Monitoring the Future (MTF) study under a grant from the National Institute on Drug Abuse (NIDA). The 2009 data from MTF show that, of the top ten drugs reported as used by 12th graders to get high, seven are prescription drugs.[7] Between 2004 and 2008, the number of visits to hospital emergency departments involving the non-medical use of narcotic painkillers increased 112 percent.[8] Because prescription drugs are legal, they are easily accessible, often from a home medicine cabinet. Further, some individuals who misuse prescription drugs, particularly teens, believe these substances are safer than illicit drugs because they are prescribed by a medical doctor and are dispensed by a licensed pharmacist.

Data from the latest National Survey on Drug Use and Health, (NSDUH), an annual survey conducted by the U.S. Department of Health and Human Services, indicate that most people who misused prescription drugs got them from friends, family, or a doctor. Health care providers, law enforcement professionals, and community leaders can all help spread an important message: If you have unneeded or expired prescription drugs in your home, dispose of them

[5] SAMHSA 2009 Results from the 2008 National Survey on Drug Use and Health: National Findings.
[6] SAMHSA 2008 Treatment Episode Data Set (TEDS) Highlights – 2007.
[7] University of Michigan 2009 Monitoring the Future: A Synopsis of the 2009 Results of Trends in Teen Use of Illicit Drugs and Alcohol.
[8] https://dawninfo.samhsa.gov/data/default.asp?met=All

properly. Many communities have already begun to initiate "take-back" programs which represent a good step toward addressing this issue, provided they are in compliance with state and Federal law.

Another priority for ONDCP since my confirmation has been drugged driving. A Department of Transportation study released in December of last year showed that one in six nighttime, weekend drivers tested positive for drugs. Data from the 2008 NSDUH indicate that 12.3 percent of 18 to 25 year olds report having driven under the influence of illicit drugs in the past year. This is consistent with other nationally-representative and state-level studies. Results from MTF indicate that, in 2008, more than 10 percent of high school seniors admitted to having driven a vehicle after smoking marijuana in the two weeks prior to the survey. These data highlight the alarming prevalence of drugged driving. We will be assessing how we can help states deal with this issue, and I will continue to meet with leaders – from trainers of Drug Recognition Experts (DRE), to police chiefs, researchers, and policy makers –to see how the Administration can engage with them to reduce this threat.

According to NSDUH data, in 2008, over 23 million Americans ages 12 or older needed treatment for an illicit drug or alcohol use problem. However, less than 10 percent received the necessary treatment for their disorders. We have the tools and the willingness to respond wisely, justly, and effectively to the drug problem. These tools include well-tested practices that can be reliably and effectively applied by parents, schools, healthcare professionals, and communities to prevent drug use among our Nation's youth. With these tools, we can intervene early when substance use has started, treat cases of abuse and dependence with evidence-based behavioral therapies (e.g., cognitive behavioral therapies, motivational interviewing techniques, and motivational incentive programs), approved medications (e.g., methadone and buprenorphine), and help maintain recovery via an array of recovery support services such as peer-based recovery "coaches", housing assistance, and vocational counseling.

Within ONDCP, we have a number of programs that are critical to our success in reducing domestic drug use. The Drug Free Communities (DFC) program is a signature effort to bring a broad range of community stakeholders together to prevent youth drug, alcohol, and tobacco use.

In partnership with the Department of Health and Human Services' Substance Abuse and Mental Health Services Administration (SAMSHA), ONDCP has administered the DFC Program since 1997. DFC is a matching grant effort designed to help community coalitions identify and respond to local youth substance use problems. With 746 grants in 726 communities, the DFC program has been implemented in all 50 States, the District of Columbia, Puerto Rico, Palau, American Samoa, the U.S. Virgin Islands, and in tribal lands. Community-based coalitions bring together more than a dozen sectors (e.g., law enforcement, schools, faith leaders) to change local environmental risk factors. We recognize that communities are best equipped to identify local drug problems, mobilize local resources, and implement community-based action plans.

Influencing youth attitudes about drugs is an important part of preventing drug use. Teens today are bombarded with pro-drug content, particularly on-line where they spend a significant amount of time. The National Youth Anti-Drug Media Campaign (Campaign) is the most visible and comprehensive provider of anti-drug media content in the Nation. In consultation with national experts in drug prevention, media, marketing, and technology, ONDCP is dramatically changing the Campaign to respond to changes in media and the softening of teen drug attitudes. Building upon the high level of recognition of its *Above the influence* (ATI) brand, the Campaign will expand its use of digital media to reach youth, ages 12-17. Research shows that teens aware of the ATI brand hold stronger anti-drug beliefs and are less likely to use drug than those unaware of the Campaign. With this in mind, the Campaign will also engage teens from at-risk communities in local ATI sponsored activities and incorporate their voices into Campaign messages.

ONDCP's High Intensity Drug Trafficking Area (HIDTA) program provides resources to Federal, state, local, and tribal agencies to disrupt and dismantle drug trafficking organizations (DTOs) by targeting drug cultivation, distribution, drug-related violent crime, and demand reduction. There are currently 28 HIDTAs located in 45 States plus Puerto Rico, the U.S. Virgin Islands, and the District of Columbia. In addition, the Southwest Border HIDTA is divided into five regions (California, Arizona, New Mexico, West Texas, and South Texas), each of which operates in many respects as a separate HIDTA. These HIDTAs include approximately 15 percent of all counties in the United States and approximately 58 percent of the U.S. population.

The collaboration and cooperation among participating agencies lead to an expanded jurisdiction and enhanced expertise for task force members in disrupting and dismantling both domestic and transnational DTOs. Without Federal and local law enforcement working together on street-level casework and thorough criminal investigations to build probable cause and intelligence, major transnational drug trafficking organizations would continue expanding their illicit enterprises. Identifying the source and denying the revenue originates with Federal, state, local and tribal law enforcement officers building investigations, discovering links, and ultimately developing cases against these illicit organizations.

In addition to the programs supported by ONDCP, our agency has evolved to effectively achieve ONDCP's mission. For example, ONDCP has developed a more comprehensive multi-year National Drug Control Strategy (*Strategy*) informed by a variety of data, and built on a collaborative and consultative environment. The soon to be released *Strategy* was developed through an extensive, nationwide consultative process. It included meetings with Federal partners; a national "Listening Tour;" several meetings with stakeholders in the drug control community and letters soliciting official comment from over 600 organizations. When I appeared before you last year, I promised we would deliver a *Strategy* and Budget that focuses on the nature and scope of the problems, as well as the policies and programs that will have the most meaningful impact. I believe the Administration's FY 2011 Budget meets this standard and you will find the same is true of the soon to be released *Strategy*.

These documents are consistent with the Obama Administration's new approach to reducing drug use and its consequences. We are addressing drug use as a public health issue, as well as a public safety issue. Our goal is to fashion comprehensive, balanced policy that builds upon the experience and insights of people across the Nation who face drug-related issues on a daily basis.

Additionally, we have established a working group of subject matter experts to advise ONDCP senior leadership on drug issues. On April 1, 2009, ONDCP convened the Interagency Working Group (IWG) on Demand Reduction to help formulate long-term policy goals for increasing the Nation's focus on preventing and treating substance abuse, with a particular emphasis on informing the development of the *Strategy* and providing input into the budget guidance process

for demand reduction programs. Leadership from key Federal agencies and departments involved in drug abuse-related matters attended the first IWG meeting and collaborated to refine its role, purpose, and scope.

As a result of this meeting, six subcommittees were established to make recommendations on a range of drug issues including: (1) prevention and education, (2) emerging threats, (3) health care delivery, (4) justice systems, (5) military, veterans, and families, and (6) performance, accountability, and effectiveness. In November 2009, a subcommittee on international demand reduction activities was established to enhance coordination of Federally funded international demand reduction initiatives.

The IWG has proven to be a model for governmental cooperation and collaboration. To date, more than 150 members representing 34 Federal agencies and departments have participated in the process. Their collaborative work yielded five priorities that eventually became the foundation for the demand reduction elements within the President's FY 2011 budget request:

1. Create a national, community-based prevention system to protect adolescents;
2. Train and engage primary healthcare providers to intervene in emerging cases of drug abuse;
3. Expand, improve, and integrate addiction treatment into Federal healthcare;
4. Develop safe and efficient ways to manage drug-related offenders; and
5. Create a community-based drug monitoring system.

The IWG will continue its collaborative efforts to ensure implementation of relevant action items that will be a critical part of the 2010 *Strategy*.

Through the IWG process, key partnerships, evaluations, and experience, we have learned about programs that work: programs like drug courts, community-based anti-drug coalitions, smart law enforcement, and probation, and corrections programs that put drug offenders on course toward productive lives.

We concluded that a new approach should be built on three basic tenets: (1) drug abuse requires a public health policy response on the same scale as our public safety response; (2) treatment

programs need to be integrated into mainstream medicine; and (3) effective drug policy begins at home. Overall, we must address the number one cause of our problem: our Nation's enormous demand for drugs. Our new national drug policy must be responsible, realistic, and informed by experience and science. Furthermore, we need to discard the idea that international supply reduction and domestic law enforcement alone can eliminate our Nation's drug program.

The FY 2011 National Drug Control Budget lays the foundation for our efforts. Specifically, the President's Fiscal Year (FY) 2011 National Drug Control Budget requests $15.5 billion; an increase of $521.1 million (3.5 percent) over the FY 2010 enacted level. These resources are categorized around five major functions: (1) Substance Abuse Prevention, (2) Substance Abuse Treatment, (3) Domestic Law Enforcement, (4) Interdiction, and (5) International Support.

In the FY 2011 Budget request, resources totaling $1.7 billion have been requested to support a variety of education and outreach programs aimed at preventing the initiation of drug use. This represents a 13.4 percent increase over the FY 2010 enacted level. Research and experience have helped us understand the importance of supporting communities in identifying and responding to the unique nature of their local drug problems. From prescription drug abuse to drugged driving, the challenges differ from community to community. As we provide the training and technical assistance necessary to assist these communities in implementing effective prevention strategies, we hope to see more communities strengthened and more lives saved. Major efforts include the creation of a National, community-based prevention system—referred to as "Prevention-Prepared Communities"– to protect our adolescents and the continued development of Drug-Free Community coalitions throughout the United States. These programs will complement one another. They have similar aims, but the different grant sizes and permitted activities will ensure communities, and the youth in them, are continuously surrounded by protective factors rather than protected only in a single setting or at a single age. The Budget also supports grants to assist State and local educational agencies in the development and implementation of a comprehensive set of programs and services designed to enhance school "climate", prevent youth drug use and violence, and provide needed student mental health services. All of these programs and the involved departments and agencies will coordinate their grants and technical assistance and will thus allow for increased opportunities for communities to plan and implement a wide range of evidence-based practices.

The FY 2011 Budget proposal also includes nearly $3.9 billion for early intervention and treatment services for individuals with drug problems. This represents a 3.7 percent increase over the FY 2010 funding level. The Administration will work to train and engage primary healthcare providers to intervene in emerging cases of drug abuse, expand and improve specialty care for addiction, and develop safe and efficient paradigms to manage drug-related offenders in community corrections. The budget will also provide effective, safe, efficient, recovery-oriented, and compassionate care for veterans with substance use and co-occurring mental health disorders.

This renewed focus on prevention and treatment does not come at the expense of effective enforcement. Over $3.9 billion is included in the FY 2011 Budget request for domestic law enforcement efforts, an increase of $73.8 million (1.9 percent) over the FY 2010 level. The Departments of Justice, Homeland Security, and Treasury, with support from the Department of Defense's National Guard, provide key domestic law enforcement support. This includes partnerships of Federal, state, and local law enforcement agencies and prosecutors, to identify, dismantle, and disrupt sophisticated national and international drug trafficking and money laundering organizations. The request also adds funding for additional agents, analysts, and attorneys performing investigative, intelligence, and prosecutorial work focused on the Southwest border.

With an increase of $86.9 million (2.4 percent) over the FY 2010 level, $3.7 billion is requested to support Federal interdiction efforts. The Departments of Homeland Security, Defense, Justice, and State perform activities designed to interrupt the trafficking of illicit drugs into the United States by targeting the transportation link, as well as bringing traffickers and other criminals to trial.

Finally, the Budget requests over $2.3 billion to provide international support, an increase of $20.1 million (0.9%) over the FY 2010 level. The Departments of Defense, Justice, and State perform a wide range of drug control activities in areas outside the United States, focusing on the disruption or dismantlement of the most significant international drug organizations, and increasing the drug enforcement capability of partner nations.

ONDCP's internal Budget request for FY 2011 is $401.4 million, including:

- $26.2 million to support Salaries and Expenses and Policy Research;
- $209.9 million to support the HIDTA Program;
- $85.5 million to support the DFC Program; and
- $66.5 million to support the National Youth Anti-Drug Media Campaign.

With the forthcoming *Strategy* and added resources, we will be better able to: 1) prevent initiation of drug use among our Nation's youth; 2) intervene early to stop progression when use has started; 3) treat cases of abuse and dependence; 4) reduce drug-related crime; 5) promote recovery from addiction; and 6) enhance our domestic border control and community and enforcement efforts to disrupt drug production, sales, and trafficking.

Engagement with our international partners continues to be a high priority for ONDCP, with much activity in this area over the past year. For example, I was very pleased to lead the United States delegation to the 53rd Commission on Narcotics Drugs (CND) in Vienna, Austria. Hosted by the United Nations Office of Drugs and Crime (UNODC), the CND is the premier drug control policy body within the UN system. In addition to government officials, it also draws a large audience from health and science experts, as well as a broad array of non-governmental organizations. During this year's CND, the United States chaired a multilateral meeting on disrupting the flow of methamphetamine precursor chemicals and held a series of bilateral meetings to discuss the Obama Administration drug policy priorities.

Two U.S.-drafted resolutions, which provide policy guidance to all U.N. Member States and the UNODC, were adopted at the CND meeting. The first resolution, on community-based prevention, calls on all countries to prioritize community-based drug prevention initiatives in their anti-drug policies, emphasizes the need to support services for families, youth, and women and tailor messages to the unique socioeconomic and cultural environments present in each community. The second resolution, on prescription drugs, highlights the risks of diversion and abuse of powerful narcotics, while supporting access for legitimate medical need, under the proper controls. The prescription drug abuse problem, which has become a major focus of U.S. prevention efforts, as well as a priority for ONDCP and this Administration, due to high levels of

abuse and overdose, is emerging around the world as a major public health threat. The U.S. also co-sponsored several other resolutions, including one by the European Union, focused on achieving universal access to prevention, treatment, care, and support for drug users, including those living with or affected by HIV. The resolution calls for increasing member country capacity and resources for the provision of comprehensive prevention programs, treatment, and related support services, in full compliance with the international drug control conventions. At this most recent CND meeting we also laid the groundwork for a future resolution on drugged driving. We are hopeful the next meeting will result in a resolution on the matter.

The CND also provided the U.S. with the opportunity to continue its engagement with our Russian counterpart, the Russian Federal Drug Control Service, and its Director, Viktor Ivanov. Together we co-chair the U.S.-Russia Bilateral Presidential Commission Working Group on Drug Trafficking, which focuses on strengthening the U.S.-Russian relationship on such issues as addressing regional drug flows; drug demand reduction; and judicial cooperation. The Working Group is an important part of President Obama's and President Medvedev's overall commitment to strengthening the relationship between our two countries. The full Working Group most recently met in Moscow in February, where we approved a number of framework documents charting the path forward for cooperation on drug control issues. The Working Group will meet again later this year in Washington to put into practice some of the cooperative efforts previously negotiated, and finalize an agreement on attacking the financial network supporting narcotics trafficking from Afghanistan through Central Asia to Russia.

ONDCP plays a leading role in coordinating agencies to address the threat drug trafficking poses to the United States and Mexico along our Southwest border. Our efforts have been met with unprecedented cooperation and support from Mexico. In June 2009, Secretary Napolitano, Attorney General Holder, and I publicly released the second iteration of the National Southwest Border Counternarcotics Strategy. The Strategy is a key component of our comprehensive national response to the threat along the border. This response includes cooperation with Mexico through the Mérida Initiative, the Administration's increases in border-related personnel and equipment, and our national effort to reduce the demand for illegal drugs at home. I have heard from many of my former colleagues in state and local law enforcement about the importance of working together as one U.S. team to stem the flow of drugs into our country.

Strengthening this national partnership is central to the National Southwest Border Counternarcotics Strategy and will prove critical to our further efforts to stop the outbound flow of bulk currency and weapons from the United States across the border to Mexico. I applaud Secretary Napolitano and Attorney General Holder for the emphasis they have already placed on stopping the flow of outbound money and guns that empowers the violent Mexican drug cartels. The Administration is backing up its commitment by making major investments at the border. The American Recovery and Reinvestment Act of 2009 provided the Department of Homeland Security with $100 million for nonintrusive inspection systems; $60 million for tactical communications equipment and radios; and $420 million for planning, management, design, alteration, and construction of CBP-owned ports of entry. In addition, also using Recovery Act funds, much-needed Department of Justice law enforcement funds will provide $2 billion for Byrne Memorial Justice Assistance Grants; $225 million for Byrne Competitive grants; $125 million for Rural Law Enforcement; $40 million for the Southern Border, $10 million of which is specifically for ATF's Project Gunrunner; and $225 million for Tribal Law Enforcement Assistance.

To ensure the effective coordination of the resources and initiatives related to the National Southwest Border Counternarcotics Strategy, I have formed a Southwest Border Strategy Executive Steering Group, comprised of high-level interagency officials, which will oversee strategy implementation and address any issues that may impede our progress. Congress will receive a companion document on Southwest Border Counternarcotics Strategy implementation this spring.

ONDCP also participates in numerous internationally focused drug-related Interagency Policy Committees and associated Deputy Committee meetings, including holding a leadership role in a newly formed group on illicit drugs and transnational criminal threats. In addition, ONDCP supports interagency efforts led by the Special Representative for Afghanistan and Pakistan by providing leadership to the Afghanistan Counternarcotics Working Group and participating in regionally focused working groups. Additionally, ONDCP authored the new U.S. Counternarcotics Strategy for Afghanistan which addresses all counternarcotics policy and implementation issues for Afghanistan.

Our neighbors in the Caribbean and Central America are critical partners in our efforts to reduce drug use in the United States and disrupt the impact the criminal organizations have throughout the world. Mexico and Colombia are also, unquestionably, critical partners. I have taken three trips to Mexico and one to Colombia since being confirmed last year, and I've seen first-hand evidence of the courageous stands President Calderon and President Uribe have taken against the cartels operating within Mexico's and Colombia's borders.

We are working closely with Mexico to support their demand reduction efforts, especially through development of treatment programs and drug courts. ONDCP and the Department of State recently hosted a delegation from Mexico at a Bi-National Demand Reduction Conference to share information and develop next steps for reducing illicit drug consumption on both sides of our mutual border – consumption that is fueling violence in that area. On a regular basis, we're working with Mexico to combat illegal drugs and cartel violence, and we look forward to continuing that cooperation. ONDCP also continues to support the consolidation of progress made in Colombia over the past decade – progress that has resulted in record drops in cocaine production and increases in seizures. These have contributed to an increase in price per pure gram and a reduction in purity of cocaine in the United States.

All of these programs and the work I have described demand appropriate management. To establish an accurate and reliable accounting of Federal resources that are being spent on the drug control mission, ONDCP is conducting a thorough review of the Federal Budget during this calendar year. This review includes two parts: first, a review of how funding in the Budget is categorized and characterized, and second, an examination of programs to determine their suitability for inclusion in the Federal Drug Control Budget.

At the present time, an agency's drug control spending is characterized as either "supply" or "demand." This categorization may present an incomplete picture of what programs actually do, as some may be engaged in both demand and supply activities simultaneously. ONDCP is exploring appropriate ways to precisely capture how drug control activities are actually performed in the field. As the Administration develops the FY 2012 Budget submission, ONDCP will, in consultation with stakeholders, consider other possible ways to characterize Federal drug control funding.

The second part of the review will focus on the agencies and programs that should constitute the National Drug Control Budget. Working with Federal working groups and the Congress to fully examine this structure, ONDCP will consult with a group of interagency experts to review and recommend any required changes to the structure. This review will define what criteria should be used when determining if an agency should remain in or be added to the Federal Drug Control Budget and what portion of that agency's activities may be fairly counted toward drug control activities. Once the review is complete, the FY 2012 Budget Summary will reflect any revisions to the budget structure and framework that may be necessary.

We are also developing a stronger and more strategic approach to measuring performance. Under the current paradigm, ONDCP evaluates the annual performance of Federal drug control agencies by drawing on existing agency data systems required by the Government Performance and Results Act (GPRA) and national studies and surveys, such as MTF and NSDUH, to inform the assessment of Federal drug control agencies. Additional information is also gathered from budget justifications, program assessments, and internal management documents.

ONDCP continues to work with the Federal drug control agencies to develop tailored performance metrics that reflect their contributions to the *Strategy*. Because the measures focus on the unique contributions of each agency, the measures cover a wide range of activities and data.

ONDCP is currently establishing a Performance Reporting System (PRS) that will provide the agency timely and accurate data on all the Federal drug control agencies and will help inform policymaking, planning, resource allocation, and program effectiveness. ONDCP will report on progress toward achieving these goals in the 2011 and subsequent *National Drug Control Strategies* and reports. The design and implementation of the PRS has commenced and will continue in FY 2011. The first step is to establish the PRS and subsequently to add new interagency measures. This new comprehensive system will focus not only on programs but also on Federal policies and activities.

You will soon see that we have established an ambitious set of five-year goals in the 2010 *Strategy*. The PRS will identify specific performance measures and targets that support these

overarching *Strategy* goals. The PRS will also identify agencies that contribute to each performance target. The system will establish, in collaboration with partner agencies, a process for collecting data and monitoring annual progress toward the intended outcomes sought by 2015.

The PRS system will be supported by a database that enables efficient reporting and analysis of performance information. The PRS system will be assessed and refined as needed in FY 2012 and 2013. Refinements include incorporating interagency performance targets for which data sources do not currently exist, identifying and rectifying gaps, and recalibrating metrics in response to new and emerging drug control threats.

Soon after my confirmation, we informed the Congress of our intent to reorganize the Office of National Drug Control Policy. This reorganization included the establishment of the Office of Intergovernmental and Public Liaison (OIPL). OIPL coordinates ONDCP's interactions with groups and organizations interested in the work of ONDCP, including those representing state and local elected officials, law enforcement, and various policy organizations. The component aligns on-going ONDCP activities and enhances our outreach to those entities that can help implement Federal drug control programs and the development and implementation of the *Strategy*. OIPL has already made significant in-roads expanding the scope and diversifying the nature of the entities with which ONDCP collaborates. For example, OIPL has placed a renewed emphasis on working with Native Americans and Tribal organizations. Our efforts have also been focused on improving our partnerships with other Federal agencies. OIPL also regularly convenes meetings with intergovernmental affairs offices of national drug control agencies to promote collaboration on drug policy.

We also reconfigured ONDCP's Office of State, Tribal, and Local Affairs (OSLTA) by adding all the ONDCP Programs to this component, including HIDTA, Drug Free Communities, and the Anti-Drug Campaign. This restructuring has allowed each of the programs to maintain their unique characteristics while providing common oversight and promoting increased cooperation and collaboration between the programs. Their placement in OSLTA also further connects these programs to the communities and groups they serve.

Let me close by reiterating what I mentioned last year – it is only through a comprehensive and balanced approach – combining tough, but fair, enforcement with robust prevention and treatment efforts – that we will be successful in stemming both the demand for and supply of illegal drugs in our country. Measurable and sustained progress against drug abuse can be made only when the efforts of local communities, state agencies, and the Federal government are coordinated and complementary. If we are to succeed, the natural silos between the prevention, treatment, and law enforcement communities must be broken down – and the greatest use must be made of the finite resources at our disposal.

I look forward to continuing to work with the Committee's Members to address these challenging and important issues. I recognize that none of the many things ONDCP and my Executive Branch colleagues want to accomplish for the Nation are possible without the active support of Congress. Thank you very much for the opportunity to testify and for the support of the Committee on these vital issues.

Mr. KUCINICH. Thank you very much, Mr. Kerlikowske.

All of our witnesses who will address this committee today agree that the previous administration's supply side programs were not effective in stopping supply or consumption of drugs in the United States. Given the evidence, Mr. Kerlikowske, why does supply side reduction programming continue to receive so much budget emphasis?

Mr. KERLIKOWSKE. I think that the supply side emphasis is important for a host of reasons, whether we talk about eradication, whether we talk about our international partners and where drugs are flowing, no longer America being just the sole point of destination. For example, cocaine. As America's appetite has diminished for cocaine, the appetite in the U.K. and Europe for cocaine increases.

So these supply side interdiction efforts, international partnerships, helping to reduce the use of drugs and the amount of drugs, even in the most impoverished nations, as was highlighted in Sunday's New York Times Magazine, are critically important and we have to be a strong partner with them.

Mr. KUCINICH. Well, where is the evidence, though? I mean, describe to this committee specifically with statistics what evidence you have that this approach has been effective? You get a lot of money. You put more money in the budget. Tell me about the effectiveness. I want you to attest to the effectiveness of the last administration's supply side programs.

Mr. KERLIKOWSKE. Colombia. I would cite Colombia. There is a level of safety and security in the country. There is increased productivity among the citizens.

Mr. KUCINICH. That is anecdotal. Do you have any specific statistics that you can point to?

Mr. KERLIKOWSKE. I would tell you that everything I know after four decades in law enforcement tells me that we have to have a balanced approach.

Mr. KUCINICH. I appreciate your experience. You have served the country well and you have served the city of Seattle. I am familiar with your service there. Give me some numbers.

Mr. KERLIKOWSKE. I would give you the numbers that are probably most effective when it comes to the reduced amount of violence that has occurred in some of these other countries. For instance, Colombia. You certainly can't cite Mexico at that point when it is reduced levels of violence, but I think in the coming years with the strategy that President Calderon has done and the support of the U.S. Government, that you will see increased safety and security. And that can be reflected in violent crime numbers in that country also. I know the devastation that the drugs cause.

Mr. KUCINICH. In Mexico? Really?

Mr. KERLIKOWSKE. Yes.

Mr. KUCINICH. Tell me more.

Mr. KERLIKOWSKE. I have had in less than a year my third trip to Mexico. I have had three and now soon to be followed by four, trips to the southwest border. I think that they are making progress in taking on these transnational organized crime and drug cartels.

Mr. KUCINICH. So what parts of your budget are the most cost-effective in reducing illicit drug use?

Mr. KERLIKOWSKE. I think that is the question that everyone would like to see answered.

Mr. KUCINICH. That is what I am asking you, and you are the Director. Do you want to give it a try?

Mr. KERLIKOWSKE. I certainly am happy to give it a try. I would tell you that it is the money that goes into prevention and treatment, because we know that is effective. But I would also tell you that it is extremely difficult, and I think that will be buttressed by other witnesses, to get your head and your arms around what the Federal drug budget is and what it means.

If people tell me that money that goes to law enforcement has nothing to do with reducing demand, I would tell them they are wrong, but that has been a debate that has gone on. Trying to segregate this drug budget into a supply only or demand only, and which one is more effective, has stymied the economists and the researchers and the academics for many, many years, and continues to do so, but we are making some progress at trying to refine better measures.

Mr. KUCINICH. So can you tell the subcommittee what are the most cost-effective approaches that you are using?

Mr. KERLIKOWSKE. The most cost-effective approaches would be in prevention, and the most cost-effective approaches would be in treatment.

Mr. KUCINICH. That is generally speaking, though. Can you be specific about what your strategy is with respect to employing cost-effective approaches?

Mr. KERLIKOWSKE. Sure. The cost-effective approach would be the $151 million that the President has requested to do something called Prevention Prepared Communities.

Mr. KUCINICH. As compared to what?

Mr. KERLIKOWSKE. As compared to the Drug-Free Communities that we currently funded, about $125,000. Those are positive programs, but Prevention Prepared Communities are ones that have greater amount, or will if they are enacted, will have greater amounts of money going to communities using evidence-based, science-based prevention programs. And for every dollar that we can invest in prevention and who we can prevent from becoming a drug addict or a user of drugs that causes a drain on society, and a horrible problem to their family, that makes sense, Mr. Chairman.

Mr. KUCINICH. Thank you, Director.

The Chair recognizes Mr. Jordan for 5 minutes. You may proceed.

Mr. JORDAN. Thank you, Mr. Chairman.

Of your $400 million budget, what percentage, Director, is supply oriented? What percentage is demand-oriented?

Mr. KERLIKOWSKE. I am happy to tell you.

Mr. JORDAN. You said both are important. Is it 50/50? But then you also talked about prevention and treatment. Does it lean more to that direction?

Mr. KERLIKOWSKE. It is much more on supply. The moneys are much more on supply. But I would go back to that earlier state-

ment that it is pretty hard to get your head around exactly what the supply problem and what the supply amount is. But it does lean more heavily toward the supply interdiction and enforcement.

Mr. JORDAN. OK. Let me ask just on the broad question, and you can take as much time as you want, and I will try to make this my only one, although we typically have a habit of interrupting you as you go along.

Americans are concerned about drug use, drug abuse. They are concerned about the link of the drug trade with gang activity, particularly folks in the Southwest, but I get these comments in Ohio as well when I am out and about our District, the link with gang activity, potentially terrorist activity, illegal immigration.

Give this committee an idea of how your $400 million budget, how you work with Justice, DEA, Border Patrol? Because again, I also talk with a lot of folks back home who say, we spend money on a lot of things. It seems like there is a lot of overlap in it.

How does it work? And with the other agencies who also have a big say in that same kind of thing. Because as I talk to folks back home, families and business owners, that is kind of their general concern. When they think about the drug things they read about in the paper and the things they see on their nightly news, that seems to be their concern.

So tell me how that works and how it relates. And specifically, I know staff has pointed out that the Justice Department is looking at cutting the Southwest Border Prosecutor's Initiative. So kind of tie that in together if you can and I will attempt not to interrupt you and let you talk.

Mr. KERLIKOWSKE. OK. We actually have an incredibly good working relationship. There were agencies that had not been over to ONDCP in a pretty good number of years, for instance, representatives from the Department of Education. We established very quickly, and some of it went on clearly before I was even confirmed, we established an interagency work group, 135 other Federal partners, high level officials within the Department of Justice, HHS, etc., to attack this stuff comprehensively and to look at it in a very balanced way.

And bringing the Department of Justice, for instance, we meet almost every month, bringing the Department of Justice, whether it is DEA, the Department of Homeland Security groups that are all affected. For instance, the example would be the Southwest Border Strategy. This is a strategy that encompasses all of these different activities and makes sure that everyone is playing well in the sandbox, that people are cooperating, that people are supporting each other and that people aren't just looking toward their own very narrow lane.

And I have seen great success in the effect of attempting to and working toward reducing the number of guns going into Mexico, looking at bulk cash, but also the increases along the southwest border where we have actually stopped more drugs from coming in.

As you know, we have a lot of other issues on our plate. Right now, I think Governor Strickland has put together in Ohio a task force on prescription drugs. We know that the amount of deaths in this country is being spiked by prescription drugs. Those aren't being manufactured in another country. Those aren't being smug-

gled in. We know that methamphetamine laboratory seizures have increased, particularly in the last year. California is still the No. 1 preparer of methamphetamine. A lot of that is not being smuggled in from another country. It is being manufactured right here.

We have to reduce demand within the United States. We have to prevent young people from doing this. And we have to make sure that every dollar, every very important tax dollar that is spent is used in the most effective manner.

And that is the terrific part of this is being able to bring all of those equities together to say what is important, how do we do it, and how do we make sure that we are not being redundant and overlapping. And I think we are making some great progress.

Mr. JORDAN. Thank you.

Thank you, Mr. Chairman.

Mr. KUCINICH. Thank you very much, Mr. Jordan.

The Chair recognizes Mr. Foster. Thank you.

Mr. FOSTER. I wonder if you could help me at describing what efforts have been made to quantify the relative cost-effectiveness of the various anti-drug programs?

Mr. KERLIKOWSKE. One of the things that is in the strategy, and there are certainly no secrets in the President's strategy, and it will be released very quickly. But one of the chapters deals with the lack of adequate measures, numbers, metrics that have existed and continue to exist; also, the timeliness of the information and the data.

So we have convened several groups to take a look at that and try and figure out some effective measures. We know, for instance, one, the number of admissions to treatment centers, the number of hospital emergency room admissions. We also know that some of this data is woefully either inadequate or late getting there.

So we brought these folks together and we have asked them to help us work together to design a series of measures that cut across the medical community, the law enforcement community, for instance, who comes into the different jails in this country and what are the effects of drugs that they may be under? And these are all going to be important measures.

Mr. FOSTER. All right. But is the intention to put in place something where you can say, OK, we can buy one more helicopter for this country and it is going to result in this many fewer hospital admissions? Or any attempt to try to track it all the way through?

Mr. KERLIKOWSKE. I think a lot smarter people than I have worked hard at trying to do that, to say what is the most effective use? Is it in the media campaign to keep young people? Is it in the buy more aerial eradication in another country, etc.?

I think President Truman, when he talked about having all the economists lined up end to end, said, wouldn't that be a beautiful sight? And I have had great difficulty understanding some of these issues myself. We are working hard to try and do that. I doubt if we will ever be to a point in this country where we can say that X amount of money going here to this country will result in a safer society within the United States. I just don't think we will get there. I think we will move closer, but we are not there.

Mr. FOSTER. But even a very imperfect analysis can catch an error. If you are making a mistake by a factor of 10 in where you

put your money, then you don't need a perfect analysis to identify that you should shift your money.

Another area that concerns me is research and development and the balance of effort. We are making tremendous progress in understanding the effects of drugs in the brain. And it is not at all unthinkable that within 10, 20, 30 years, we will have medical things that reverse addiction. And I think that this is obviously a huge payoff R&D.

I was wondering, do you also balance the research and development? The two research and development things are, first off, biomedical R&D and the other one is advanced screening methods, simply just to have cheaper ways to test more people for a wider spectrum of drugs faster. When people are in programs, they are supposed to be drug-free. If it was free to test them automatically every 10 minutes, then that would actually make enforcement and keeping them in the programs easier. And so those two technical ways or other ways.

How do you balance the research and development?

Mr. KERLIKOWSKE. I will tell you that going back to the last part of your question first, Screening Brief Intervention Referral to Treatment [SBIRT]. It essentially teaches healthcare professionals to ask all of their patients, regardless of what they are being treated for or talked about, to ask several questions about their alcohol and their drug use. And that the answers to those questions can actually lead to an early intervention, which is more effective and less costly.

Eighty-five to 90 percent of the drug treatment research in the world is done by the United States, and is done through the National Institute of Drug Abuse. We are strong supporters of NIDA and the NIDA budget when it comes to this. That is why I think the discussion about cocaine vaccine that is being looked at very closely. The scans that have been done to show the effects of addiction on the brain, to actually show it as a disease, rather than a moral failure has taken us a long way forward.

I think we also have a more important task, particularly in a role that I get to play, because I am not a scientist. I am certainly not an economist, but I get to tell people that addiction is a disease, rather than a moral failure. And once we start looking at it and rolling it into the primary healthcare, which President Obama has done, I think we will make further progress.

Mr. FOSTER. OK. Thank you. My time is up.

Mr. KUCINICH. Thank you very much.

Mr. Issa.

Mr. ISSA. Thank you, Mr. Chairman. Thank you for holding this important hearing.

I have to first start off by having an unusual one for the minority. I would like to thank you for a very detailed response you gave our committee to a letter. I seldom get to do that. I seldom got to do it in the last administration, so I do appreciate it.

I would like to go through quickly, some of which is from your response. It is pretty obvious when you have a Member of Congress who flies in and out of San Diego every week that I consider what you are doing on the southwest border critical. I have with me Alan

Birsin and a number of other people who are daily in touch with that.

And I think it is critical and I certainly would hope that this administration will give you the resources and coordination, obviously, with the Mexican government to have a Plan Colombia on steroids, because I think otherwise the border violence that is spilling over in to San Diego, completely separate from the fundamental drug question, is going to represent a real threat to the security of America.

And I think most people who don't live near the border miss that point, that drugs are just another name for the money that supports crime in a big way. Just as alcohol during Prohibition, it wasn't about the alcohol. It was about the organized crime that ultimately began threatening our country.

Your response on Afghanistan was good, but it wasn't supported by my trip there. I spent 8 days over Christmas going through those poppy fields in western Afghanistan. Now, I didn't go there to see poppies, but you couldn't miss them since it was reported by the commanders on the ground, both British and Americans, that there is no eradication program. There is no program for eradication. And it is only just happenstance that people are desperate enough that they are growing wheat to feed their families, rather than poppies in some cases.

I am pleased to say that the invasion that began, or the sequential group of invasions that began on some of the Taliban headquarters in that western region are likely to give us the ability to control those areas. But having said that, I was in areas we did control and controlled quite well, and we do nothing about eradication.

So I hope in your answer you will tell us the step where you believe we can do something in a country where we do not have the support of the president, the government, or in some cases even regional leaders. It is very clear that Afghanistan has no intention whatsoever of giving up this lucrative sideline that does not seem to corrupt them as much as it corrupts all of Europe and of course has a spillover effect here.

And I will tell you that when I met with the British general on the ground, he was much more concerned about American policy than I think we were.

I would like to have you answer, though, two additional areas that you did not expect to hear from me. First of all, you mentioned prescription drugs. It does appear as though the previous administration, and administrations going back a very long time, have missed bringing to the Congress and to the U.S. attorneys real opportunities to take the abuse of, you mentioned meth, but I certainly would mention Oxycontin and lots of the other drugs of choice, that are, in the case of Florida and a number of other areas, there is very easy to find organized operations that appear not to be treated as dangerously, they almost appear to be treated as white collar. And you can rebut that, but that does seem to be a lot of what we are seeing. And people are dying from drugs that technically are completely controlled by us from their inception and distribution and so on.

And last, one that I have never heard from your office before, that I have a personal concern for, having served in California on the Prison Industry Board, people do not come out of prison sober from a drug standpoint because drugs are so available in our prisons. And I would ask you a rhetorical question: If you cannot have a war on drug availability in Federal, State and county prisons and have it won, then how can we expect to win anywhere else in any other arena where the complete freedom of drugs is comparatively obvious?

And that is really, you don't have to comment on all of them, but the last two I am particularly interested in.

Mr. KERLIKOWSKE. I just would make one quick comment on Afghanistan. I don't think anybody feels comfortable seeing American soldiers or the ISAF forces there among the poppy fields. I clearly understand, and Ambassador Holbrooke has taken great pains to explain to me the rationale and the reasons.

I think we will make progress in the future on that issue. I am particularly heartened by the work we are doing with the Russian FSKM, their Federal drug control, because it affects Russia far more deeply than it affects us, and I think your point is excellent.

On the prescription drug issue, I don't think it really has been raised to the attention because we oftentimes think about prescription drugs as being safe. And yet young people, we know, abuse these prescription drugs for exactly that reason, because they believe that they are safe, when in fact when they are misused, they are quite deadly and quite addictive, and we know a lot of those stories.

We are bringing this to the attention every day to people in every possible way, including the media campaign which has been very effective at educating adults about what is within their own medicine cabinets. I know Congress is working hard on take back programs—Congressman Stupak, Congressman Insley—on how to get rid of these drugs that are existing in medicine cabinets in a safe way that does not harm the environment, and we support those efforts very much.

On the prisoners, I think you are exactly right. As State budgets decrease and more people are released, if these people went into prison with a drug problem and they did not get treatment within the walls, we should not be surprised when they are released back into our communities that they are going to re-offend.

Mr. ISSA. My time is expired, but I just want to make sure I directed the question. It was about the fact that they are on drugs. They have availability of drugs in prison. It is the absence of the ability to have them simply withdraw for a period of 2, 5 or 10 years while they are in prison. I agree that we need treatment, but it was actually that can we make prisons a drug-free environment.

Mr. KERLIKOWSKE. And I think among the correctional experts that I have talked to, that whether it is cell phones, whether it is drugs within prison, whether it is homemade alcohol, those are significant problems. I think there is some technology that the prison systems are exploring to actually do a better job of doing that.

Mr. ISSA. Thank you.

Thank you, Mr. Chairman.

Mr. KUCINICH. I thank the gentleman.

Mr. Kerlikowske, at the U.N. Commission on Narcotics Drugs Summit, you stated that, "The U.S. supports many specific interventions, such as medically assisted drug treatment, syringe exchange programs, and the use of detoxification and treatment services tailored to the needs of those suffering from the disease of addiction."

However, you stated that, "We do not use the phrase 'harm reduction' to describe our policies because we believe it creates unnecessary confusion and is too often misused to further policies and ideologies that promote drug use."

Your testimony submitted to this subcommittee, while briefly acknowledging the spread of HIV from drug use, is silent on both syringe exchange programs that have shown positive results in limiting the spread of HIV, and the issue of harm reduction interventions generally.

Do you acknowledge that, whatever its title or characterization you choose to use, that these interventions can be effective in reducing the spread of death and disease? Do you agree that we need to fund more programs that help reduce death and disease? Does the budget propose to fund any intervention programs that demonstrated positive results in reducing drug overdose deaths? Do you have any plan for dealing with the overdose crisis and the HIV/AIDS epidemic? And what is the basis for your belief that the term harm reduction implies promotion of drug use? What about HIV, Director?

Mr. KERLIKOWSKE. Your question about the overdoses and reducing that, I think that part of the answer was educating parents and doing all of the work. That is the spike in treatment admissions. That is the spike in people going to emergency rooms. And it is also causing the spike of fatal overdoses.

We don't use the term harm reduction because it is somewhat in the eye of the beholder, the ear of the beholder, I guess.

Mr. KUCINICH. What is in your ear and your eye with respect to that?

Mr. KERLIKOWSKE. I have heard people talk about harm reduction as if it is legalization. And I have heard people talk about it.

Mr. KUCINICH. Is that how you believe? Is that your interpretation?

Mr. KERLIKOWSKE. Personally, I don't have any——

Mr. KUCINICH. You are the Director.

Mr. KERLIKOWSKE. No, I haven't spent a lot of time thinking about whether I should put a definition on it. Frankly, I don't think that is my——

Mr. KUCINICH. You haven't really given it any thought at all?

Mr. KERLIKOWSKE. Frankly, I haven't given much thought as to what I should define it as because I don't think I get to tell the world that——

Mr. KUCINICH. Does that have any bearing on the way that you look at managing this?

Mr. KERLIKOWSKE. I am sorry?

Mr. KUCINICH. Does that have any bearing on the way that you look at syringe exchanges, for example?

Mr. KERLIKOWSKE. The term harm reduction doesn't have any bearing, but here is the way I look at the syringe exchange pro-

grams. Whether I was in Seattle where they existed or when I was the Police Chief in Buffalo where they existed, if they are part of a comprehensive program to get people to, one, help reduce the spread of hepatitis C, the spread of HIV, that reduction is important. But if they also serve as a gateway to people who are interested and want treatment and can use treatment, then I think it can be quite effective.

Mr. KUCINICH. What about AIDS? What about HIV?

Mr. KERLIKOWSKE. On HIV/AIDS?

Mr. KUCINICH. How serious a matter is that? And how serious to you take your policies with respect to being able to limit the spread of HIV? Do you see any fit between that as a public health issue and your responsibilities as Director?

Mr. KERLIKOWSKE. I do, and we work very closely with——

Mr. KUCINICH. Be specific in your response.

Mr. KERLIKOWSKE. We do, because as you know, this administration, working with Congress, relieved the Federal ban on needle exchange. But it is also part of our working with HHS to make sure that these other incidents as a result of drug abuse and the use of injectable drugs, that we look at that very carefully and work on that.

Mr. KUCINICH. But tell me, though, help us out here. Help me out, to understand specifically with respect to syringe exchange programs and the connection between those exchanges and limiting the spread of AIDS, what specifically are you doing to create conditions which will limit the spread of AIDS through your programs? Where do you do it?

Mr. KERLIKOWSKE. Well, the Drug Free Communities Program, which talks about and helps people prevent drug use, from a particular——

Mr. KUCINICH. What is that? Is that a needle exchange? Is that syringe exchange?

Mr. KERLIKOWSKE. No, we don't—the Federal——

Mr. KUCINICH. You don't believe in that, really, do you?

Mr. KERLIKOWSKE. We are not doing Federal funding.

Mr. KUCINICH. You don't believe in syringe exchange?

Mr. KERLIKOWSKE. I supported needle exchanges in Buffalo. I supported needle exchanges in Seattle. I think if they are part of a comprehensive drug reduction effort, then they make a lot of sense.

Mr. KUCINICH. OK. Thank you.

Mr. Jordan.

Mr. JORDAN. Thank you, Mr. Chairman.

Director, define for me what you view as your mission or your goal? Is it the broad thing? We all understand to reduce drug use. And this gets sort of back to my first question and your response. Do you view it as we accomplish reduction in drug use by being the coordinator, the facilitator of other agencies who are doing their job?

Define in as specific way as you can how you view your mission, your goal at the ONDCP, if I have my acronym right?

Mr. KERLIKOWSKE. Sure. I think that the mission is critical when it comes to coordination of the——

Mr. JORDAN. Do you think that is your primary objective? Because you are like the grand coordinator for how we are going to implement our drug policy.

Mr. KERLIKOWSKE. I never thought as the grand coordinator, but yes.

Mr. JORDAN. OK.

Mr. KERLIKOWSKE. And I would tell you why it is important. In 2003, the British government did away with their so-called drug coordinator. In their most recent report from Parliament, they are saying, my gosh, we should bring this back. It was a mistake to have all of these different organizations within a government that is much smaller than the United States, all of these different organizations working on drug policy, drug enforcement, drug treatment, etc., without somebody to oversee them and without somebody to coordinate their efforts.

We are much stronger when we work together and when we break down the silos of communication that exist among treatment, among prevention, and among law enforcement.

Mr. JORDAN. OK. Now, let me go back to a question that Ranking Member Issa brought up specifically about individuals incarcerated in our prisons. It would seem to me that if we took a tough approach, if we said there will be zero tolerance for inmates who are getting access to drugs. I don't know if that means super harsh sentences for correction officers who are assisting or whatever. But are you willing to say that should be a goal for you as coordinator of our drug policy, that no inmate will be getting access to drugs, at least in Federal prison?

I think the American people would expect that, frankly. Maybe there are some who don't understand and assume that is happening right now. So talk to me about that issue. I think it is a great point that the ranking member brought up.

Mr. KERLIKOWSKE. I think it is an excellent point also because what goes on in the prisons clearly will be outside, particularly as inmate populations are reduced for a whole variety of reasons. Working with other components about technology that can help to detect the drugs within the prison walls, the National Institute of Corrections, a number of other organizations have worked very hard to do that.

It not only is for the safety of the people behind the walls, it is also for the safety of the people that work there. But I think the other more important part is that if they went into the prison with a drug problem, they should be given access to treatment within those walls.

Mr. JORDAN. I am not saying they shouldn't, but they should not be getting access to illegal substances while they are in prison, and taxpayers, I mean, you talk about something they don't like. There are lot of things they don't like about our government, but that is certainly one of them. And it seems to me that should be something we—I have been, back in my days in the State House, the State Senate representing areas where we had State prisons, I have been in those prisons. Most of the folks are in there because of a drug problem, and the drug problem caused them to do some other crime.

And so if we can't get after that, I think as Representative Issa pointed out, it is going to be tough to really get at the overall problem in the country.

Thank you, Mr. Chairman.

Mr. KUCINICH. Thank you very much.

Mr. Foster.

Mr. FOSTER. I guess maybe I am a little bit naive, but I am a little bit less pessimistic on getting a rough estimate of the cost-effectiveness of offshore supply interdiction. For example, when the Taliban were in charge of Afghanistan, they had a bunch of bad features, but one of their merits was in fact that I believe there was a drop in the production of opium poppies. Is that correct?

Mr. KERLIKOWSKE. You are right.

Mr. FOSTER. And it was by more than a factor of two. It was a big factor.

Mr. KERLIKOWSKE. It was almost to zero.

Mr. FOSTER. Almost zero. We have a calibration point. We can see what the effect will be. Presumably, if you wipe out that source of opium poppies, that will trigger an increase in the world price of opium, that will trigger a drop in the demand in the United States, and hopefully a measurable drop in the destruction of human life in the United States.

So I believe we have a calibration data sample to know what would happen if we could throw that switch the other way, get rid of all opium poppies in Afghanistan. Are you familiar with the history of what drug consumption of relevant drugs happened during the time when the opium poppy supply came and went, or disappeared and reappeared?

Mr. KERLIKOWSKE. I am. Almost no heroin that comes out of Afghanistan comes to the United States at all. And it has not, whether it is during the height of poppy production and heroin production in that country. Our source of heroin in the United States has been Mexico.

Unfortunately, the source for Russia, the source for the U.K, the source for Europe quite often is Afghanistan. And that is why we really have to work very closely with international partners to stop the flow coming out, to stop the production, to go after the labs, as Ambassador Holbrooke has talked about. Those type of things.

Mr. FOSTER. Is there in fact a world price for this? Is this like oil? We import almost no oil from Saudi Arabia, OK, but that doesn't mean that Saudi Arabian production isn't very crucial to the price that we pay for oil. And so is there in fact a pretty liquid world market for drugs in various states of processing?

Mr. KERLIKOWSKE. Unfortunately, there is a pretty interesting piece that the RAND Corp. had done a while back that shows that you can have a fairly significant effort in reducing, and their study was on precursor chemicals that were used to manufacture, I believe at that time it was methamphetamine.

After that significant reduction, the amount of availability of the drug decreased. The price went up. It didn't take long at all, unfortunately, for the market and the drug dealers to respond quickly. So when Afghanistan went down in opium production, the area of the Golden Triangle filled that void.

Mr. FOSTER. Now, doesn't that really call into question putting any money into getting rid of opium poppies in Afghanistan?

Mr. KERLIKOWSKE. I think what it calls into question is one or two things. People that look at eradication as just a method of reducing the amount of drugs that may go somewhere else and don't see it as a part of rule of law—Colombia, again, is a good example, using it for other reasons to increase democratic forces, to show the fact that government can be effective and work and actually be more productive.

Mr. FOSTER. OK. So economically, the tradeoff has nothing to do with reducing the damage of drugs in the United States. If we were successful at wiping out the opium poppies in Afghanistan, the anticipated effect on drug consumption in the United States would be very small.

Mr. KERLIKOWSKE. It would be very small in Afghanistan because very little of the drugs ever come to the United States, about 3 percent.

Mr. FOSTER. But the world price effect could, in principle, make a difference. But during the period when the Taliban suppressed it, was there a noticeable rise in the world drug price or not?

Mr. KERLIKOWSKE. I don't know the price issue. I do know that people that needed heroin or were addicted to heroin could still get heroin. There might have been a dip, but then when the production in the Golden Triangle increased, it filled the void. And remember, too, there is heroin that is produced out of Mexico.

Mr. FOSTER. Yes. All right. Thank you.

Mr. KERLIKOWSKE. I hope I didn't wane on your optimism there.

Mr. FOSTER. No, no, no. I was optimistic in getting an estimate of how cost-effective the intervention is, and you have been very encouraging that the effectiveness seems to be near zero, according to what you said, which is a very interesting thing from a policy point of view.

Mr. KERLIKOWSKE. But there are a lot of other reasons for it.

Mr. FOSTER. That is right, but those should be done for internal reasons on what we want to come out of Afghanistan, and not because we expect it will reduce the amount of human misery in the United States.

OK. Thank you. I yield back.

Mr. KUCINICH. I want to commend the Representative on his line of questioning and the importance of the discussion that you started. Thank you.

Mr. Kerlikowske, the subcommittee has literally dozens of questions, but in order to get to the next panel, in order to facilitate movement of your business and important work today, we will submit those in writing and ask that you respond in writing to those questions.

Mr. KERLIKOWSKE. I will.

Mr. KUCINICH. I appreciate you being here today. You have a centrally important position with respect to drug policy for this country, and for that matter, internationally. And so this is the first of many hearings that we will be having. Because I know I will see you again, I think that it is fair at this point to thank you for being here and to bid you good day. Thanks for your appearance.

Mr. KERLIKOWSKE. Thank you.

Mr. KUCINICH. We will move to the second panel. While the second panel is getting in place, I am going to make the introductions.

First is Mr. John Carnevale. Mr. Carnevale is an internationally recognized expert in the field of drug policy. He is president of Carnevale Associates, a public policy firm. He served three administrations, four drug czars, and he directed the formulation of the President's National Drug Control Strategy, as well as the Federal drug control budget.

He is recognized as a key architect of the performance measurement system which ONDCP has used to determine progress toward national goals and objectives. He is credited with directing policy research that shifted the primary focus of the Nation's drug control strategy from supply to demand reduction.

He received his Ph.D. in economics from the Maxwell School of Syracuse University.

Ethan Nadelmann is executive director of the Drug Policy Alliance, which advocates for drug policies ground in science, health and human rights. He received his B.A., J.D., and Ph.D. from Harvard; a master's degree in international relations from the London School of Economics. He taught politics and public affairs at Princeton, where his speaking and writing on drug policy attracted international attention.

In 1994, he founded the Lindeman Center, a drug policy institute created with the philanthropic support of the Soros Foundation. In 2000, the growing Center merged with another organization to form the Drug Policy Alliance and Drug Policy Alliance Network.

Dr. Vanda Felbab-Brown is a fellow in Foreign Policy and in 21st Century Defense Initiatives at Brookings, where she focuses on South Asia, the Andean region, Mexico and Somalia. She is an expert on international and internal conflict issues and management including counterinsurgency and the interaction between illicit economies and military conflict.

She is an adjunct professor in the Securities Studies Program, School of Foreign Service at Georgetown. Prior to taking up her position at Brookings, she was assistant professor at Georgetown. A frequent commentator in the media, she authored a forthcoming book, "Shooting Up: Counterinsurgency and the War on Drugs." I look forward to reading that.

Professor Peter Reuter is testifying in place of Rosalie Pacula, who is ill. Professor Reuter is professor in the School of Public Policy in the Department of Criminology at the University of Maryland. He served as editor of the Journal of Policy Analysis and Management. He founded and directed RAND's Drug Policy Research Center. He has written and coauthored numerous books and articles on criminology, criminal justice, and drug policy. He is Director of the University's program on the economics of crime and justice policy.

Dr. Reuter received his Ph.D. in economics from Yale.

Thanks to all the witnesses for being here. It is the policy of the Committee on Oversight and Government Reform to swear in all witnesses before they testify. I would ask that you rise and raise your right hands.

[Witnesses sworn.]

Mr. KUCINICH. Thank you very much. Let the record reflect that each of the witnesses answered in the affirmative.

I would ask that each witness give an oral summary of his or her testimony and to keep this summary under 5 minutes in duration. Your complete written statement will be included in the hearing record. When you speak, make sure that mic is close so we can hear you.

Dr. Carnevale, let's begin with you. You may proceed for 5 minutes.

STATEMENTS OF JOHN CARNEVALE, PRESIDENT, CARNEVALE ASSOCIATES, LLC; ETHAN NADELMANN, EXECUTIVE DIRECTOR, DRUG POLICY ALLIANCE; VANDA FELBAB-BROWN, FELLOW, THE BROOKINGS INSTITUTION; AND PETER REUTER, PROFESSOR, SCHOOL OF PUBLIC POLICY AND DEPARTMENT OF CRIMINOLOGY, UNIVERSITY OF MARYLAND

STATEMENT OF JOHN CARNEVALE

Mr. CARNEVALE. Good morning, Mr. Chairman and members of the committee. I want to thank you for this opportunity to submit testimony regarding ONDCP's proposed Federal drug control budget for fiscal year 2011.

Mr. KUCINICH. Bring the mic closer please.

Mr. CARNEVALE. Sure.

Mr. KUCINICH. Thank you.

Mr. CARNEVALE. Before I begin, I want to point out that ONDCP awarded my company a contract to assist it in developing a performance reporting system for the strategy. I did confer with my contracting officer about potential conflicts of interest related to my testimony today. While I am restricted from discussing my company's work, I am committed to discuss all of the matters of interest to this committee.

I do want to make it clear that my testimony is entirely my own and was not prepared on behalf of or with the consent of ONDCP.

So let me begin by highlighting what I see in the way of a new approach to drug policy under the Obama administration. It appears to me that they want to move more toward the public health model that focuses heavily on reducing our Nation's demand for drugs. I assume this means that the new strategy will strongly emphasis demand reduction and that supply reduction will no longer be central to our Nation's effort to reduce drug use.

With regard to the drug budget, if there is one thing I know it is this, that no drug policy will succeed unless it has the resources to implement it. My view is supported by the evidence handed to us by the last administration. In looking at past budgets, we find they emphasized funding for supply reduction as a means of reducing the demand for drugs.

This emphasis on supply reduction failed to produce results and our Nation's drug policy stalled because of it. For example, there was no change in overall drug use from 2002 to 2008. It was 8 percent. The decline in youth drug use that started in the mid-1990's abruptly ended in 2004 and now shows signs that it may be increasing.

There was no change in the number of individuals who abuse or are addicted to drugs over this period, and there was no shortage of illicit drugs in the market.

With regard to the 2011 ONDCP budget, it does present a change in resource priorities whereby treatment and prevention receive the largest percentage increases. While this is good news, I do have some serious concerns and they are as follows. One, we have a budget like those in the past days that continues to substantially over-allocate funds to where research says they are the least effective: interdiction and source country programs.

Two, we have a budget that fails to present a consolidated picture of all Federal drug control spending. And three, we have a budget that makes me wonder if what is being scored is new prevention resources is correct.

With regard to drug scoring issues, I just want to highlight a couple of concerns quickly today. First, with regard to the issue of the comprehensive accounting, I have done some analysis and I estimate that if we add back the $6 billion in resources to the budget that is currently missing, we would find that only 24 percent of today's total drug budget is for demand reduction and 76 percent is for supply reduction.

Second, while the largest increase is proposed for prevention, the increase does little to help us recover from years of cuts. Adding up the cuts in the previous administration, including last year's $3.1 million cut for the Safe and Drug Free Schools Program, we find that prevention is in the hole by a half billion dollars. The proposed $200 million increase in prevention in 2011 only partially fills that hole.

Third, the request for prevention itself, the increase for one program, the successful Safe and Healthy Students Program of $283 million, is somewhat questionable. My analysis of that program suggests that most of these funds will not be realized as prevention. The new program only says that schools may spend funds to prevent and reduce substance abuse.

In reality, this program is about funding non-education strategies to improve school climate and to improve students' health and well being. If these funds are not realized for prevention, the proposed increase for 2011 essentially vanishes.

There are two other matters I would like to briefly discuss. Let me start with healthcare reform. Under healthcare reform, along with the new parity laws, coverage for substance abuse treatment services is on the verge of a great expansion. One area to pay close attention to is Medicaid. This doesn't start until 2014, but starting in 2014, State Medicaid programs will allow for care to all State residents. This means that beginning in 2014, Medicaid resources will help the drug budget become more demand reduction oriented.

But healthcare reform and parity will not benefit everybody needing treatment. This means that we must not give up on existing programs that add to today's treatment capacity, programs like Access to Recovery and Substance Abuse Block Grant.

My last concern pertains to ONDCP's budget formulation authority. ONDCP is required by law to make independent recommendations to the President that it determines as appropriate to enable the strategy to achieve its goals and objectives. To state the obvi-

ous, OMB has never liked this authority and there has been some recent debate about whether ONDCP's budget formulation responsibility should be continued.

If ONDCP loses its authority with regard to the budget formulation process, it will just become another policy shop. I hope this subcommittee continues to strongly support the current budget formulation authority now afforded ONDCP.

I want to thank you, Mr. Chairman and members of the committee, for the opportunity to appear before you again today.

Thank you.

[The prepared statement of Mr. Carnevale follows:]

A Review of the ONDCP FY 2011 Federal Drug Control Budget Request

Written Statement of:
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Domestic Policy Subcommittee
Of the
Oversight and Government Reform Committee

Wednesday, April 14, 2010
2154 Rayburn HOB
10:00 a.m.

"ONDCP's Fiscal Year 2011 National Drug Control Budget:
Are We Still Funding a War on Drugs?"

Mr. Chairman, Ranking Member, and Members of the Subcommittee, it is indeed a great honor and privilege to submit testimony regarding the Office of National Drug Control Policy's (ONDCP) proposed federal drug control budget for FY 2011 under the Obama Administration. I have been asked to comment on a number of topics. First and foremost, I was asked to discuss whether the Administration's funding request for FY 2011 reflects a balanced and evidence-based approach to our national drug control policy. In response, I have written extensively here about what evidence from a body of research-based knowledge tells us about what works best in reducing drug use and its consequences and what that body of knowledge also implies for the federal drug control budget. In addition, I was asked to discuss ONDCP's progress in satisfying the budgetary reporting requirements of the ONDCP Reauthorization Act of 2006 (the 2006 ONDCP Reauthorization). Specifically, I am to address such matters to the requirement for a comprehensive accounting of drug control spending, the budget formulation process, and an analysis of the proposed 2011 drug control budget in comparison to budgets of past years.

Before beginning, I want to point out to the Subcommittee that ONDCP awarded my company, Carnevale Associates, LLC, a contract to assist it in developing a performance reporting system to assess the efficacy of the National Drug Control Strategy's goals and objectives. This performance reporting system is required by Section 202 of the Office of National Drug Control Policy Reauthorization Act of 2006 (P. L. 109-469). I conferred with my Contracting Officer about potential conflicts of interest or other issues related to my testimony today. While I am restricted from discussing my company's work on the performance reporting system, I am permitted to discuss all other matters of interest to the Subcommittee's agenda for today's hearing. I do want to make it clear that my testimony is entirely my own and was not prepared on behalf of or with the consent of ONDCP.

What I have to offer you today is a unique context through which to view the federal drug budget; a personal perspective steeped in nearly three decades of experience as a dual participant in both the federal drug budget and the national drug policy formulation efforts of three successive administrations.

Before I go further, let me admit that I am hampered in my remarks today, limited, as we all are, by not having access to the *2010 National Drug Control Strategy* and its supporting publication, the *Budget Summary,* which presents the agency-by-agency detail that constitutes the 2011 drug control budget request. So far, the Administration has only released *FY 2011 Funding Highlights*[1]. Simply put, there is no way, given what is before me, to accurately and fully evaluate whether the new drug control strategy has a budget that supports its strategic goals and objectives for reducing drug use and its consequence.

My testimony about the 2011 budget is therefore based on an ONDCP report on Budget Highlights released in February 2010 along with the Administration's overall federal budget supported by my own analyses of the Administration's FY 2011 Budget Appendices and information about proposed drug control programs obtained from selected federal drug control agencies.

Let's talk about what we do know: We know that under the Obama administration, at least based on public comments made by the President and other individuals in his Administration, drug policy is supposed to move more toward a public health model that focuses heavily on reducing our nation's demand for drugs. The Administration has made it clear that our demand for illicit drugs must become the central focus of our nation's drug policy. Indeed, the Secretary of State publically stated that it is our demand which is the source of other nations' drug problems, particularly those of Mexico.

The Director of ONDCP too has been very clear in his public statements that he is "emphasizing a comprehensive, balanced approach to drug policy," [that] "recognize[s] that drug addiction is a disease," and has as one of his top priorities the aim of intensifying "efforts to reduce the demand for drugs."[2] It seems that, for the first time ever, the nation has before it an Administration that views the drug issue—first and foremost—through the lens of the public health mandate. This is

[1] See ONDCP's web site, http://www.ondcp.gov/publications/policy/11budget/fy11highlight.pdf.

[2] Testimony of R. Gil Kerlikowske, Director, Office of National Drug Control Policy, before the Subcommittee on National Security and Foreign Affairs Oversight and Government Reform Committee, March 3, 2010.

a historic advancement and it should be so heralded. Yet something is troubling me: in reviewing the budget information available to us, it appears that this historic policy stride has some problems with its supporting budget that could slow its progress. Here's what I see:

- A budget (like those from days past) that continues to substantially over-allocate funds to where research says they are least effective: interdiction and source country programs.

- A budget that fails (as so many in the past) to present a consolidated portrait of all federal drug control spending; not having this ties policymakers hands by not giving them an accurate accounting of how funding allocations are made across the many drug policy program areas.

- A budget that appears to make prevention its top priority, but on closer examination, because of what I view as unclear parameters, makes me wonder if what is being scored as new prevention resources in FY 2011 is correct.

Why is it important to seek a better match between the budget and the strategy it supports? The answer is that the National Drug Control Strategy's desired outcomes depend on funding evidence-based programs to implement it. The Obama Administration wants outcomes that significantly reduce our domestic demand for drugs and its related consequences. According to the latest federal data on illicit drug use, past drug control budgets have failed in this regard. This failure is why many of us in the drug policy field were expecting a dramatic shift in resources emphasizing demand reduction (prevention and treatment programs) in the FY 2011 request. Instead, it appears that the shift presented to us is a minor one. Presumably, our tough fiscal climate is to blame, but there should have been an effort to substantially reduce funding for supply reduction, particularly source country eradication and transit zone interdiction programs. Such cuts would have saved the taxpayer from spending the federal government's limited resources on what two decades of research has identified as ineffective programs.

So, how do we know that past budgets have failed? To answer this question, we need only review the drug use data for this decade. In doing so, it is evident that overall drug use has remained unchanged over the 2002 to 2008 period—an estimated 20.1 million Americans aged 12 or older, or 8 percent of this population, were current users of illicit drugs in 2008; the 8 percent estimate is unchanged since 2002.[3] Since 2002, the number of new users initiating an illicit drug for the first time each year remained unchanged; about 8,000 individuals try an illicit drug each day for the first time. These same data also show that youth drug use declined substantially though 2004, was stable after that, but may now be showing signs of an increase. Further, in 2008, there were an estimated 7.0 million people 12 or older who were considered abusers of or dependent on illicit drugs. This estimate is unchanged since 2002.[4]

Therefore it is evident that our drug policy stalled under the Bush Administration because it funded a drug budget that supported ineffective supply reduction programs rather than effective programs that target demand reduction. With the arrival of the Obama Administration came the hope that a new budget would emerge that would redress the failures of the past. The FY 2011 budget does provide the correct emphasis by requesting larger increases for demand reduction programs compared to supply reduction. However, I wish these increases were substantially more so that we could restore prevention funding to levels realized at the start of the decade and expand treatment capacity and access so that we can treat more than just the roughly 16 percent of those who now receive treatment for illicit drugs.[5]

The Ideal: A Budget Based on an Evidenced-Based Drug Policy

ONDCP is charged by law with preparing a National Drug Control Strategy that establishes a

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[3] For specific information about recent trends in youth drug use, see the Carnevale Associates June 2009 Policy Brief, *Could Youth Drug Use be Making a Comeback?* *http://www.carnevaleassociates.com/Youth%20Drug%20Use%20Comeback.pdf*

[4] For more information, see the Carnevale Associates September 2009 Policy Brief, *Reducing Illicit Drug Use: Is the Policy/Budget Mismatch to Blame?* *http://www.carnevaleassociates.com/Drug%20Policy_Budget%20Mismatch.pdf*

[5] Estimated as the 1.1 million drug admissions in 2007 reported by SAMHSA's Treatment Episode Data Set (excluding alcohol only) divided by the 7.0 million individuals classified in SAMHSA's National Survey on Drug Use and Health as abusing or dependent on illicit drugs.

comprehensive plan to reduce illicit drug use and its consequences in the United States. This Strategy is required to address the nation's needs with evidence-based programs, policies, and practices so that it can achieve its measurable short- and long-term goals and objectives. The federal drug control budget is intended to be formulated based on the goals and objectives of the Strategy. Budget is never intended to shape policy. By design and Congressional intent, ONDCP's authorization requires that the Strategy serve as the nation's plan or guide to shape and inform the budget process.

I normally like to describe the Strategy in terms of its five main ingredients. One is treatment, which is directed to help problem or addicted users of illicit drugs to become drug free and reduce the damaging consequences associated with their drug use. Another ingredient is prevention, which includes activities directed at discouraging the first-time use of drugs and encouraging those who have begun to use drugs to stop. The third ingredient is domestic law enforcement, which I define here to include activities focused on the criminal justice system, such as the courts, investigations, prosecution, and state and local law enforcement assistance generally targeting domestic drug distribution. The fourth ingredient is interdiction, which includes efforts directed at stopping drugs from entering the country. The fifth ingredient is international, or source country programs, that focus on a wide range of activities to eradicate crops and destroy processing capabilities, including alternative crop development, and promoting the involvement of other nations to reduce cultivation and production.

Research has taught us much about the relative effectiveness of each of these ingredients and what works best at achieving ONDCP's charge to develop a national drug control strategy that reduces illicit drug use and its consequences. We now know treatment and prevention programs are very effective in reducing drug demand, saving lives, and lessening health and crime consequences. Research has demonstrated that attacking drugs at their source by focusing on eradication is expensive and not very effective. It has demonstrated that interdiction has little effect on preventing drug traffickers' from successfully bringing drugs into the United States. It has also shown that law enforcement and the broader criminal justice system can be a powerful

partner in using its coercive powers to help drug users stop using drugs and committing drug-related crime.

If this research is used in developing a national drug control strategy, then the budget implications are obvious. One would expect treatment and prevention programs that directly target or seek to prevent use would receive the most emphasis in the federal drug control budget. Domestic law enforcement, or the criminal justice system, has a big role to play as well. Programs such as the High Intensity Drug Trafficking Areas program that target drug trafficking are essential to reducing access to illicit drugs. Prevention research has shown that perceived availability is an important determinant of a youth's decision to use drugs. More importantly, the criminal justice system can use its coercive powers to divert non-violent drug users from expensive incarceration to relatively much less expensive treatment programs. Like it or not, the criminal justice system remains the largest single source of referral to treatment. Programs like Drug Courts have demonstrated their effectiveness in improving public health (getting users to stop using) and public safety (reducing drug-related crime). Those programs that work outside of our borders are the least effective at helping ONDCP achieve it mission of reducing drug use and its consequences. No matter how much we spend—and we have spent a lot in this decade—drug prices remain low and illicit drugs are sufficiently available to meet our nation's demand for illicit drugs.[6] Source country programs and interdiction, therefore, should receive the least emphasis in the federal drug control budget.

An Initial Review of the ONDCP 2011 Budget Request

As was previously stated, I expected the FY 2011 federal drug control budget to have proposed very large increases for treatment and prevention coupled with large decreases in supply

[6] With regard to Plan Colombia for example, Congress appropriated $4.3 billion from FY 2000 through FY 2005. ONDCP stopped tracking such spending for this program after FY 2005. Despite this spending, Colombia's net coca cultivation increased almost steadily from 2000 through 2007. It was not until 2008 that net cultivation declined significantly. However, it is not clear whether federal spending was behind this one-time positive result. Regardless, the Andean region's estimated potential cocaine production remained over 700 metric tons, easily more than double the roughly 260 metric tons of cocaine consumed in the United States each year. Had the $4.3 billion been used instead for treatment, assuming an average annual treatment cost of $2,500 per person, about 1,700,000 more individuals could have received treatment (about 25 percent of the 7.0 million individuals considered abusive or dependent on illicit drugs).

reduction resources, particularly drug interdiction and source country programs, based on what we know about how the Administration wants to shape drug policy. I recognize that we live in tight fiscal times, but if reducing the Nation's demand for drugs is a priority for the Obama Administration, then I am unclear why it did not seek more resources for demand reduction. At the very minimum, there are opportunities to cut back spending in areas that research shows does not lead to reductions in drug use and its consequences—interdiction (particularly in the transit zone) and source country programs—but this proposed budget does not do that. Instead, the budget proposes modest increases for demand reduction and continued growth in supply reduction.

The drug budget for FY 2011 is proposed to grow by $521.1 million, or by 3.5 percent, from $15.032 million to $15,553 million.

- The largest increase, or change, compared to FY 2010, is prevention. It is proposed to increase by $203.3 million, or 13.4 percent.

- The next largest increase is for treatment, which is targeted to receive $136.9 million more in funds representing a 3.7 percent increase.

- Interdiction, instead of domestic law enforcement, receives the next largest increase of $86.9 million representing a 2.4 percent increase.

- Funding for domestic law enforcement gets the fourth largest increase of $73.8 million, representing a 1.9 percent increase.

- Lastly, source country programs are proposed to increase by $20.1 million, representing a 0.9 percent increase.

Of the total request, 36 percent is for demand reduction spending and 64 percent is for supply reduction spending. This is surprisingly the same allocation from what I view as being the last "true" Bush Administration budget in FY 2009.[7]

Drug Budget Scoring Issues

A closer inspection of the proposed FY 2011 budget raises a number of questions which the Subcommittee might wish to consider: First, it appears that the proposed budget does not represent a comprehensive accounting of federal drug control expenditures, which is required by the 2006 Act. This comprehensive accounting was also recommended by the National Academy of Public Administration in its 2008 Report on ONDCP. If we reference last year's drug control budget, an additional $6.8 billion in federal drug control resources needs to be re-integrated into the drug control budget. If this ever occurs, then one would expect to see the drug budget totaling at least $22 billion. Until this correction in drug control accounting occurs, it is difficult to judge the validity of the budget relative to the needs of drug policy. This topic is addressed in more detail in a separate section below.

Secondly, while the largest increase is proposed for prevention, the increase does little to help it recover from years of cuts. Compared to the Bush Administration's FY 2009 budget, the FY 2011 request for prevention represents a 5.3 percent decrease in resources. Not wanting to mislead this Subcommittee, I would add that the Bush Administration's record with regard to prevention was poor. From FY 2002 to FY 2009, prevention resources for were cut by $205.0 million, or 10.3 percent. On top of this, the Obama Administration cut prevention for Safe and Drug Free schools by about $300 million in last year's FY 2010 budget. To get to the point, prevention has suffered in this decade, losing $0.5 billion in resources. The proposed $203.3 million increase in prevention resources for FY 2011 is a good but modest beginning to any effort to restore prevention funding lost in this decade.

[7] The FY 2010 drug control budget was formulated during the final months of the Bush Administration, but modified somewhat after the Obama Administration took office. For purposes of this testimony, I will reference FY 2009 as being the last budget of the Bush Administration in order to make analytic comparisons.

Thirdly, continuing with the topic of prevention, there seems is a questionable accounting related to what is being counted or "scored" for FY 2011. The FY 2011 request for prevention includes $283.1 million proposed for the Department of Education's new Successful, Safe and Healthy Students Proposal. This level represents a $107.3 million increase in prevention resources compared to FY 2010; a significant share of the $203.3 million increase in prevention proposed in the FY 2011 budget. Because ONDCP has yet to release the detail of how it formulated the FY 2011 drug budget, the basis of this estimate is unclear. My analysis of the proposed program leads me to believe that ONDCP is being too optimistic about the level of resources for prevention. The March 2010 Department of Education's *Blueprint for Reform* claims that the Successful, Safe and Healthy Students program grantees will use funds for strategies to improve school climate and to promote students' physical and mental health and well-being, nutrition education, healthy eating, physical activity and fitness.[8] This required use of funds is to ensure that students are mentally and physically healthy and able to learn in a safe school climate. While the required use of funds is important to student achievement, they do not address directly substance abuse prevention issues. Grantees are given an option to use funds for prevention, but it is included in a long list of other school climate problem areas, such as school violence.[9] Unless the $283.1 million proposed in FY 2011 becomes required spending under the Successful, Safe and Healthy Students proposal, it is unlikely that most of the $283.1 million will be realized. If this is the case, then the Administration's proposed 13.4 percent increase for prevention in FY 2011 essentially vanishes. Given that youth drug may be on the rise, now is not the time to gamble that school administers will make the appropriate choices about using discretionary finds under the Successful, Safe and Health Student program funds to prevent and reduce drug use.

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[8] See pages 33 and 34 of the U.S. Department of Education, *Blueprint for Reform, the Reauthorization of the Elementary and Secondary Education Act,* March 2010.

[9] The *Blueprint* only says that grantees may rather than shall use funds to prevent and reduce drug use. In other words, the use of these resources for drug prevention is merely an option. The exact language reads, *Grantees may support activities to prevent and reduce substance use, school violence (including teen dating violence), harassment, and bullying, as well as to strengthen family and community engagement in order to ensure a healthy and supportive school environment.* (Page 33.)

Fourthly, there appears to be another questionable drug prevention scoring problem in the FY 2011 drug control budget. The budget proposes to use 7 percent of the Department of Justice's set-aside funds representing a total of $111.6 million for a new tribal criminal justice assistance program (Consolidated Tribal Grants). These grants are to improve public safety outcomes in Indian Country by providing training and technical assistance. ONDCP is scoring half of these funds, or $55.8 million, as drug prevention. Given these grants are law enforcement oriented, it is not clear to me why any of these funds are being scored as prevention. Unless the Department of Justice requires that half these funds be used to address prevention needs, it seems illogical to count these funds as prevention.[10]

Lastly, I am troubled that the entire amount of resources proposed under the Drug Court program is being scored as drug-related. The Administration is proposing $57 million for drug courts (no change over the FY 2010 level), but is also proposing to allow these funds to support mental health and other problem-solving courts. While mental health and problem-solving courts may have their place in fulfilling a criminal justice need, these types of courts do not seek to reduce drug use. By allowing drug court funds to be used for other non-drug purposes, the Administration's FY 2011 drug budget request, if enacted by Congress, will have the effect of reducing funds for drug courts by whatever amount ends up being used for problem-solving courts. This means that the criminal justice system will have fewer resources to divert non-violent drug-involved offenders into drug courts. In other words, more individuals who need treatment will instead end up in jail or prison.

Formal Comparison to Past Budgets

As I stated last year in my testimony before this Subcommittee, the Bush Administration's National Drug Control Strategy identified one strategic goal: the reduction in drug use among youth and adults. To achieve its goal for demand reduction, it ignored the research about evidence-based demand reduction programs and funded a drug control budget which strongly

[10] Community-oriented law enforcement programs traditionally are not scored as prevention. Briefly, the COPS program did count a small portion of its funds for prevention, but the lack of research to at least correlate community policy with drug prevention caused this practice to end. To my knowledge, no other similar program has been counted as drug prevention.

emphasized supply reduction programs.[11] Under its watch, resources for drug interdiction programs and source country program areas each doubled. Treatment barely grew and drug prevention programs were actually cut. Because of this emphasis, the balance between policy and budget was lost. The emphasis on spending limited federal funds for programs that targeted illicit drugs produced outside and shipped to this Nation at a time when all research indicated that the need was to focus on drugs mostly domestically produced (methamphetamine, marijuana, prescription drugs) and consumed made little sense. If the Obama Administration wants to reduce demand, it will require changing the Bush Administration's illogical budget priorities to fund demand reduction programs that directly affect drug use and its consequences.

Table 1 presents the drug budget history for the previous Administration and shows federal resources for supply reduction grew the most during the FY 2002 to FY 2009 period, increasing by 64.3 percent. By comparison, resources for demand reduction grew by 8.9 percent. Further, the Table also shows that total funding for drug control grew by 39 percent between 2002 and 2009, or by $4.2 billion dollars. Of this total, $3.8 billion, or 90 percent, funded supply reduction programs. Most of this increase was for drug interdiction and source country programs. By comparison, very few resources were added to get at the business of reducing the demand for drugs. Of the total $4.2 billion increase since 2002, just $425 million ($0.4 billion) was allocated to demand reduction. In fact, as I highlighted earlier in my testimony, drug prevention resources were actually cut by $205 million during the FY 2002 to FY 2009 period, a 10 percent reduction since FY 2002.

[11] *Restoring the Integrity of the Office of National Drug Control Policy*, Written Statement of John T. Carnevale, Ph.D. before the Domestic Policy Subcommittee of The Committee on Oversight and Government Reform, May 19, 2009.

Table 1

Bush Administration Record on
Federal Drug Control Spending, by Function
FY 2002–FY 2009
(Budget Authority in Millions)

	FY 2002 Final	FY 2009 Enacted	FY 02 - FY 09 Dollar Change	FY 02 - FY 09 Percent Change
By Function:				
Treatment (w/Research)	$2,785	$3,416	$631.3	22.7%
Percent	*26.2%*	*23.0%*		
Prevention (w/Research)	$1,996	$1,791	-$205.0	-10.3%
Percent	*18.8%*	*12.1%*		
Domestic Law Enforcement	$2,867	$3,654	$786.7	27.4%
Percent	*26.9%*	*24.6%*		
Interdiction	$1,914	$3,836	$1,923	100.5%
Percent	*18.0%*	*25.8%*		
International	$1,085	$2,148	$1,063	98.0%
Percent	*10.2%*	*14.5%*		
Total	**$10,646**	**$14,845**	$4,199	39.4%
By Supply/Demand Split				
Supply	$5,865	$9,638	$3,772	64.3%
Percent	55.1%	64.9%		
Demand	$4,781	$5,207	$426	8.9%
Percent	44.9%	35.1%		
Total	**$10,646**	**$14,845**	$4,198	39.4%

Source: ONDCP Budget Summaries, 2003 through 2009.
Trends and calculations by Carnevale Associates, LLC. May 2009.
Note: Budget estimates use the budget methodology used by the Bush Administration.

The continued emphasis in FY 2011 on spending on interdiction and international programs is confusing to me in light of the strong desire by the Obama Administration to focus the Nation's drug policy on reducing demand. As I have noted to this Subcommittee before, one prominent researcher has opined that such programs are designed to blame other nations' inabilities to curb cultivation and production for our own demand.[12] Through its public comments, the Obama Administration appears to share this researcher's view, which is the source of my confusion about the continued emphasis on funding for supply reduction programs. Again, while this

[12] See Peter Reuter, "Do No Harm: The Global Dimension of the War on Drugs Needs Downsizing," The American Interest • Volume IV, Number 4, Spring (March/April) 2009.

budget climate may not lend itself to aggressive increases in prevention and treatment to fund programs that reduce our nation's demand for drugs, wasteful supply reduction spending should have been reduced.

The Importance of a Comprehensive Drug Budget Accounting

When Congress first created ONDCP in 1988 (P.L. 100-690), it intended that ONDCP adopt a comprehensive approach to the formulation of the Nation's strategy to reduce drug use and its consequences. The legislation included the requirement that ONDCP develop a comprehensive accounting of federal drug control spending.

In FY 2004, ONDCP discarded a substantial number of federal drug control agencies and their budgets from its oversight responsibility. While drug control budget accounting may be an imprecise science, the changes introduced in FY 2004 lessened the ability of policy makers to understand how federal spending supports the national drug control strategy.[13] Fortunately, Congress reacted negatively and in the 2006 Reauthorization of ONDCP, it included language requiring ONDCP to comply with the requirement for a comprehensive accounting of federal drug control spending. My review of the limited FY 2011 budget drug budget information suggests that ONDCP has yet to comply with this requirement.

If ONDCP was to add back the federal drug control program resources dropped from the budget, a very different picture of drug control spending emerges. Using last year's drug budget as a source of information on the amount of funds that need to be restored to the drug budget, we can roughly approximate at least the percentage shares for supply reduction and demand reduction.[14]

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[13] For more information about the change in the methodology and its implications for policy, see the draft manuscript prepared by John Carnevale and Scott Chronister, "How Well Does the U.S. Drug Budget Match Policy and Program Realities?" February 2005.

[14] There is an argument that the so-called "supply/demand split" is a misleading statistic. ONDCP authorizations since the first one in 1988 define how most federal drug resources should be scored with regard to supply reduction and demand reduction. In some cases, what is forced to be scored as supply reduction can sometimes be considered demand reduction. For example, ONDCP's authorization requires that all source country programs be classified as supply reduction. This means that the approximate $10 million to $15 million spent on treatment and prevention in the State Department's Bureau of International Narcotics and Law Enforcement Affairs must be scored as supply

According to last year's drug budget, $6.8 billion in funds were considered "other related drug control funding" and were excluded from the drug budget.[15] These funds are the resources that should be added back into the drug budget to satisfy the Congressional requirement for a comprehensive accounting. These funds are presented by agency. Adding them to the FY 2011 budget request of $15.6 billion would have altered the FY 2011 drug budget so that it totaled $22.3 billion. In doing so, and roughly estimating those funds that would have been scored as supply reduction versus demand reduction, I estimated that 26 percent of the total drug control budget would be scored as demand reduction and 74 percent for supply reduction.

Using this analysis as a proxy for a consolidated drug budget, I am able to compare it to other budgets from past administrations. In doing so, I note that the last time this nation saw such a large emphasis on supply reduction was during the Reagan Administration.[16] During that period, the Nation's drug policy was almost entirely focused on stopping cocaine from entering the United States. Rightly or wrongly, it was that Administration's strong view that drug interdiction and source country programs were the cure for the Nation's drug problem; that by stopping drugs from entering the United States, individuals would stop using drugs. Hence, most of the resources were devoted to attacking drugs at their source and in transit to the United States. Times have change as has the nature of the drug problem. Cocaine's dominance in drug policy has been supplanted with the knowledge that it is not just one drug that is the source of our drug problem; it is a multitude of illicit and licit drugs (like prescription drugs) that must be addressed. Moreover, since the Reagan Administration, our knowledge of what works in reducing demand has grown by leaps and bounds. I have already summarized above what research tells us about effective drug policy programming and will not repeat that discussion here. I want to add however, that to the extent that my calculations are correct, it appears we are

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reduction when they are clearly for demand reduction purposes. In my view, the supply/demand split estimate, despite it obvious imprecision, does give us a barometer of the overall emphasis of a drug policy's intent.

[15] See page A-1 of ONDCP's FY 2010 Budget Summary.

[16] To demonstrate the variation in spending allocations, the Nixon Administration allocated almost 50 percent of its total drug control budget to fund substance abuse treatment. For a historical review of federal drug control funding see the paper by John Carnevale and Patrick Murphy, "Matching Rhetoric to Dollars: Twenty-Five Years of Federal Drug Strategies and Drug Budgets." Journal of Drug Issues. Spring 1999

trying to solve today's drug problem using an eighties-style drug budget that focuses on the U.S. border and beyond rather than on inside the border. We therefore need a dramatic re-balancing of the drug control budget if the Obama Administration is to achieve its goal of reducing the demand for drugs.

Before concluding my testimony, there are two other matters that must be addressed that are important to the drug budget. One is the potential impact of Health Care Reform on resource allocation for demand reduction. The other is the need to maintain ONDCP's authority with regard to formulating and recommending a drug control budget to the President. This latter issue is an important one in light of the fact that ONDCP's reauthorization is now on the table.

The Potential Impact of Health Care Reform

Coverage for substance abuse services is on the verge of a great expansion. Through the confluence of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA) (PL 110-343) (parity bill) passed in 2008 and the recent passage of national health care reform, the Patient Protection and Affordable Care Act (PL 111-148) and the companion Health Care and Education Reconciliation Act of 2010 (PL 111-143), the availability of substance abuse treatment could skyrocket. The parity bill should expand private insurance coverage for substance abuse treatment by ensuring that many group plans offer mental health and substance abuse benefits on an equal basis with general health care. Furthermore, the expected increase in insured persons under health care reform and numerous coverage changes under both laws should yield substantially increased access to substance abuse for previously uninsured persons. Finally, in addition to expanding access, full implementation of health care reform will greatly increase the roles played by Medicaid and private insurance in the financing of substance abuse treatment.

The newly-passed federal health care reform legislation is far too complicated to summarize in my testimony today. Instead, I want to offer a brief summary of the provisions most likely to

alter substance abuse services: 1) the Minimum Essential Coverage; 2) State-Based Health Insurance Exchanges; and 3) the Medicaid Expansion.

- First, by January 1, 2014, all new "qualified health benefit plans" must offer a minimum set of "essential health benefits" determined and annually updated by the Department of Health and Human Services Secretary. Though much of the details of those benefits have yet to be determined, legislative language explicitly stipulates that they must include both mental health and substance abuse services.[17] [18] [19]

- In addition, beginning January 1, 2014, state Medicaid programs will offer care to all state residents (including childless adults) earning up to 133 percent of the federal poverty level (roughly $14,404 for an individual or $29,326 for a family of four under current guidelines).[20] The federal government will finance 100% of the newly eligible enrollees between 2014 and 2016, 95% in 2017, 94% in 2018, 93% in 2019, and 90% in 2020 and subsequent years. The Congressional Budget Office (CBO) estimates that the Medicaid expansion will cover an additional 16 million enrollees to state Medicaid programs nationwide by 2019.[21] That eligibility expansion is also coupled with a new requirement that all Medicaid programs offer a set of minimum essential benefits outlined above, including substance abuse services at parity[22].

- Finally, beginning on the first day of 2014, the new law will institute an individual insurance mandate and open state-based insurance exchanges through which individuals and eligible small businesses may purchase qualified health benefit plans subject to the minimum benefit requirements. As such, plans sold through those exchanges must offer

[17] KFF. http://www.kff.org/healthreform/upload/8061.pdf
[18] Gauthier, Patrick. Behavioral Health Adapting to Reform: Parity by the Numbers. Behavioral Health Central. 3/23/10 http://behavioralhealthcentral.com/index.php/20100323216794/Special-Features/behavioral-health-adapting-to-reform-parity-by-the-numbers.html
[19] HR 3590 Section 1301
[20] HR 3590 Section 2001
[21] Congressional Budget Office. http://cbo.gov/ftpdocs/113xx/doc11379/Manager'sAmendmenttoReconciliationProposal.pdf
[22] National Council.

M/SU benefits at parity.[23] The CBO estimates that 24 million individuals will obtain coverage through state-based exchanges by 2019.[24]

Thus, beginning in 2014, Medicaid resources will play a much greater role in funding substance abuse treatment services. The Federal government will finance most of Medicaid expenditures on substance abuse at least though 2019. This means that the federal drug control budget will show a substantial increase in treatment spending in the form of grants to states for treatment from the Center for Medicaid and Medicare Management Services (CMS). The extent of the spending is unknown and cannot be known until regulatory matters are decided by the Department of Health and Human Services.

But Health Care Reform and parity will not benefit everyone needing treatment. Further, it is unclear whether the likely benefits to be covered by Medicaid will include resources for critical recovery and support services that the Access To Recovery (ATR) program has taught us to be important for recovery; or for that matter, drug prevention programs to stop drug use before it starts and progresses into a burden for our health care system. The question that remains is what to do about expanding treatment in the near term. If a dramatic reduction in the U.S. demand for drugs cannot wait to begin in 2014, then programs like ATR, SAMHSA's Substance Abuse Prevention and Treatment Block Grant, SBIRT, and other targeted treatment programs must be increased. This action will also enable the Nation to quickly expand access to services now and expand the treatment capacity to compliment the likely increase in the demand for treatment caused by Health Care Reform.

ONDCP's Budget Formulation Authority

As a final matter, I would like to raise an issue for this Subcommittee's consideration when it begins work on ONDCP's reauthorization. The issue has to do with ONDCP's statutory authority with regard to the formulation of the President's drug control budget. The 2006

[23] National Council for Community Behavioral Health Care http://www.thenationalcouncil.org/galleries/policy-file/NC%20Live%203-30-10%20HCR%20What%20Happens%20Next%20Presentation%20FINAL.pdf
[24] CBO.

ONDCP Reauthorization Act states that one of the responsibilities of the Director of ONDCP is to make recommendations to the President that the Director determines as being appropriate regarding changes in the budgets of National Drug Control Program agencies to implement the policies, goals, priorities, and objectives established by the National Drug Control Strategy. This provision of the law has the effect of requiring ONDCP to develop a drug budget using a process that occurs in parallel with what the Office of Management and Budget (OMB) does in formulating the entire President's budget (that includes drug and non-drug resources). The parallel process was intentionally designed by Congress to be independent of the OMB budget formulation process. Back in the eighties when Congress and the Reagan Administration were fiercely debating the authorities to be included in the original authorization legislation to create ONDCP, the largest area of contention was over the budget formulation authorities that Congress desired for ONDCP. In the end, Congress won the debate and ONDCP has ever since then—perhaps much to OMB's chagrin—managed the parallel budget formulation process for the President's drug control budget.

There has been some recent debate about whether ONDCP's budget formulation responsibility should be continued. The 2008 National Academy of Public Administration Report recommended that ONDCP's authority be jettisoned and essentially handed over to OMB.[25] It recommended that Congress modify ONDCP's oversight responsibilities relative to individual agency drug budgets so that ONDCP would no longer review and certify departmental/bureau budgets; would submit funding guidance to federal drug control agencies through OMB; and would coordinate with OMB during the budget review process to ensure that its funding priorities are being considered. I disagreed with this recommendation in my testimony given before you last year and continued to disagree with it today. If NAPA's recommendation were to stand, ONDCP would be reduced to just a policy office with no ability to represent the President's needs and Congress' desire to ensure that drug policy has the teeth it needs to achieve strategic goals and objectives. While those of us involved in drug policy may having alternative views of ONDCP's effectiveness in addressing the nation's drug problems over its 21 year

[25] See the Report by a Panel of the National Academy of Public Administration, Office of National Drug Control Policy: Building the Capacity to Address the Nation's Drug Problem, 2008.

history, I think most of us would agree that handing over the budget keys to OMB would create a number of problems and complications, that could obviate the need for ONDCP.

I hope this Subcommittee continues to strongly support the current budget formulation authorities now afforded ONDCP when it considers the next reauthorization of ONDCP.

Conclusion

Mr. Chairman, Ranking Member, and Members of this committee, this concludes my comments on the FY 2011 national drug control strategy budget. I want to thank you again for the opportunity to appear before you today.

Mr. KUCINICH. Thank you for your presence here.

Mr. Nadelmann, you may proceed.

STATEMENT OF ETHAN NADELMANN

Mr. NADELMANN. Thank you for the invitation to testify for this committee.

Let me be frank about the perspective of myself and my organization, the Drug Policy Alliance. We regard the U.S. drug policy of the last 30 years as a colossal failure and a gross violation of human rights, as well as of common sense: increasing America's incarcerated population to over 2 million people; possessing less than 5 percent of the world's population, but almost 25 percent of the world's incarcerated population; increase in the number of people incarcerated on drug charges from 50,000 in 1980 to half a million today; arresting almost 2 million people a year; allowing hundreds of thousands of people to die unnecessarily of HIV/AIDS when proper interventions were available; allowing tens of thousands each year to die of overdoses; allowing and continuing to tolerate gross racial disproportionality in our policy.

All of those represent egregious violations of fundamental American values.

I am encouraged that the Obama administration and Congress have taken some steps in the right direction over the past year. The leadership of Speaker Pelosi and Congressmen Obey and Serrano in moving forward on the syringe exchange, allowing Federal funding for syringe exchange was a notable step forward. The leadership so far in the Senate and in the House on reducing the crack-powder disparity has been important, and it has been important that it has had Republican cooperation as well.

I urge the House to pass the Senate legislation, the 18 to 1 reform, and then to move as quickly as possible to push toward 1 to 1 reform and other sentencing reform.

I am also encouraged at the movement on the part of the Obama administration allowing States to move forward in the responsible regulation of medical marijuana. The shame, of course, is that ONDCP has been largely absent from these reforms. They have made important steps in the right direction in terms of integrating drug treatment into ordinary medical care and in terms of highlighting the problem of overdoses, but there are essentially four fundamental problems with their current proposed strategy and budget.

The first is the absence of any truly meaningful indicators of success or failure. The continuing obsession with how many people say they have used an illicit drug in the past year or month seems to me deeply misplaced. What we need to focus on instead are reductions in the death, disease, crime and suffering associated both with drug misuse and with our drug prohibition policies. That is the sort of restatement of policy objectives that ONDCP needs to embrace or that Congress needs to mandate for them.

Second, we see no indication of a real shift from criminal justice and repression to a true public health approach. What John Carnevale just said about the Federal budget is more than true. The fact that the Federal Bureau of Prisons, in which more than half the Federal prison population are locked up on drug charges,

is not even included in the drug war budget is just one indication of that.

What you see, essentially, is no mention in Director Kerlikowske's statement about the importance of reducing the unnecessary incarceration of Americans for nonviolent drug offenses; no mention of the need to reduce the 1.7 million drug arrests; no mention, although to some extent responsive to Congressman Foster's question, about the futility of supply reduction efforts and the inevitability of push-down/pop-up dynamics in what is essentially a global commodities market.

Third, the striking lack of innovation in what they propose to do in the future. They essentially appear to be rearranging the chairs on the Titanic. There is the rhetoric there, but not the reality. The problem of overdose fatalities is properly noted, and Director Kerlikowske has shown some leadership in highlighting that problem. But what is their solution? Just more attempts at futile supply reduction efforts.

Meanwhile, a potential answer in the form of the lock zone, a heroin overdose antidote which is increasingly used in American cities and abroad, is not given any mention or support. Thousands of lives could be saved simply by increasing Federal support in this area and by providing necessary leadership.

Look in Europe, look in Canada where innovative approaches to prescribe pharmaceutical heroin to people who have failed in drug-free and methadone programs has abundant evidence recently confirmed in The New England Journal of Medicine, yet we don't hear those sorts of proposals.

The same thing with supervised injection facilities which are effective in reducing overdose fatalities, effective in reducing HIV transmissions, effective in reducing public nuisance. Once again, no mention of that either.

The only innovations are in trying to find new ways, new coercive approaches, new ways of using testing and repression to deal with what Director Kerlikowske essentially acknowledges is a disease or a chronic condition. That does not seem to be a public health approach.

Finally, there is no evidence of any desire or interest in a truly independent assessment of American drug policy. You don't see it in the ONDCP recommendations. I urge this committee, I urge the Congress to allocate funding so that the National Academy of Sciences or some other independent body can undertake a truly independent analysis so that we can at least head off in the right direction in trying to reduce the problems both of drug misuse and of drug prohibition in America and around the world.

Thank you.

[The prepared statement of Mr. Nadelmann follows:]

Ethan Nadelmann

Executive Director

Drug Policy Alliance

Domestic Policy Subcommittee
Of the
Oversight and Government Reform Committee

Wednesday, April 14, 2010
2154 Rayburn HOB
10:00 a.m.

"ONDCP's Fiscal Year 2011 National Drug Control Budget: Are We Still Funding a War on Drugs?"

Good morning. I'm Ethan Nadelmann, executive director of the Drug Policy Alliance, the nation's leading organization advocating alternatives to the failed war on drugs. I want to thank the subcommittee for inviting me to testify on ONDCP's priorities and objectives. It is hard to talk in detail about ONDCP's overall strategy when their 2010 Strategy is not yet out, but there are certain things we know based on their proposed FY11 Budget Highlights and recent statements and remarks by Director Gil Kerlikowske and others.

I want to highlight four issues – ONDCP's flawed performance measures, the lop-sided ratio between supply and demand spending in their budget, the lack of innovation in their proposed strategies, and their failure to adequately evaluate drug policies. But first a little context is required.

The predominant role that criminalization and the criminal justice system play in dealing with particular drugs and drug use in this country is unsustainable in both fiscal and human terms. Police made 1.7 million drug arrests in 2008 alone, including 750,000 for nothing more than possession of marijuana for personal use. Those arrested were separated from their loved ones, branded criminals, denied jobs, and in many cases prohibited from voting and accessing public assistance for life.

The United States now ranks first in the world in per capita incarceration rates, with less than 5% of the world's population but nearly 25% of the world's prison population. Roughly 500,000 people are behind bars tonight for a drug law violation. That's ten times the total in 1980, and more than all of western Europe (with a much larger population) incarcerates for all offenses. More than half of federal prisoners are there for drug law violations; relatively few are kingpins and virtually none are queenpins.

Yet, despite spending hundreds of billions of dollars and arresting millions of Americans, illegal drugs remain cheap, potent and widely available throughout the country and the harms associated with them continue to mount. Meanwhile, the war on drugs is creating problems of its own - broken families, racial disparities, and the erosion of civil liberties. Few government policies have failed for so long without any serious effort to question or revise them.

U.S. Senator Jim Webb (D-VA) said recently, speaking about our country's uniquely high incarceration rate, "either we have the most evil people in the world or we are doing something wrong with the way we approach the issue of criminal justice." He went on to say "the central role of drug policy in filling our nation's prisons makes clear that our approach to curbing illegal drug use is broken." Unfortunately, ONDCP seems unwilling to reassess this role in any meaningful way.

Performance Measures

When it comes to performance measures, ONDCP historically has pointed to increases or decreases in the total number of Americans who admit to using an illegal drug within the last year as the most important criteria for judging the success or failure of U.S. drug policy. The agency sets two- and five-year goals based on annual surveys of drug use. It is not evident yet what performance measures ONDCP will lay out in its forthcoming Strategy, but when speaking before the 53rd UN Commission on Narcotic Drugs last month Director Kerlikowske said, "[t]he U.S. Strategy will emphasize and focus on our commitment to reduce U.S. drug consumption."

Drug use rates tell us surprisingly little, however, about our nation's progress toward reducing the actual harms associated with drugs. If the number of Americans using illegal drugs decreases, but overdose fatalities, new HIV/AIDS infections, racial disparities and addiction increases, the Drug Policy Alliance would consider that failure. In contrast, if the number of Americans using illegal drugs increases, but overdose fatalities, new HIV/AIDS infections, racial disparities and addiction declines, the Drug Policy Alliance would consider that success. Key performance measurements should focus on the death, disease, crime and suffering associated with both drugs and our drug policies, not drug use per se.

Simply stated, ups and downs in how many people say they used marijuana or other drugs last year are far less important than ups and downs in drug overdose fatalities, or new HIV and hepatitis C infections, or expenditures on incarceration of non-violent drug offenders.

If this subcommittee advances only one drug-related reform it should be to require ONDCP to set objectives for reducing the harms associated with both drugs and the war on drugs. ONDCP shouldn't just set short- and long-term goals for reducing drug use; it should set specific goals for reducing fatal overdoses, the spread of HIV/AIDS and hepatitis C, racial disparities, the number of nonviolent offenders behind bars, and other negative consequences of both drug use and drug control policies.

Ideally, ONDCP will use their 2010 Strategy as an opportunity to set a new bottom line in U.S. drug policy, but if they fail to do so Congress should set it for them. The U.S. Conference of Mayors, the National Black Caucus of State Legislators, and the National Latino Congreso have all called for setting new performance measures in U.S. drug policy that focus on reducing both drug- and drug-war-related problems.

Supply vs. Demand

In terms of the broad strokes of ONDCP's proposed FY11 drug war budget, it is largely a continuation of the failed drug policies of the last three decades, with most of the money dedicated to ineffective supply-side programs, relatively little going to treatment and prevention, and almost none going to harm reduction. Director Kerlikowske told the *Wall Street Journal* last year that he doesn't like to use the term "war on drugs" because "[w]e're not at war with people in this country." Yet 64% of their budget - virtually the same as under the Bush Administration – focuses on largely futile interdiction efforts as well as arresting, prosecuting and incarcerating extraordinary numbers of people. Only 36% is earmarked for demand reduction – and even that proportion is inflated because the ONDCP "budget" no longer includes costs such as the $2 billion expended annually to incarcerate people who violate federal drug laws.

The U.S. is never going to significantly reduce the problems associated with drug use and misuse as long as most of the drug war budget is dedicated to supply reduction instead of demand and harm reduction. Drug strategies that seek to interrupt the supply at its source have failed over and over again for cocaine, heroin, marijuana and virtually every drug to which they have been applied – including alcohol during alcohol Prohibition. The global markets in marijuana, coca, and opium products operate essentially the same way that other global commodity markets do: if one source is compromised due to bad weather, rising production costs, or political difficulties, another emerges.

In contrast, experts have known for years that increasing funding for treatment is the most cost-effective way to undermine illicit drug markets and reduce substance misuse. A 1994 RAND study commissioned by the U.S. Army and ONDCP found treatment to be 10 times more effective at reducing drug abuse than drug interdiction, 15 times more effective than domestic law enforcement, and 23 times more effective than trying to eradicate drugs at their source. A 1997 SAMHSA study found that treatment reduces drug selling by 78%, shoplifting by almost 82% and assaults by 78%. More recent studies have reached similar conclusions.

In 2000, voters in California approved the Substance Abuse and Crime Prevention Act – also known as Proposition 36 – which had been drafted and sponsored by the Drug Policy Alliance and allied organizations. That initiative requires the state to provide drug treatment, rather than jail, for nonviolent drug possession offenders. It also doubled previous annual state funding for drug treatment. A recent evaluation by UCLA found that California taxpayers saved nearly $2.50 for every dollar invested in the program. Of people who successfully completed their drug treatment, California taxpayers saved nearly $4 for each dollar spent. In all, Proposition 36 is estimated to have saved the state government and localities roughly $2 billion dollars.

The problems with ONDCP's FY11 proposed drug budget involve more, however, than the bias in spending in favor of supply reduction. Most of the programs being funded are not all that different than those funded by previous administrations, yet the Bush Administration's assessment of roughly half of federal drug war programs found just one that could be rated moderately effectively, a few were rated adequate, and most were rated ineffective or results not demonstrated. Not one was rated truly effective.

The solution thus involves more than re-balancing the proportion of funds spent on supply vs. demand reduction. Drug education and prevention may be underfunded, but existing expenditures are also poorly spent. The federal government continues to waste tens of millions of dollars each year on D.A.R.E., the National Youth Anti-Drug Media Campaign, student drug testing and other scared-based prevention programs repeatedly proven to be ineffective. More funding for treatment is needed but those expenditures will prove most beneficial if they are no longer inappropriately circumscribed by drug war politics and ideology.

Lack of Innovation and Missed Opportunities

Most indications suggest that ONDCP is unlikely to propose any new initiatives that differ in significant ways from those of preceding administrations – although there are some modest steps in the right direction such as requesting funding to train physicians to identify and respond to substance misuse in their patients and better coordinating treatment and prevention services. ONDCP is requesting needed money for the Second Chance Act and other programs designed to reduce recidivism and help offenders reintegrate into society, but the prison door will remain a revolving door as long as police make 1.7 million drugs arrests each year. Reintegration will also be difficult so long as federal and state laws prohibit formerly incarcerated individuals from accessing public housing, student loans, and other public assistance.

Director Kerlikowske has said in several recent speeches that U.S. drug policy should be "evidence-based" and "balanced" but there is little reason to believe that ONDCP's 2010 Strategy will be either. U.S., foreign and international agencies that focus on preventing HIV/AIDS domestically and internationally routinely rely on harm reduction interventions and employ the language of harm reduction. Deputy ONDCP director Tom McLellan appeared to break new ground in 2009 when he stated that "we support all harm reduction efforts that also reduce drug use." But that acknowledgement of the important role of harm reduction in drug policy was repudiated last month when Director Kerlikowske declared that "we do not use the phrase 'harm reduction' to describe our policies because we believe it creates unnecessary

confusion and is too often misused to further policies and ideologies which promote drug use." Dozens of foreign governments that employ harm reduction language and policies reportedly found the statement foolish, although they welcomed the United States' belated support of needle exchange and other science-based policies.

Congress's recent repeal of the ban on federal funding for sterile syringes to reduce HIV represented an important step forward in elevating science over politics. It is a shame that ONDCP appears to have played little to no role in accomplishing that important reform and has yet to articulate a plan for working with states to improve syringe availability to reduce the spread of HIV/AIDS and hepatitis C. Their FY11 Budget Highlight contains no dedicated funding for syringe exchange. This is a missed opportunity to create a continuum of care linking syringe exchange and other harm reduction programs with treatment and rehabilitative programs in ways that blur the boundaries among programs and truly focus on helping people manage or even stop their dependence on illicit drugs.

Director Kerlikowske has spoken eloquently and forcefully in support of reducing fatal drug overdoses from legal and illegal opiates. ONDCP, however, has yet to demonstrate any leadership in advancing the most effective (and cost-effective) means of reducing fatal ODs – increasing access to the overdose antidote, naloxone. Dedicated funding appears to be absent from their Budget Highlight and there is no indication it will be part of their Strategy. Thousands of lives a year could be saved if ONDCP prioritized this intervention.

Fatal drug overdoses increased more than 400 percent between 1980 and 1999 and more than doubled over the last decade. Overdose is now the second leading cause of accidental death (second only to automobile crashes) and the leading cause of accidental death in 16 states and among Americans aged 35 to 54. More Americans died last year from drug overdoses than firearms.

Naloxone is a highly effective opioid antagonist that rapidly reverses an overdose when administered by a peer or medical professional. Participants in overdose prevention programs are trained how to administer naloxone, perform CPR, initiate rescue breathing and put a victim in the recovery position until emergency help arrives. Naloxone distribution programs are commonplace abroad and can also be found in a growing number of U.S. cities including Baltimore, Chicago, Los Angeles, Philadelphia, New York City and San Francisco; New Mexico and Massachusetts have statewide programs. Many more would be available if federal funding were available.

ONDCP has also dismissed two other highly successful, evidence-based harm reduction strategies - supervised injection facilities and heroin assistance treatment. Their FY11 budget contains no funding for even trial or research programs on them, notwithstanding abundant evidence that they have succeeded in a diversity of foreign locations.

An estimated 90 supervised injection facilities currently operate in forty cities around the world. To date, 28 methodologically rigorous studies on the impact of supervised injection facilities have been published in leading peer-reviewed medical journals. These studies demonstrate that supervised injection sites are associated with reductions in overdose fatalities, syringe sharing, public injecting,

and publicly discarded syringes, increased uptake of drug detoxification and addiction treatment programs, and no increases in drug-related crime or rates of relapse among former drug users.

There is but a single supervised injection facility in North America – Vancouver's *Insite* program. Director Kerlikowske visited that program during his tenure as Seattle police chief and wrote a brief but straight-forward memo on it for his command staff. Public health officials in San Francisco and other U.S. cities have considered establishing pilot supervised injection sites in the U.S., but are wary of attempting to proceed in the face of federal opposition. The mixture of arrogance and fear with which ONDCP officials dismiss even the possibility of supporting research in the area is sadly reminiscent of past ONDCP opposition to syringe exchange programs notwithstanding the scientific consensus in their favor. Their opposition provides a powerful reminder that President Obama's mandate that politics no longer trump science does not extend to federal drug policy.

Evidence in support of heroin assisted treatment is equally strong. These programs enable people addicted to street heroin who have not succeeded in other treatment programs to be prescribed pharmaceutical heroin as part of a broader treatment regimen. Heroin assisted trials have now been conducted in six countries – Switzerland, the Netherlands, England, Spain, Germany, and Canada. Denmark recently decided to skip pilot projects and go straight to offering heroin assisted treatment for those who need it because the evidence from elsewhere was so conclusive.

Peer-reviewed studies around the world have concluded that heroin assisted treatment is associated with reductions in crime, overdose fatalities, risky behavior and other problems as well as improvements in physical and mental health, employment and social relations. Cost-benefit studies demonstrate that the relatively high cost of heroin-assisted treatment is more than covered by reductions in criminal justice and health care costs. Some of these results were reported in an evaluation of the Canadian research trial (known as NAOMI – the North American Opiate Medication Initiation) published in the distinguished *New England Journal of Medicine*. By contrast, few reports can be found in refereed scientific journals demonstrating any significant failures or harmful consequences of heroin assisted treatment.

Professor Peter Reuter at the School of Public Policy and Department of Criminology, University of Maryland, College Park published a report last year (http://www.abell.org/pubsitems/cja_HeroinMaintenance_0209.pdf) that analyzed heroin assisted treatment programs around the world and considered whether Baltimore should establish a pilot project. He concluded:

> The potential for gain...is substantial. Even in the aging heroin-addict population, there are many who are heavily involved in crime and return frequently to the criminal justice system. Their continued involvement in street markets imposes a large burden on the community in the form of civil disorder that helps keep investment and jobs out. If heroin maintenance could remove 10 percent of Baltimore's most troubled heroin addicts from the streets, the result could be substantial reductions in crime and various other problems that greatly trouble the city. That is enough to make a debate on the matter worthwhile.

The same could well be said of dozens of other U.S. cities where heroin is used illegally by significant numbers of residents. For those who hesitate to allow the legal prescription of heroin, it is worth pointing out that two research trials found that longtime users of heroin could not distinguish it, in controlled double blind studies, from hydromorphone (more commonly known by its trade name, Dilaudid), which is widely used in pain management both here and abroad.

During his speech at the UN Commission on Narcotics Drugs, Director Kerlikowske told representatives from other nations that "We [the U.S. government] support evaluating individual programs and policies on their own merit, not on whether they do or do not fall under any particular ideological label." Yet ONDCP's persistent refusal to support even trying what has worked so well in every foreign research trial cannot help but call into question its commitment to science over ideology.

Need for Reassessment

Finally, ONDCP's request for $15.5 billion in drug war expenditures for FY11 includes virtually no allocation for rigorous assessment of the efficacy of U.S. drug policies. This continues a long ONDCP tradition of spending enormous amounts of taxpayer money on demonstrably failed policies without examining alternatives. Even a modest allocation to commission the National Academy of Sciences (or a similarly objective, non-politicized entity) to assess alternative drug policies both here and abroad would represent an important breakthrough in holding U.S. drug policies accountable to more objective evidence-based criteria. So would a requirement that federal agencies involved in the drug war devote a portion of their budgets to evaluating the efficacy and unintended consequences of their policies and programs.

Congress and the Obama administration have broken with the costly and failed drug war strategies of the past in some important ways – by allowing federal funding of syringe exchange to reduce HIV, by allowing state governments greater latitude to regulate the availability of marijuana for medical purposes, by moving forward on reducing racially discriminatory crack/powder mandatory minimum sentences, and by working more diligently to integrate effective drug treatment into ordinary medical care. But the continuing emphasis on interdiction and law enforcement in the federal drug war budget, the persistent preference for typically futile supply reduction initiatives over demand and harm reduction efforts, the refusal to jettison federal programs that show no signs of success, the arrogant rejection of harm reduction initiatives that have proven successful abroad, and the absence of any commitment to rigorous evaluation of current policies and alternative options – all suggest that ONDCP's plans for the future are far more wedded to the failures of the past than to any new vision for the future.

I urge this committee to hold ONDCP and federal drug policy accountable to a new set of criteria that focuses on reductions in the death, disease, crime and suffering associated with both drugs and drug prohibition.

Mr. KUCINICH. I thank the gentleman.

Ms. Felbab-Brown, you may proceed for 5 minutes.

STATEMENT OF VANDA FELBAB-BROWN

Ms. FELBAB-BROWN. Thank you, Mr. Chairman, for giving me this opportunity to address the subcommittee on this important issue. I will focus on international policies.

The drug trade poses multiple and serious threats, not only in consuming countries, but also in source and transshipment countries, that range from serious threats to security, to the legal economy, to political and judicial processes.

At the same time, however, millions of people around the world, large segments of population and entire communities depend on the illegal drug trade for basic livelihood. Consequently, belligerent groups that embrace the drug trade obtain not only large financial profits, but political support.

Hence, how one manages, what kind of narcotics policies one adopts is critical for stability and security and U.S. national security interests.

There can be hope that supply side policies will disrupt the global drug trade. However, in specific locales, supply side policies have been effective in disrupting in a lasting way supply. There are two basic models: the China model, a very brutal repression model; and the Thailand model. The China model is deeply inconsistent with U.S. values and interests. Consequently, we should adopt the Thailand-based alternative livelihoods model.

However, for the model to be effective, it needs to be conceived of as a multi-faceted state-building process that focuses on strengthening the bond between marginalized communities and the state in a variety of ways. I am very encouraged how the Obama administration has formulated the Merida Initiative toward such an objective. That is a very important development even as the funding is still limited.

I am also encouraged that the Obama administration is adopting the right approach to sequencing eradication and alternative livelihoods in Afghanistan. I have some reservations about the Afghanistan policy, but the cornerstone of the strategy is very important.

For the alternative livelihoods approaches and state-building approaches, to be effective they need to be comprehensible, well-funded, long-lasting and specifically they cannot focus simply on chasing the replacement crop. Building effective law enforcement, building accessible judicial processes is as important as comprehensive rural development.

It is also important to realize that if we succeed in the locale in disrupting smuggling or supply, the smuggling or supply will shift to other locations. Again, the Obama administration should be complimented for recognizing this with respect to Mexico and adopting two new initiatives, the Central American Region Initiative and the Caribbean Basin Security Initiative.

These efforts are funded in a very limited way, which is not necessarily inappropriate because we need to realize that State capacity, the level of corruption, the level of state development typically hampers the productive capacity of states to productively absorb money.

Mr. KUCINICH. Would you repeat that? Just say that one more time?

Ms. FELBAB-BROWN. Sure. The funding for the Central America Initiative and Caribbean Initiative is very limited. However, that is not necessarily inappropriate because we need to recognize that there are limits on state capacity to absorb money productively if the state faces critical institutional deficiencies.

We need to avoid situations of simply teaching traffickers how to become more effective traffickers, as has been the unfortunate consequence of many of our policies.

I also want to commend the Obama administration on focusing on demand reduction abroad, not just in the United States. Again, the funding is limited for these programs, and critically, it is important to recognize that one shoe does not fit all. These approaches need to be very much tied to the local economic, political, social conditions in the country.

With respect to Afghanistan, the overall strategy away from eradication right now, the focus on interdiction and rural development is effective. I have concerns about focus on wheat in the rural development program, and I have also concerns about the way interdiction is being operationalized.

Mexico I think is a great change with limited funding. Nonetheless, again, that is not necessarily inappropriate. It is important to focus the funding on demonstration areas and it is important to recognize that the political and economic arrangements in local countries, their social organizations, greatly limit the effectiveness of policy, and the United States has very limited capacity, and in the best of circumstances even the good cooperation with Mexico to change these. And these social, political, economic arrangements critically influence the effectiveness of counter-narcotics policies.

Great progress has been accomplished in Colombia, but much remains to be accomplished, both in the security sphere and in the social sphere and in the counter-narcotics sphere. The elections in May in Colombia present an opportunity to move toward a more productive approach that focuses much more on socioeconomic programs and moves away from the very counterproductive zero-coca policy.

[The prepared statement of Ms. Felbab-Brown follows:]

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Domestic Policy Subcommittee
Of the
Oversight and Government Reform Committee

Wednesday, April 14, 2010
2154 Rayburn HOB
10:00 a.m.

"ONDCP's Fiscal Year 2011 National Drug Control Budget: Are We Still Funding a War on Drugs?"

Testimony On:
The Design and Resourcing of Supply-Side Policies

Mr. Chairman and Members of the Committee:

I am honored to have this opportunity to address the Subcommittee on the critical issue of the Obama Administration's counternarcotics strategy, specifically the role and design of supply-side programs within the strategy. The threats posed by the production and trafficking of illicit narcotics and by organized crime, and their impacts on U.S. and local security issues around the world, are the domain of my work, and the subject of my recent book, *Shooting Up: Counterinsurgency and the War on Drugs* (Brookings, 2009). I have conducted fieldwork on these issues in Latin America, Asia, and Africa.

While I will focus my comments on supply-side policies, I want to call attention to the fact that to a far greater degree than many of its predecessors, the Obama Administration has acknowledged the vital importance of reducing demand for illicit drugs and committed itself to reducing the demand in the United States. Beyond enhancing international cooperation in the fight against illicit narcotics through an unequivocal acknowledgement of joint responsibility, a robust and well-funded commitment to demand reduction also greatly facilitates the effectiveness of supply-side measures. As long as there is a strong demand for illicit narcotics, supply-side measures cannot be expected to stop supply and prevent consumption. Despite the operational and funding priority given to supply-side measures over the past thirty years, they have not dramatically reduced consumption in the United States or elsewhere. In fact, in many countries, such as Brazil, Argentina, Mexico, Afghanistan, Pakistan, Russia, and China, demand for illicit narcotics has greatly increased over that period. In some of these countries, the per capita consumption of illicit narcotics rivals and even surpasses that of the United States or Western European countries. However, supply-side policies do have great impact on the level of threat that the drug trade and drug trafficking organizations (DTOs) and other non-state armed actors pose to states and societies in source and transshipment countries.

In the rest of my statement, I will first offer several broad lessons about the effectiveness of supply-side measures and assess the extent to which these lessons are reflected in the Obama Administration counternarcotics strategy. Since the Office of the National Drug Control Policy (ONDCP) has not yet released a statement outlining its overall counternarcotics strategy, I will rely on other official documents, such as the congressional testimonies by Director of ONDCP, Mr. Gil Kerlikowske, the budgetary request by the Obama Administration, and newspaper commentaries on proposed counternarcotics strategies. Second, I will briefly sketch the design and funding of supply-side policies toward Afghanistan, Mexico, and Colombia -- currently the principal focus of U.S. supply-side counternarcotics programs -- and outline the outstanding challenges and opportunities in these countries. I will rely on the same type of documents today since some of the specific policy statements, such as the Afghanistan Counternarcotics Strategy, have not yet been released.

Lessons Learned about the Effectiveness of Supply-Side Policies

I. The drug trade generates multiple threats to the United States and other states and societies. Not only does it feed drug addiction and abuse in consuming countries; it also often threatens public safety, at times even national security, in supply and transshipment countries. And it can compromise their political systems by increasing corruption and penetration by criminal entities

and undermine their legal economies. At the same time, large populations around the world in areas with minimal state presence, great poverty, and social and political marginalization are dependent on illicit economies, including the drug trade, for economic survival and the satisfaction of other socio-economic needs. They are thus susceptible to becoming dependent on and supporters of criminal entities and belligerent actors who sponsor the drug trade. In turn, such dangerous non-state actors derive large financial benefits and political capital from it.

II. Supply-side measures, such as eradication of illicit crops and interdiction of transshipment, have *not yet succeeded in disrupting the global supply of drugs in a lasting way*. At most, simultaneous supply-sides measures in critical production areas and along critical smuggling routes have generated relatively brief disruptions of global supply, reflected in increased, but temporary shortage of narcotics. After a short period, usually no more than two years, global supply has recovered whether through renewed production in the original source area, the relocation of production to new areas, or the use of new transshipment methods or routes by drug trafficking organizations.

III. Supply-side measures, however, have been *at times effective in suppressing production in a lasting way in particular locales*. Such durable suppression of illicit crops has required two elements: The first requirement has been that military conflict in the particular area must end and the state authorities must have firm control throughout the entire territory of the country. The second has been that the state imposing eradication of illicit crops must be capable and willing to sustain prolonged repression of populations dependent on illicit crop cultivation (the China under Mao model), or that alternative livelihoods are put in place to offset the economic losses and resulting human insecurity of the marginalized populations (the Thailand model).

IV. Given that the repression-based approach is deeply inconsistent with U.S. interests and values, only the second model that includes legal economic alternatives should be adopted. For the second model to be effective, however, it needs to be construed a *multifaceted state-building effort that seeks to strengthen the bonds between the state and marginalized communities* dependent on or vulnerable to participation in the drug trade for reasons of economic survival and physical insecurity. The goal of supply-side measures should not only be a narrow suppression of the symptoms of illegality and state-weakness, such as suppression of illicit crops or interdiction of illicit flows, but rather to reduce the threat that the drug trade poses from one of a national security concern to one of public safety problem that does not threaten the state or the society at large.

Such a multifaceted approach in turn requires that the state addresses all the complex reasons why populations turn to illegality, including law enforcement deficiencies and physical insecurity, economic poverty, and social marginalization. Efforts need to focus on ensuring that peoples and communities will obey laws – by increasing the likelihood that illegal behavior and corruption will be punished, but also by creating the social, economic, and political environment in which the laws are consistent with the needs of the people so that the laws can be seen as legitimate and hence be internalized. As I will discuss in detail below, the reorientation of the Merida Initiative toward such a multifaceted approach is an example of the needed reconceptualization of the drug trade threat and is a very encouraging development.

In the case of narcotics suppression, one aspect of such a multifaceted approach that seeks to strengthen the bonds between the state and society and weaken the bonds between marginalized populations and criminal and armed actors is the *proper sequencing of eradication and the development of economic alternatives*. For many years, the United States has emphasized eradication of illicit crops, including forced eradication, above rural development, such as alternative livelihoods efforts. Moreover, the United States has also insisted on eradication first. Such an approach has been at odds with -- in fact, the reverse of -- the counternarcotics policy of the European Union and many individual Western European countries. Such sequencing and emphasis has also been at odds with the lessons learned from the most successful rural development effort in the context of illicit crop cultivation, Thailand. Indeed, Thailand offers the only example where rural development succeeded in eliminating illicit crop cultivation.

I am encouraged that the Obama administration is cognizant of the need to *focus on rural development and sequence it properly with eradication.* The new U.S. policy in Afghanistan is a prime example of this deeper understanding, and I will discuss it in detail later. The Obama Administration has also shown such awareness in other instances. In his testimony to the Subcommittee on National Security and Foreign Affairs, Oversight and Government Reform Committee on March 3, 2010, ONDCP Director Kerlikowske pointed to the success of counternarcotics efforts in San Martin, Peru, stating that "Critical to this success was community participation in selecting the types of assistance provided and alternative development assistance in place before eradication began."[1] Yet such effective sequencing of alternative development and eradication is far from the norm in many U.S. assistance programs, including elsewhere in Peru and in Colombia where eradication often takes place in the absence of economic assistance.

V. Effective rural development does require not only proper sequencing with eradication and security, but also a *well-funded, long-lasting, and comprehensive approach* that does not center merely on searching for the replacement crop. Alternative developments need to address all the structural drivers of why communities participate in illegal economies -- such as access to markets and their development, deficiencies in infrastructure and irrigation systems, access to microcredit, and the establishment of value-added chains. But such economic approaches to reducing illegality and crime should not be limited only to rural areas: there is great need for such programs even in urban areas afflicted by extensive and pervasive illegality where communities are vulnerable to capture by organized crime, such as in Mexico. Often the single most difficult problem is the creation of jobs in the legal economy, at times requiring overall GDP growth. Such job creation has been a major problem in Mexico, Colombia, Afghanistan, and Pakistan, and will continue to be so for the foreseeable future.

VI. The state-building approach also needs to include strengthening the *justice and corrections systems* in countries threatened by organized crime. Merely arresting offenders, without being able to successfully prosecute and rehabilitate them, only increases the recruitment pool for drug trafficking organizations. Thus, the great increase in arrests in Mexico to more than 70,000 since the beginning of President Felipe Calderón Administration should be a source of concern as much as applause, since it is likely that many of the arrestees will only develop stronger links to

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[1] R. Gil Kerlikowske, Director of ONDCP, Testimony to the Subcommittee on National Security and Foreign Affairs, Oversight and Government Reform Committee, *Transnational Drug Enterprises (Part II): U.S. Government Perspectives on the Threat to Global Stability and U.S. National Security*, March 3, 2010.

Mexico's drug trafficking organizations while in prison. Improving justice and corrections systems abroad also involves expanding citizen access to justice and peaceful dispute resolution mechanisms. Such efforts are badly needed in Afghanistan, Colombia, as well as parts of Mexico.

VII. Consistent with the evidence of the meager effectiveness of supply-side measures in suppressing global supply, and with the proposed framework for reconceptualizing the fight against illegal drugs to one of state-building, is a *reconceptualization of interdiction.* Instead of singularly focusing on stopping illicit flows and thus reducing supply, interdiction measures should equally strongly focus on reducing the power of drug trafficking organizations to corrupt and coerce the states or societies in areas of their operations. Such a reconceptualization may dictate different targeting patterns and methods as well as measures of success.

However, the goal of improvement the effectiveness of interdiction should not create the false impression that interdiction can provide a silver bullet for counternarcotics efforts. While cracking down on illegal arms sales to drug trafficking organizations and increasing anti-money-laundering measures are highly desirable, neither on its own is likely to significantly hamper the operations of organized crime groups. Anti-money-lauding measures effectiveness is very difficult to estimate, but such measures are often thought to capture less than ten percent of the illicit money flows. Thus, the Obama Administration's goal of "increasing the cost of doing business for the DTOs, to the point where routine losses are no longer sustainable"[2] will likely be elusive. DTOs tend to be flexible and highly capable of adapting to measures, such as high-value targeting, anti-money-laundering efforts, or weapons interdiction.

A comprehensive dismantling of DTOs through arrests of middle and top leaders has proved highly effective in the United States. A multilayered targeting the Medellín and Cali cartels were also critical for their demise, even though in that case rival DTOs significantly contributed to the incapacitation of the original DTOs. Moreover, after successful incapacitation of particular DTOs, the illegal drug trade business did not remain empty. Instead, new DTOs moved in and took control of the trade. The purpose of interdiction should thus be a steady weakening of the DTOs' power to threaten the state and society and prevent them from accumulating power, a steady, consistent, and unending, but vital function of law enforcement.

Nor are interdiction efforts likely to bankrupt belligerent groups, as the Obama Administration seeks to accomplish in Afghanistan. Neither eradication nor interdiction has yet resulted in bankrupting one single significant belligerent group to the point of sustainably and significantly weakening its military capabilities.

Finally, assistance in law enforcement to reduce the power of DTOs critically involves assistance in reducing corruption in the source or transshipment country's law enforcement apparatus and political system more broadly. It also requires a focus on addressing street crime, frequently a far greater menace to the lives of communities in source and transshipment countries than organized crime. Assistance in addressing street crime provides a good testing ground of the level of corruption of law enforcement in the recipient country, and helps to build bonds between the

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[2] Ibid., p.4.

society and the state, including the community's provision of intelligence to law enforcement agencies Community policing approaches are particularly effective.

VIII. Even when successful in particular locales, supply-side measures have inevitably transferred the transshipment or supply problems to new locales, whether elsewhere in the same country or to neighboring countries. This phenomenon is often called the *balloon effect.*

The Obama Administration should be applauded for recognizing this danger with respect to the Merida Initiative, as increased law enforcement efforts in Mexico risk increasing drug shipments and associated threats to the state and society in Central America and the Caribbean. There is already evidence that the presence of Mexican DTOs has greatly increased in Central America, posing security and corruption threats to local governments. To mitigate the spillover effects, the Obama Administration has unveiled two new initiatives: the Central American Regional Security Initiative (CARSI) and the Caribbean Basin Security Initiative (CBSI). These efforts are funded only modestly, with US$37.5 million requested for CBSI.[3]

The Obama Administration also recognizes such danger in Central Asia , with even more modest funding requested for law enforcement efforts in former Soviet Union countries. It is equally important to harness existing economic aid for Pakistan, including the Federally Administered Tribal Areas and in the Khyber-Pakthunkwa Province (until recently the Northwest Frontier Province), to prevent the reemergence of extensive poppy cultivation as a result of the counternarcotics efforts in Afghanistan. Since undertaking rural development in the absence of illicit crops is easier than in the context of illicit crops (but includes many of the same measures as any rural development), U.S.-assisted efforts in those areas of Pakistan can double as drug-trade prevention measures. Small-scale rural infrastructure projects have been particularly promising there. However, developing legal employment opportunities will be one of the greatest challenges in those areas of Pakistan, U.S. reconstruction-opportunity zones efforts notwithstanding.

However, in the absence of a significant reduction in demand, drug supply and transshipment will inevitably relocate somewhere. Thus, there is a limit to what regional efforts can accomplish. As long as there is weaker law enforcement and state-presence in one area than in others, the drug trade will relocate there. Consequently, the United States needs to carefully consider which the drug trade location poses the least threat to the United States and what measures can be undertaken to mitigate the harms any such relocation will pose to recipient communities and states.

Such a need to mitigate the spillover effects should not, however, give impetus to a rush to assist with counternarcotics law enforcement efforts in new areas. Some of these areas, including in Central America and West Africa, have such weak state and law enforcement capacity and high levels of corruption that their capacity to constructively absorb external assistance is constrained. Worse yet, such assistance risks being perverted: in the context of weak state capacity and high corruption, there is a substantial chance that counternarcotics efforts to train anti-organized crime

[3] Neither the Department of State's nor ONDCP's budget requests to the U.S. Congress provided to the witness did specify whether there is independent funding for and at what level for CARSI or whether CARSI funding will be subsumed under CBSI.

units will only end up training more effective and technologically-savvy drug traffickers. The limited funding requested by the Obama Administration for Central America and the Caribbean and West Africa is thus appropriate. The effectiveness of such programs also depends on their design, of course. The best assistance in such cases may be to focus on strengthening the capacity to fight street crime, reduce corruption, and increase the effectiveness of the justice system. Only once such assistance has been positively incorporated , will it be fruitful to increase assistance for anti-organized crime efforts, including through advanced-technology transfers nad training.

IX. In devising supply-side policies, the United States government needs to be aware of the limits to effectiveness of outside policy intervention and assistance. Ultimately, supply-side policies will only be effective if they are fully embraced by recipient governments and local populations. Many such interventions, such as police and law enforcement building, require institutional reform and development that takes a generation or more. Rural development is fundamentally dependent on the political economy of each country, such as land concentration and access to land, fiscal capacity of local governments, and taxation systems in particular countries. Outside policies, including by the United States, have only a limited ability to change such institutional and political-economic arrangements. U.S. policy can thus advice and assist, but there will be significant limitations to what U.S. supply-side policies can accomplish, particularly in relatively short periods.

X. I am very encouraged that the Obama Administration has placed emphasis on *reducing demand* not only in the United States, but also *abroad.* Unfortunately, even today such programs receive only limited funding and often on a sporadic basis, rather than being a consistent and central feature of U.S. counternarcotics policies abroad. The design of such programs is as important as their resource base. To the extent that such programs mimic DARE programs in the United States, they frequently are not particularly effective. As we have also learned from U.S. experience with such programs, tailoring the programs to specific target groups, such as teenagers, and understanding the local institutional and socio-economic settings are as critical for their effectiveness as is their comprehensiveness. One shoe does not fit all: Local conditions regarding access to medical care, including mental health facilities, for example, may require very different design of demand reduction efforts in Mexico than in the United Kingdom or in Afghanistan. Under the Merida Initiative, for example, the United States will assist Mexico's expanding demand reduction capacity. The program appears rather comprehensive, but its funding is limited and its robustness remains yet to be seen.

XI. As the United States government designs counternarcotics programs abroad, it is important that consideration is given to second-degree effects and undesirable side-effects. A regular part of policy analysis should be to consider: Where supply or smuggling routes will shift if counternarcotics efforts in particular locales are effective; to what kind of illegal enterprise or economy criminal groups will turn to if their proceeds from the drug trade become diminished; and whether either of these developments poses a greater threat to the United States or other countries than current conditions. The United States Congress should encourage such incorporation of unintended-consequences assessments into the policy process.

I will now briefly describe the design and resourcing of supply-side policies in Afghanistan, Mexico, and Colombia.

Afghanistan

Although the Obama Administration has not yet released its Afghanistan Counternarcotics Strategy, its overall counternarcotics strategy can nonetheless be gleaned from its budgetary requests and statements by its officials. The new strategy significantly scales back eradication in its funding request, and instead focuses on interdiction (with a budget request of US$450 million) and rural development. The total request for economic assistance, which includes alternative livelihoods efforts, is US$ 3.3 billion. Although far from all economic programs necessarily impact the size of the drug trade in Afghanistan, including the level of illicit crop cultivation, it is important to understand that alternative livelihoods efforts require comprehensive rural development efforts and that job creation outside the rural sector may be critical for the reduction of the population's economic dependence on illicit crop cultivation.

The overall strategy represents a courageous break with previous ineffective and counterproductive policies. In particular, scaling back and defunding eradication in the current period allows for an optimization of counternarcotics policies with counterinsurgency. Given the economic and human security dependence of much of Afghanistan's rural population on the illicit economy and its role in Afghanistan's macroeconomic output, a rapid suppression of the illicit economy without legal alternatives in place will only push the population into the Taliban's hands, generate social and political instability, and significantly suppress even legal economic output.

However, the design of interdiction measures and alternative livelihoods efforts and the quality of their implementation will be critical for success. It is, for example, highly unlikely that interdiction measures can significantly reduce the Taliban's income and greatly limit its operational capacity. Interdiction measures have rarely succeeded in such an undertaking, and the Taliban likely derives half of its income from fundraising and taxing all other legal and illegal economic activity in the areas where its presence is strong, such as trucking, illegal logging, and development projects. Between 2002-2004, the Taliban was able to rebuild itself largely without access to proceeds from poppy cultivation in Afghanistan.

Moreover, some proposed interdiction programs, such as trying to prevent the access by itinerant harvesters to poppy cultivation areas, including in Marja, are extraordinarily resource-intensive and could divert military resources away from the more urgent tasks of preventing Taliban repenetration of cleared areas. In addition, in successfully disrupting local supply chains, such efforts would in their outcome mimic eradication, worsening the economic conditions of large segments of the rural population and once again pushing such populations into the hands of the Taliban. In sensitive priority areas, like the Marja district and Kandahar province, such policies would be counterproductive for the counterinsurgency effort.

Finally, interdiction and law enforcement efforts in Afghanistan also need to target government-linked traffickers to send a message that the era of impunity is over. Such efforts need to be accompanied by expanding the quality of and access to justice and dispute resolution

mechanisms by the population and the capacity of police, specialized counternarcotics units, judicial systems, and corrections facilities.

The Obama Administration has not revealed many details about the structure of the rural development and alternative livelihoods efforts. Administration officials were at times reported to emphasize that the new programs will focus on the farm. Such focus is needed, but it should not take place at the expense of generating secure markets and value-added chains. Without this latter component, alternative livelihoods efforts have not been highly effective.

The programs also need to address all of the structural drivers of poppy cultivation. The wheat distribution program, including the so-called Food Zone in Helmand, have for the past two poppy-cultivation seasons been one of the centerpieces of alternative livelihoods efforts. Although due to insecurity no systematic evaluations of the effectiveness of this program were conducted last year, there is a good reason to remain skeptical about its long-term effectiveness. Because of land-intensity requirements for poppy cultivation and the fact that neighboring countries dictate Afghanistan's wheat prices, wheat is overall not an effective substitute for poppy. The efforts should instead focus on high-value, high-labor intensive crops as well as the structural drivers of poppy cultivation.

Similarly, programs to compensate farmers for their own eradication of poppy crops should be treated at most as short-term stopgap measures. Although preferable to forced eradication in the absence of legal livelihoods being in place, such programs do not have a good track record in Afghanistan or elsewhere in the world, lacking sustainability and even encouraging moral hazard. The so-called Good Performers Initiative, rewarding provinces and governors who significantly reduce the size of poppy cultivation, should also be subjected to careful scrutiny. Often, such as in case of the province of Nangarhar, the Initiative rewards the output without regard to its sustainability, effects on political stability and counterinsurgency, or the socio-economic development of the population. Instead of rewarding the numbers of hectares eradicated or the decrease in cultivation through bans, the Initiative should disburse rewards for improving good governance and the socio-economic development of the province.

Mexico

The new orientation of the Merida Initiative unveiled over the past several weeks by United States government officials puts the overall counternarcotics strategy on the right track and should be greatly applauded. Indeed, the new design of the Merida Initiative is an example of the kind of multifaceted state-building approach to counternarcotics I have advocated in the first part of my testimony and a great improvement to the design of counternarcotics programs in Mexico and more broadly of U.S. supply-side programs.

The new strategy recognizes that there are no quick technological fixes to the threat that DTOs pose to the Mexican state and society. It also recognizes that high-value-targeting of drug capos, even while backed up by the Mexican military will not end the power of the Mexican DTOs.

Instead, the new strategy focuses on four pillars: a comprehensive effort to weakenthe DTOs that goes beyond high-value decapitation; institutional development and capacity building, including in the civilian law enforcement, intelligence, and justice sectors; building a 21st century border to

secure communities while encouraging economic trade and growth; and building communities resilient to participating in the drug trade or drug consumption.

As in the case of Afghanistan, even a great strategy is vulnerable to implementation problems. Deep obstacles persist in Mexico's political and economic arrangements and social organization that make effective implementation of such a strategy not easy. Notwithstanding the level of U.S. assistance so far, including having generated over 4000 newly trained Mexican federal police officers, Mexico's law enforcement remains deeply eviscerated, deficient in combating street and organized crime, and corrupt. Police reform will require sustained commitment over a generation. The persistence of monopolies in Mexico limits job creation, even in times of economic growth. Land access and distribution encourage the persistence of illicit crop cultivation and poverty in Mexico's southern rural areas. The taxation system that poses a heavy burden on the middle class as well as the reality that more than forty percent of Mexico's economy is informal put great constraints on the fiscal capacity of the Mexican state and its ability to encourage socio-economic development.

Moreover, the new strategy does not guarantee that substantial drops in drug-related violence will take place quickly. Indeed, the way interdiction has been carried out so far – focusing on high-value-target decapitation – has to a great deal contributed to the levels of violence. Yet it is critical that drug-related violence (which over the past three years surpassed 18,000 deaths) is brought down in Mexico. Such violence cannot be dismissed as irrelevant or hailed as success. At these levels, especially in highly affected communities, such as Cuidad Juarez, the intense violence undermines legal economic activity and eviscerates civil society. It is imperative that reducing violence becomes a critical part of the strategy, such as by encouraging Mexico to better integrate police and military efforts, focus on investigations and community policing by uncorrupt police while using the military mainly as back-up during highly violent confrontations.

Given the depth of the above-mentioned problems in Mexico, the U.S. funding request of US$310 million for next year is modest. But while greater funding would expand U.S. assistance opportunities, the modest funding request is not necessarily inappropriate. First of all, the Government of Mexico is devoting significantly greater resources to the effort. Second, counternarcotics programs can only be sustainable if embraced, including with respect to the funding responsibility, by the recipient country. Given the size of the U.S. assistance, it is also appropriate to focus U.S. resource selectively on demonstration areas, such as one or two cities in Mexico's North and the four pillars and Mexico's efforts are brought together.

While recognizing the need for local ownership and sustainability, it is not encouraging to see that the 4th pillar of the strategy – developing resilient communities by focusing on their socio-economic needs – will receive only small funding from the United States. Such funding appropriation is all the more worrisome since the Mexican government's own funding of such efforts is likely to remain more limited than its funding of law enforcement efforts.

Similarly, U.S. counternarcotics efforts in Mexico should also encourage rural development in areas of illegal poppy and marijuana cultivation. The Government of Mexico has so far exhibited only a limited interest in such programs, preferring to deal with illicit crops there through eradication. However, addressing the socio-economic needs of the marginalized areas of both the

northern urban belt as well as southern rural areas is critical for reducing the recruitment pool for the drug trafficking organizations, severing the bonds between marginalized communities and criminal elements, and resurrecting the hope of many Mexican citizens that the Mexican state and legal behavior can best advance their future.

Colombia

Over the past nine years, reflecting the results of U.S. assistance under Plan Colombia and the Andean Counterdrug Initiative, Colombia has experienced significant progress. Yet while significant, the success remains incomplete.

Colombia has experienced especially strong progress in combating illegal armed groups, such as the FARC leftist guerrilla movement. Its numbers have been halved, its ability to operate significantly weakened, and the guerrillas have been pushed away from strategic corridors. The Government of Colombia also demobilized the rightist paramilitaries, the AUC. Kidnapping and murder rates have fallen substantially.

Yet critical weaknesses in the security areas remain. In much of the territory cleared of illegal arm actors, security is still tenuous. Frequently, government presence, even in terms of public safety, remains sporadic and spotty. Often, illegal armed actors reign a short distance from major roads and government officials can enter many municipalities only with permission of the local armed actors. Despite the formal demobilization of the paramilitary groups, new paramilitary groups, referred to by the Government of Colombia as *bandas criminales*, have emerged and by some accounts number ten thousand. They participate in the drug trade and undermine public safety in ways analogous to the former paramilitaries. Such paramilitary groups have also penetrated the political structures in Colombia at both the local and national levels, distorting democratic processes, accountability, and socio-economic development, often to the detriment of the most needy. New conflicts over land have increased once again and displacement of populations from land persists at very high levels.

Although the National Consolidation Plan of the Government of Colombia recognizes the importance of addressing the socio-economic needs of the populations previously controlled by illegal armed actors, state presence in many areas remains highly limited and many socio-economic programs exist only on paper, but not on the ground. This is also the case in many of the seventeen specially-designated "strategic zones" where the Government of Colombia focuses its efforts. Civilian presence, such as in terms of legal rural development, often remains the weakest. Many of these deficiencies are described in the USAID-contracted, independent-expert *Assessment of the Implementation of the United States Government's Support for Plan Colombia's Illicit Crop Reduction Components* (below referred to as *Assessment*), in which I participated during 2008 and 2009. The Assessment can be accessed at http://www.brookings.edu/reports/2009/0417_plan_colombia_felbabbrown.aspx.

Despite the most intensive aerial eradication campaign in history and steadily increasing level of manual eradication, the cultivation of coca persists at high levels (119,000 hectares). Rural development efforts remain limited and reach only a small segment of the population cultivating illicit crops or vulnerable to cultivation. There are no consistent numbers of the size of such

population in Colombia, with the number of families currently participating in coca cultivation (not including vulnerable to cultivation) estimated as 90,000 to 300,000.

Despite the drop in the U.S. funding request for Colombia, at US$460.1 million, the funding still remains one of the highest counternarcotics country programs, surpassed only by the funding for Afghanistan. Although the funding – structured as US$202.9 million for socio-economic and civilian institutional development and US$257.2 for eradication and military efforts – cannot be expected to bring about comprehensive rural development throughout Colombia or pay for the fight against illegal armed actors, a decrease in funding is not inappropriate. The Government of Colombia has a far greater capacity to pay its efforts than it used to. Such local ownership and commitment is also necessary for long-term sustainability of the effort.

It is encouraging that the Obama Administration has maintained the funding trend over the past two years of balancing more socio-economic efforts in relation to law enforcement and security efforts (military operations and drug eradication and interdiction), with a 44% to 46% distribution from what used to be a 25% to 75% distribution in the much of the 2000s. Not cutting funding for socio-economic programs is especially important. Given the immensity of socio-economic needs in Colombia and the relatively small size of the U.S. programs, focusing on critical areas, such as the strategic zones, in this phase of U.S. assistance is appropriate in terms of rural development efforts. However, it is important to recognize that U.S.-funded rural development efforts operate in the context of problematic political-economic arrangements that greatly limit the effectiveness of alternative livelihoods programs. For example, powerful agricultural lobbies oppose land reform and the rural poor frequently have only limited access to land and credit. The taxation system taxes land very lightly, while it taxes labor, especially the middle class, very heavily, given rise to land speculation and economic growth that does not generate many jobs.

The May presidential elections in Colombia represent a new opportunity for the Colombian government and for the United States. The new Colombian government should recognize that while perseverance in security and public safety efforts, including in combating the new paramilitary groups/*bandas criminales* is critical, it must be accompanied by a far more robust efforts to address the socio-economic needs of the marginalized populations and combat poverty and political and economic inequality.

For the counternarcotics efforts, the arrival of a new administration in Colombia presents an opportunity to move away from the ineffective and counterproductive zero-coca policy of the President Alvaro Uribe's Administration. Detailed the above- mentioned independent *Assessment*, the policy conditions all economic aid to a total eradication of all coca crops from a particular locality. Even a small-scale violation by one family disqualifies the area, such as a municipality, from receiving any economic assistance from the Government of Colombia and often also cooperating international partners for ending illicit crop cultivation. Such a policy disqualifies the most marginalized and dependent communities from receiving assistance to sustainably abandon illicit crop cultivation, subjects them to great food insecurity and often also physical insecurity, and adopts the wrong sequencing approach to supply-side policy intervention. In cooperating with the new administration in Colombia, the United States

government should encourage the new Colombian leadership to drop this counterproductive policy.

Thank you for giving me this opportunity to address the Subcommittee on this important issue.

Mr. KUCINICH. Thank you very much.

Professor Reuter, you may proceed for 5 minutes. Thank you.

STATEMENT OF PETER REUTER

Mr. REUTER. Thank you very much.

Mr. Chairman, I appreciate the opportunity to testify before you today. I ask that the full statement of my colleague, Rosalie Pacula of the RAND Corp., be incorporated into the record.

[The prepared statement of Ms. Pacula follows:]

TESTIMONY

An Assessment of the Scientific Support Underlying the FY2011 Budget Priorities of the Office of National Drug Control Policy

ROSALIE LICCARDO PACULA

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The RAND Corporation

An Assessment of the Scientific Support Underlying the FY2011 Budget Priorities of the Office of National Drug Control Policy[2]

Before the Committee on Oversight and Government Reform
Subcommittee on Domestic Policy
United States House of Representatives

April 14, 2010

Chairman Kucinich, Ranking Member Jordan, and distinguished Members of the Subcommittee, thank you for inviting me here today. My name is Rosalie Pacula and I serve as co-director of the RAND Corporation's Drug Policy Research Center.

I am honored to appear before you to discuss whether the Office of National Drug Control Policy (ONDCP) under the Obama Administration is addressing reasonable priorities and objectives with its treatment and prevention funds, as reflected in the FY2011 budget request. As the 2010 National Drug Control Strategy was not yet released at the time in which I had to prepare my written comments, I cannot speak to the balance and evidence base supporting the overall strategy. I will instead speak to the scientific evidence regarding particular broad initiatives clearly reflected through budget items and additional supporting documents available from ONDCP and the various agencies contributing to these budget amounts. I will draw comparisons with spending as reflected in the Bush Administration's FY2009 budget instead of the budget for last year (FY2010), as the Obama Administration's incoming appointees did not have sufficient time for its leadership to articulate a clear vision across all agencies before the previous FY2010 budget had to be submitted.

I should also point out that I am trained as an economist, and therefore have a particular way of thinking about drug policy in terms of its effect on aggregate and interrelated markets which are influenced by both supply and demand factors. I am also concerned, as an economist, about the efficient use of our limited taxpayer dollars, and therefore think not just about the effectiveness of various approaches but the cost-effectiveness of them. My testimony today reflects this

[1] The opinions and conclusions expressed in this testimony are the author's alone and should not be interpreted as representing those of RAND or any of the sponsors of its research. This product is part of the RAND Corporation testimony series. RAND testimonies record testimony presented by RAND associates to federal, state, or local legislative committees; government-appointed commissions and panels; and private review and oversight bodies. The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors.
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perspective, but it represents only my opinion and not that of the RAND Corporation or the National Bureau of Economic Research, both of which I am affiliated.

Compared to the last formal drug budget prepared by the Bush administration (FY2009), there are a number of very encouraging signs in the FY2011 National Drug Control Budget that suggest to me that the current administration is giving careful consideration to the science base regarding effective drug policy in particular areas. First and foremost, treatment dollars have increased from $3.477 billion (FY2009, Bush Administration) to $3.883 billion (FY2011, proposed by the Obama Administration), representing a 12% increase overall and bringing our national expenditure on treatment to a level that is now on par, at least according to current accounting methods used by ONDCP, with spending on domestic law enforcement (requested amount for domestic law enforcement in FY2011 is $3.918 billion). Furthermore, there are increases in targeted treatment dollars for specific populations that are known to be heavy users and place a particularly large burden on society when left untreated, including the homeless, criminal offenders, and the veteran population. While total prevention dollars have decreased from $1.815 billion in FY2009 to $1.718 billion in FY2011, those dollars that have been allocated on prevention are more focused on initiatives that are supported by science as generally effective. Spending on some programs for which there was little or no scientific support, in particular student drug testing as a form of prevention, has been removed from the prevention budget. There remains a focus, in absolute dollar terms, on supply reduction. However, since FY2009, there has been a 3.4% increase overall in spending on demand reduction and a much smaller 0.92% increase in supply reduction strategies, suggesting that the majority, albeit not all, of the additional dollars being requested are going toward reducing demand, not supply. Finally, resources are being dedicated to improve data monitoring systems of drug markets and problem users, which are vitally important for understanding how to effectively and cost-effectively intervene in these markets. These are all very encouraging signs that the current administration is making research and science based decisions in the formulation of its strategy.

Today I will speak briefly to some of the areas where I believe there remain significant shortcomings and I'm sure my fellow panelists will identify other areas of concern. But it is very difficult to tell given the relatively short time period in which the Obama administration has been in place whether these shortcomings remain because of a purposeful decision to overlook these issues or the more realistic possibility that it takes time to get all the relevant government agencies on board with a new vision. Moreover, these shortcomings should not be viewed without consideration for the rather dramatic and significant changes made on the demand reduction side, for which ONDCP should be applauded. Clearly important steps are being taken and I, for one,

feel it is important to recognize the significance these steps have in terms of drawing on science to improve general policy.

(1) Treatment Strategy

In terms of the strategy toward treatment, I believe that the proposed budget reflects strong support for evidence-based approaches. Rather than just allocate all the extra money into general Substance Abuse Prevention and Treatment (SAPT) block grant mechanisms, in which ONDCP would have limited control on how the money got used, it instead specified how the gains in treatment funding will be spent. First, increases in treatment funds are targeted to specific populations that research has demonstrated to be in particular need and generate high societal costs when left untreated (Zarkin et al., 2005; McCollister et al., 2003; Marlowe, 2003; Belenko, 2001). The current budget proposes to expand treatment to drug-involved offenders (through drug courts and alternative to prison initiatives), drug-involved prisoners (through ex-offender and re-entry court initiatives), native populations (through Indian Health Services), the veteran population (through the Veterans Health Administration), and the homeless population (through funds dedicated to after-care and recovery support services for the criminally involved the VA system).

Second, in addition to expanding treatment for these populations, the plan, as reflected by the budget, provides thoughtful consideration for how to improve the effectiveness of services already being provided to these key populations. Specifically, the proposed budget maintains the level of funding for treatment within prison but expands funding for re-entry and ex-offender programs for those leaving prison and re-entering the community. Significant research demonstrates that the continuation of care particularly for this high-risk population is critical for achieving greater treatment success (Inciardi, et al. 1997; Marlowe, 2002; Inciardi, Martin and Butzin, 2004; Taxman, Young and Byrne, 2004).

Third, funds are targeted to a variety of Substance Abuse and Mental Health Services Administration (SAMHSA) initiatives that together should help reduce the barriers for adoption of Screening, Brief Intervention and Referrals to Treatment (SBIRT) programs in primary healthcare systems. While SBIRT programs have been shown to be clinically effective at identifying individuals in need of treatment, providing effective interventions for those at risk, and linking individuals in need to treatment (Babor et al., 2007; Madras et al., 2009; Estee et al 2010), their broad adoption within the health care system has been stymied by a variety of systemic issues, including the refusal by some states to "turn on" these SBIRT billing codes (denying reimbursement of providers willing to do these procedures), providers lack of training in SBIRT

methods and procedures, and a general lack of awareness among providers regarding the ability to get reimbursed for these services. Specific programs within SAMHSA are being initiated to help reduce these systemic barriers to adoption rather than just create more SBIRT programs that face the same general barriers to adoption.

The focused resources on key treatment populations coupled with the expansion of treatment benefits among the privately insured due to Federal Parity legislation passed in November 2008 should have a significant impact not only on access to effective treatment but also to the success of those entering treatment. That being said, it would be valuable for ONDCP to be actively engaged in the development of final regulations regarding the implementation of parity given the considerable expertise the office currently has on effective and evidence-based substance abuse treatment.

(2) Prevention Strategy

Perhaps the biggest change emerging from ONDCP's FY2011 budget request is the consolidation of prevention resources to fund programs that target common risk factors associated with unhealthy and antisocial behaviors among youth rather than drug prevention specifically. While I am confident that some prevention scientists will be upset by this shift of resources, as there is a literature suggesting that specialized programs aimed at reducing particular types of substance use yield statistically larger effects than those that target broader substance use behaviors more generally, the absolute difference in effect sizes between these specialized programs and broader substance abuse programs is relatively small and only rarely persist (Manski, Pepper and Petrie, 2001; Caulkins et al., 2002). More generally, substance abuse prevention programs generate relatively small reductions in initiation and drug use for short periods of time. While these reductions are important, similar reductions have been observed from broader prevention and early intervention programs, such as Head Start, Big Brothers Big Sisters, and the Seattle Social Development Project (McKey 1985; Grossman and Tierney, 1998; Aos et al., 2004; Hawkins et al., 2005). These general programs are able to realize similar reductions in drug initiation and abuse because they address many of the same common risk factors that underlie at-risk adolescent's decision to engage in substance use in the first place, including poor social or institutional bonding, low self-esteem, poor stress management or resistance skills to peer pressure.

So, a shift in funds to support a collaborative program aimed at improving overall student achievement by focusing on students' physical and mental health and wellbeing could be a very effective strategy for extending the limited dollars schools have available for drug prevention

alone, and the benefits can accrue not just in terms of substance use but also other behaviors (like high school completion). However, the real potential of this strategy will depend on the quality of the programs that get funded through this initiative. Not all programs are alike or equally effective, which is why it is important to maintain support for research that can evaluate the relative effectiveness of alternative broad prevention programs at reducing illicit drug use in particular. This is indeed the approach taken by the current Administration, as they recommend continued funding for prevention research. But ONDCP needs to be prepared to take leadership and advocate within the Department of Education for the broad adoption of those scientifically supported programs that are found to be the most effective at reducing substance use and abuse rather than simply supporting a variety of alternative prevention programs that may have highly variable impact on drug use per say.

There remains support in the proposed budget for drug-specific prevention initiatives, which is useful to ensure that the field develops and strengthens. For example, the federally funded Drug Free Communities program, which supports the development of community drug-free coalitions and options for youth, is included, but the budget for this program is reduced by an amount sufficient to help pilot a new initiative entitled "Prevention Prepared Communities" to be administered by SAMHSA. The goal of this new program is to encourage communities to adopt evidence-based prevention interventions targeting youth continuously throughout adolescence rather than developing programs that intervene during only one period of time. Indeed the philosophy of sustained contact and reinforcement of protective messages is one that has been at the heart of several effective drug prevention programs, including Life Skills and Alert Plus (Botvin et al., 1995; Ellickson et al., 2003).

The continuation of funding for the National Youth Anti-Drug Media Campaign at levels similar to the FY2009 budget is something that is difficult to understand in light of the research suggesting that the existing campaign has not been effective (Hornik et al., 2003a, 2003b). While there is scientific evidence demonstrating the effectiveness of media campaigns at reducing tobacco and other drug use when coupled with effective community and school based prevention programs (Pentz, 2003; Flay 2000; Flay et al., 1994, 1997), it is not clear to me that significant modifications and improvements to the National Youth Anti-Drug Media Campaign have been made to improve its success. However, I am not a media expert and suggest that someone who is more qualified than I can better ascertain whether continued funding for a modified program is indeed a useful endeavor.

A significant change in the proposed drug control budget for FY2011, which was also demonstrated in the prevention budget for FY2010, is the elimination of funding for student drug

testing, a program that remains highly contentious in the scientific literature (MacCoun 2007; Goldberg et al., 2007; Levy 2009), and the inclusion of funding to assess drug impaired driving. There is increasing evidence from the Department of Transportation that drugged driving is a real problem and the development of data collection efforts to accurately depict the problem and provide public information and outreach about it could be very effective at preventing significant harms associated with drug use.

(3) Enforcement and Supply-Side Strategies

Many careful studies have demonstrated that very few specific supply-side strategies can be effective at reducing demand for specific drugs and raising their prices, but the effects of these interventions are typically limited in duration. A recent study published by my RAND colleague Nancy Nicosia and her co-author Carlos Dobkin examined the effects of the 1995 U.S. Drug Enforcement Agency's successful effort to shut down two major precursor chemical distributors who were responsible for generating more than 50% of the precursor chemicals for methamphetamine production in the United States (Dobkin and Nicosia, 2009). The study showed using monthly time series data that this supply reduction led to an increase in the price per pure gram of methamphetamine from less than $100 to almost $1,200. The precursor chemical shortage led to a reduction in methamphetamine use among arrestees and a decrease in amphetamine-related hospital admissions. While the study demonstrates how enforcement can influence the market and subsequently consumption, this study also showed just how quickly the market rebounded. Purity-adjusted price fell back to below $100 in less than 12 months, and other measures of use rebounded within 18 months. In earlier studies of the effects of federal regulation of precursor chemicals used in the production of methamphetamine, it was found that a tightening of these regulations also influenced methamphetamine harms associated with use but again the effects were temporary (Cunningham and Liu, 2003 and 2005). Similarly, studies of the 2000-2001 Australian heroin drought demonstrate effects in that the shortage had an immediate effect on purity adjusted prices and consumption in the short run, but purity has been slowly recovering (Weatherburn, et al., 2003; Dietze, 2008). The message I take from these studies is that enforcement can clearly be effective at disrupting markets in the short run, but suppliers are adaptive and respond to these disruptions in innovative ways.

This raises the inevitable question regarding how much law enforcement is desirable for managing the current drug problem. While a body of RAND work evaluating cocaine markets in the United States during the late 1980s and early 1990s offer important insights for thinking about the relative cost-effectiveness of law enforcement strategies for dealing with the cocaine market at a particular point in time (Rydell and Everingham, 1994; Caulkins et al., 1997; Caulkins et al.,

1999), this body of work examined a single drug market at a particular point in time. Moreover, it studied a drug market that operates quite differently than many drug markets operate today, particularly the primary drugs of abuse (i.e. prescription drugs and marijuana). Caulkins and his colleagues have demonstrated using mathematical models that capture the dynamics of drug epidemics that the role of enforcement (and the cost-effectiveness of supply side interventions) depends on the stage of a particular drug epidemic. The gains of conventional enforcement (as well as prevention) are greater when a new drug is emerging in a market and the size of the market is relatively small (Caulkins, 2007; Behrens et al., 2000; Behrens et al., 1999). However, as the size of the market grows and the epidemic becomes mature, treatment becomes more cost-effective at reducing use for that drug. In all of the scenarios, a mix of approaches were used, but the relative gains of greater enforcement or treatment depended on what stage of the epidemic the drug is in. Thus, in order for one to evaluate whether the current mix of spending between supply reduction and demand reduction is appropriate overall, one has to first consider the appropriate mix of strategies for each drug based on the stage of the epidemic for each drug and aggregate up. As drugs of abuse change over time (as might the goal of total users versus harm from use), this suggests an ongoing and dynamic assessment conducted on a drug-by-drug basis, which has not yet been seriously undertaken since RAND's original work as far as I know.

When considering the appropriateness of our current level of funding for interdiction, it is difficult to justify expenditures at the same level as treatment and domestic law enforcement expenditure, which is what the current budget allocation suggests. It is evident from the data that interdiction efforts do not eliminate drugs from entering our markets; they at most may reduce the quantity that makes it to the market by a very small amount and they occasionally force traffickers to incur new costs associated with shifting distribution routes to avoid detection. The negative implication of these shifting trade routes on transit countries is not inconsequential (Reuter et al., 2009).

Nonetheless, the effectiveness of interdiction efforts when considered in light of the impact of these efforts on the domestic price of the drug is not inconsequential. When one examines purity-adjusted prices for cocaine and heroin at different points in the distribution chain, there is suggestive evidence that interdiction efforts in general are effective at raising the price of drugs. A recent examination of drug price data by my colleagues, Beau Kilmer and Peter Reuter, shows that 1 kilogram of 100% pure cocaine has a farm-gate price in Colombia of $800 (Kilmer and Reuter, 2009). When that one kilogram of cocaine reaches the United States, it has a purity of 76% on average and can be sold for $15,000. The difference between the farm-gate purity-adjusted price and import purity-adjusted price is substantially larger than what one would see for any legally traded good, indicating that interdiction efforts are effective at raising drug prices beyond typical transportation and importation costs (Caulkins and Reuter, 1998). The question

one needs to answer is, what is the minimum level of spending on interdiction efforts that is necessary to achieve the desired price effect domestically? This is a question that should be re-assessed in light of our primary drugs of abuse in the United States today and how they arrive to our markets.

I have stated in previous testimony to this subcommittee that I do not believe many of the line items listed in ONDCP's international supply reduction strategy should be considered as part of our nation's drug budget (Pacula, 2008). For example, efforts to fund Colombian Rule of Law, Human Rights and Judicial programs as well as programs to assist the Afghan government's capacity to address the drug trade there are policies we have adopted to promote our general national security, not specifically reduce the quantity of drugs coming into the United States. Thus, including them as part of our national drug policy budget inflates estimates of our supply reduction efforts and places unrealistic expectations on ONDCP to coordinate, guide or direct spending on these activities which it will likely have little or no influence. Alternatively, the continued omission of criminal justice spending associated with the arrest, prosecution and incarceration of drug offenders from ONDCP's national drug policy budget is also misleading as it ignores a significant burden our nation's policy of criminalization imposes and ignores an area of policy that ONDCP can directly influence. These budget inconsistencies have existed for years and are likely based on historical factors that my colleague John Carnevale can address more thoroughly than me. Nonetheless, they remain issues that are important if policy makers rely on budget allocations as a way of assessing the appropriateness of ONDCP strategy for managing the national drug problem.

Before closing I'd like to applaud the current Administration's effort, as reflected in the proposed FY2011 budget, to allocate funding to improve data monitoring systems related to prevention, treatment, and supply in drug markets that are absolutely vital for understanding the current drug problem and evaluating the effectiveness of specific strategies at managing the problem. Without systems like the Arrestee Drug Abuse Monitoring Program, the National Household Survey on Drug Use or Health, and the Treatment Episode Data, we would not have as large a science base to inform our current drug policy as we do today. It is vitally important that we continue to expand and improve existing data systems so that we have systems in place in which we can monitor and evaluate new initiatives or growing epidemics. The proposed budget reflects a realistic attempt to maintain and build the necessary data systems to monitor and evaluate key elements of the strategy proposed by the budget. I applaud and support their efforts and hope that this Subcommittee will do the same. It is equally vital that to remove the many limitations on access to these data that have prevented researchers and analysts from making full use of them to improve drug policy development.

In conclusion, I'd just like to reiterate that while the proposed national drug control budget may be far from perfect, there are clear steps in the area of demand reduction that I think are based on sound science and concerted effort to use limited resources effectively. Treatment dollars have increased and are being focused on specific populations that are likely to benefit the most from our scarce treatment dollars. Prevention dollars, although smaller than in FY2009, appear to be more focused and may be effectively leveraged by resources being allocated from other areas of government to deal with related youth problem behaviors (including tobacco use, antisocial behavior, and drinking). Spending on specific prevention programs for which there was little or no scientific support, in particular student drug testing, has been removed. And resources are being dedicated to improve data monitoring systems of drug markets and problem users, which are vitally important for understanding how to effectively and cost-effectively intervene in these markets. While major changes related to supply reductions strategies are less apparent, there is also far less of a scientific basis to guide how big those changes should be. More attention needs to be given to understanding the relative effectiveness of our current supply strategies in light of the drug situation we are facing today.

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Mr. REUTER. I will focus today on two issues. The first, which will take most of my testimony, is how drug courts should be developed so they can emerge from their essentially boutique status to make an important contribution to reducing the Nation's crime and drug problems.

The second issue is a brief comment on whether supply programs should be cut.

Director Kerlikowske, like his predecessors, has offered support for the continued expansion of drug courts, though the funding offered by the administration's budget is for a broader set of specialized courts. Drug courts are seen as a major innovation which, by increasing the use of treatment rather than incarceration, lowers the extent of drug-caused crime and drug consumption.

But despite the rapid expansion of the number of drug courts, the number of defendants who pass through such programs remains small. After almost 20 years, with over 2,300 separate programs having been created, a 2008 study estimated that only 55,000 drug-involved defendants were processed in such courts in the middle of the decade. The same study estimated that over 1 million drug-involved defendants entered the criminal justice system each year.

The small number of enrollees arises from several factors. For example, many jurisdictions simply lack the administrative capacity to implement drug courts at scale. Over half of the drug courts responding to one survey reported they just cannot accept more clients because of these capacity constraints. And as a result, there are strong administrative and political incentives for drug courts to cream-skim by serving relatively low-risk populations most likely to achieve successful outcomes, rather than the populations who would experience the greatest net reduction in criminal offending from drug court interventions.

In addition, the eligibility criteria at the drug courts are highly restrictive. They may be effective and even cost-effective serving the specific clients they recruit, but the diverted offenders are at low risk of going to prison or even jail following sentence in the absence of the drug court intervention.

My colleagues, Harold Pollack and Eric Sevigny in their forthcoming paper estimate that of those sentenced to prison or jail in the early part of the last decade, fewer than 10 percent would be eligible for drug courts that apply the usual criteria.

Given the limited capacity and relatively low-risk populations actually served, the currently deployed model of drug courts is unlikely to noticeably reduce the numbers incarcerated. In fact, most drug courts routinely exclude most of the drug-using offenders. One survey found that only 12 percent of drug courts accept clients with any prior violent convictions. Individuals facing a drug charge, even if the seller is drug-dependent, are excluded in most courts. Other charges that routinely lead to exclusion include property crimes commonly associated with drug use like theft, fraud and prostitution.

These eligibility rules are likely to exclude most experienced users of cocaine, heroin and methamphetamine. The few longitudinal studies of cocaine and heroin users show that these long-term users have accumulated lengthy histories of convictions for prop-

erty and violent crimes and that many, perhaps most, have co-occurring disorders.

Can drug courts be effective in dealing with these harder clients? Assessing the potential effect on program effectiveness of relaxing eligibility requirements is a major research challenge. But unless this is done, the courts are unlikely to make a major difference to crime and drug use. They have to reach out to these other clients with appropriate adaptations in services and monitoring.

Let me conclude with a comment on supply side programs. As a number of others have said, the President's budget leaves these programs largely unscathed, despite a mounting unease that Federal enforcement effort has done little to help reduce drug use. Like John Carnevale, I believe that some of these programs, particularly in the interdiction area, should be cut. Congressman Foster asked very perceptive questions about the eradication programs and the evidence on the Afghan prohibition under the Taliban is it had minimal effect on drug markets in the United States and modest effects at most in Western Europe.

With interdiction, even large increases in the share of cocaine seized in the last 10 years, has not led to reductions in availability or in price. And there are sound analytic arguments as to why seizures are unlikely to make much difference to price or availability.

If my arguments for making such cuts lacks specificity, this reflects the simple lack of evaluations and research about the interdiction program. Despite annual expenditures of approximately $4 billion in fiscal year 2010, no agency involved has invested in systematic analysis of the effectiveness of the program as a whole or of its components. Of if they have, the results have not been published.

Thus, one is forced to make judgments on the basis of gross data that don't allow for much nuance. This committee would do a considerable service if it authorized a rigorous external assessment of the interdiction effort, after which one might be able to make a more grounded statement about the value of continuing this level of support and of what elements of the program, if any, are worth retaining.

Thank you.

[The prepared statement of Mr. Reuter follows:]

Testimony

Of

Peter Reuter

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University of Maryland

Domestic Policy Subcommittee

Oversight and Government Reform Committee

Wednesday, April 14, 2010

2154 Rayburn HOB

10:00 a.m.

"ONDCP's Fiscal Year 2011 National Drug Control Budget: Are We Still Funding a War on Drugs?"

Making Drug Courts Useful

Mr. Chairman, I appreciate the opportunity to testify before you this morning. I ask that the full statement, of my colleague Rosalie Pacula of the RAND Corporation, which my remarks supplement, be entered into the record.

Let me begin by noting that Director Kerlikowske has taken a refreshingly broad view of the drug problem with which ONDCP must deal. In particular, it is welcome that his opening page referred to HIV, intimately connected to injecting drug use in this country and hence an important consideration for America's drug policy makers. Many previous National Drug Control Strategies have been totally silent on this matter, as though it was someone else's problem.

I will focus on two issues today. The first, which will take most of my testimony, is how drug courts should be developed so that they can emerge from their essentially boutique status to make an important contribution to reducing the nation's crime and drug problems. The second is a brief comment on the issue of whether supply programs should be cut.

Director Kerlikowske, like his predecessors, has offered support for the continued expansion of drug courts, though the funding offered by the Administration's budget is for a broader set of specialized courts. Drug courts are seen as a major innovation which, by increasing the use of treatment rather than incarceration, lower the extent of drug-caused crime and drug consumption among criminally active drug users.

Despite the rapid expansion of the number of drug courts, the number of defendants who pass through such programs remains small. After almost 20 years old and with over 2,300 separate programs having been created (BJA, 2009), a 2008 study estimated that only 55,000 drug involved defendants were processed in such courts in the middle of this decade; the same study estimated that over one million such defendants entered the criminal justice system each year (Bhati, Roman and Chalfin, 2008).

This small number of enrollees arises from several factors. For example, many jurisdictions lack administrative capacity to implement drug courts at-scale. Fifty-two percent of adult drug courts responding to one survey reported they cannot accept some eligible clients due

to capacity constraints (Bhati, Roman, and Chalfin 2008). Given this constraint, there are strong administrative and political incentives for drug courts to cream-skim by serving relatively low-risk populations most likely to achieve successful outcomes rather than the populations who would experience the greatest net reduction in criminal offending from drug court interventions.

In addition, eligibility criteria for drug courts are restrictive. Although they are effective and even cost-effective serving the specific clients they recruit, the diverted offenders are at low risk of going to prison or even jail (following sentencing, as opposed to pre-trial) in the absence of the drug court intervention. My colleagues Harold Pollack and Eric Sevigny, in a forthcoming paper, estimate that of those sentenced to prison or jail in the early part of the previous decade, fewer than 10% would be eligible for drug courts that apply the usual criteria. Given the limited capacity and the relatively low-risk populations actually served, the currently-deployed model of drug courts is unlikely to notably reduce the numbers incarcerated.

The eligibility specific criteria that generate these disappointing results are readily identified. Despite the pervasiveness of the drug treatment court model, drug courts routinely exclude most of the drug using offenders. A survey of adult drug courts in 2005 (Rossman et al 2008) found that only 12% of drug courts accept clients with any prior violent convictions. Individuals facing a drug charge, even if the seller is drug-dependent, are excluded in 70% of courts for misdemeanor sales and 53% of courts for felony sales. Other charges that routinely lead to exclusion include property crimes commonly associated with drug use (theft, fraud, prostitution), , and current domestic violence cases (only 20% accept domestic violence cases)" (Bhati, Roman and Chalfin, 2008, p.7). An earlier study conducted by the Government Accountability Office (1997) found that only 6% of drug courts accept offenders whose current conviction included a violent offense.

More difficult to determine are the eligibility rules with respect to substance abuse. Bhati et al. (2008) report that "[E]ligibility based on drug use severity is applied inconsistently—16% of drug courts exclude those with a drug problem that is deemed too serious, while 48% reject arrestees whose problems are not severe enough. Almost 69% exclude those with co-occurring disorders. Even among eligible participants, more than half of drug courts (52%) report they cannot accept some clients who are eligible for participation due to capacity constraints" (p.8).

These eligibility rules are likely to exclude most experienced users of cocaine, heroin and methamphetamine. The few cohort studies of cocaine and heroin users (e.g. Hser et al, 2001; Hser et al, 2006) show that long-term users have accumulated long histories of convictions for property and violent crimes and that many—perhaps most—have co-occurring disorders or are polydrug users. Thus they would not be eligible for drug courts, even though they account for a large share of the cocaine and heroin consumption and related crime. This is particularly important for cocaine, since the cocaine using population is rapidly aging.

Assessing the potential effect on program effectiveness of relaxing eligibility requirements is a major research challenge. Existing effectiveness findings reflect the tight eligibility requirements. Drug courts choose certain clients, and exclude the more serious offenders, in the belief that defendants with longer and more serious criminal histories are likely to do less well in drug courts. They may be correct; without evaluations of the effects with these other client groups, the research strategies for making projections are inherently speculative. However, if they are to make a major difference to crime and drug use, they must try to reach out to those other clients, with appropriate adaptations in services and monitoring.

Let me conclude with a comment on supply side programs. The president's budget leaves those programs largely unscathed, despite a mounting unease that the federal enforcement effort, the major component of the drug budget for many years, has done little to help reduce drug use. Like John Carnevale, I believe that some of these programs, particularly in the interdiction area, should be cut. Even large increases in the share of cocaine seized in the last ten years have not led to reductions in its availability or price, for the data that have been analyzed through late 2007. Moreover there are sound analytic arguments as to why seizures at that level are unlikely to make much difference to price or availability. The cost of replacing cocaine seized on the high seas is less than 15% of the retail price and the supply of labor for smuggling is large.

If my arguments for this position lack specificity, that reflects the paucity of evaluations of the interdiction program. Despite annual expenditures of approximately $4 billion in FY 2010, no agency involved has invested in systematic analysis of the effectiveness of the program as a whole or of its components or if they have, the results have not been published. Thus one is forced to make judgments on the basis of gross data that don't allow for much nuance. This

Committee would do a considerable service if it authorized a rigorous external assessment of the interdiction effort, after which one might be able to make more grounded statements about the value of continuing this level of support and what elements of the program are worth retaining.

I look forward to your questions.

Mr. KUCINICH. Thank you very much, Professor, for your testimony.

I want to thank each of the witnesses for their presence here. I would like any of you who would like to respond to this question and observation to do so.

Director Kerlikowske testified earlier that wiping out all poppies in Afghanistan would have very little effect on drug availability in the United States, and he seemed to agree with Dr. Felbab-Brown's testimony that while eradication and interdiction has benefits, such as weakening drug trafficking organizations and instilling democratic reforms, it has little effect on domestic supply and consumption. And I would like you to respond to Director Kerlikowske's comments and address whether given this limited effect on reducing drug availability in the United States, should these types of international programs be considered as part of the Nation's drug policies and should these programs be funded.

So Mr. Carnevale, let's start with you and go down the line if anyone wants to comment.

Mr. CARNEVALE. I have pretty strong views about this topic. I have been studying this for about 20 years and worked at ONDCP and worked on drug budgets, and worked on two Andean strategies, one in the early 1990's and the one that started actually in 1998, but became law in 2000.

I am quite convinced that spending money for eradication, especially aerial eradication, is not effective. I am quite convinced that spending money on——

Mr. KUCINICH. Why not?

Mr. CARNEVALE. Because we have not seen any changes in potential cultivation. For example, in Colombia in this decade, ONDCP when it was counting how much money we were spending on Plan Colombia, reported from 2000 to 2005 that we had spent over $4 billion just on Plan Colombia. Over that same period, we saw cultivation increasing.

Mr. KUCINICH. Why is that? Explain to us how that happens.

Mr. CARNEVALE. Why that happened? Well, I think it is because the money wasn't being used effectively. Director Kerlikowske talked about reductions in crime in Colombia, and in my mind, the money was being used more for institution building, strengthening the judicial system and so on. But the real point of that program was to reduce the amount of drugs coming into the United States from Colombia, and it had no effect on the amount of coca that was being grown by the farmers, and that was the whole point.

So when I evaluate it with that outcome measure, I see no effect.

Mr. KUCINICH. Mr. Nadelmann.

Mr. NADELMANN. Yes. I think what we have to realize, looking at this in the historical perspective, what you are essentially dealing with here with coca, with cocaine, heroin, opium, marijuana, whatever, are essentially global commodity markets, very much like coffee, sugar, tea, alcoholic beverages, precious metals, you name it.

If one source is knocked out through eradication efforts or bad weather or a blight or drought, some place else will pop up. And this has been true for decades now. We cracked down on Turkey in the early 1970's under Nixon, and it popped up in Mexico, then

it popped up in Southeast Asia, Southwest Asia. Same thing with coca cocaine, cracking down on Bolivia and Peru, now popping up in Colombia; marijuana the same thing.

It seems to me what is missing, essentially, is any sort of strategic analysis or strategic planning. If you accept the fact that these drugs are going to be produced one way or another someplace in the world, and that therefore you need to manage that to minimize the harms associated with it, whether continuing with a prohibition policy or moving in the direction of regulation and decriminalization, that would be a strategic policy.

Note how Director Kerlikowske responded to your question about Colombia and the efficacy. He pointed to some of the reductions in violence in Colombia and some of the increases in security, nothing really about a reduction of the significant flow of drugs; same thing in the exchange over Afghanistan.

Mr. KUCINICH. Thank you.

Ms. Felbab-Brown.

Ms. FELBAB-BROWN. If the measure is reducing consumption, supply side policies are not effective. However, I do believe there is a very important role for supply side to manage the spillover effects such as fueling violence, fueling corruption of political processes, undermining of judicial systems, and devastating legal economies or perpetuating marginalized populations and conditions of poverty.

That is why I argue that both interdiction and eradication should be reconceptualized as drug operations, but rather be part of state-building measures that seek to strengthen the bonds between marginalized communities and states.

Mr. KUCINICH. Professor.

Mr. REUTER. The history of the last 20 years of the cocaine and heroin trade are indicative of how much mobility there is in both production and trafficking. If you stick with cocaine, Colombia was a minor producer until the mid-1990's. Peru was the largest one and Bolivia was No. 3. Pressures on Peru and Bolivia, different pressures, led to a shift to Colombia, in part spread by the fact that Colombia had become so unstable it was not a very inviting environment.

And you can see similar changes in the patterns of trafficking and production for heroin as well.

Much of what we do as deliberate policy has a perfectly predictable effect on changing the way trafficking occurs. So you push down against the trade in South Florida in the early 1980's and it moved to Mexico. Was that desirable? If you are Mexican, the answer is clearly no. If you are Floridian, it is yes.

We can do a lot of that kind of thing. It is very uncomfortable to make those decisions out in the public, but the evidence is really striking that it is just moving the trade.

Mr. KUCINICH. Ms. Felbab-Brown, I note that you have a book coming up.

Ms. FELBAB-BROWN. It is actually out already.

Mr. KUCINICH. Pardon?

Ms. FELBAB-BROWN. It is out.

Mr. KUCINICH. It is out. OK, here is a chance to plug it. Do you get into the U.S. presence in Afghanistan and the relationship between that and the so-called war on drugs?

Ms. FELBAB-BROWN. Very much so.

Mr. KUCINICH. And do you note that since the United States has been present occupying in Afghanistan, has drug production gone up or down?

Ms. FELBAB-BROWN. It has gone significantly up if one uses the 1-year that Taliban suppressed the poppy. However, if one uses the history of all of the 1990's, production has only slightly gone up compared to what production was in the 1990's. The Taliban suppressed for only 1 year and it was not sustainable.

Mr. KUCINICH. But how much has it gone up if you look at the measure of an increase? Let's say since the United States has been there for now a period of several years, how much has it gone up, like from baseline United States comes in to where we are now?

Ms. FELBAB-BROWN. Well, the baseline when the United States came in came just after when Taliban suppressed, at which time it was only a very few thousand hectares. Right now, the level of cultivation is around 130,000 hectares. So the increase has been significant, but that is a false baseline because it is not a sustainable baseline. If one looks at the 1990's, we are higher, but not very, very much higher than what it was in the 1990's.

Mr. KUCINICH. What is the major drug export out of Afghanistan?

Ms. FELBAB-BROWN. Sorry, what is the major export?

Mr. KUCINICH. Export, which kind of drug are you talking about?

Ms. FELBAB-BROWN. It is more and more heroin. It used to be opiates, more broadly frequently opium, but more and more it is conversion into heroin.

Mr. KUCINICH. And what form is it in? I mean, how is it shipped? What form is it moved in?

Ms. FELBAB-BROWN. It depends on what segments. Within much of Afghanistan, it is still moved as opium bricks, but it is increasing with distribution of refining and movement of laboratories, so there is more and more conversion on the farm and more and more is moved in the form of heroin. Once it leaves the borders, it is usually in the form of heroin.

Mr. KUCINICH. Well, I think the American people would find it difficult to believe that you could still have massive drug production going on in Afghanistan during a period of U.S. occupation. How do you describe that?

Ms. FELBAB-BROWNS. There are several reasons. The fact is that since the United States came into Afghanistan, structural drivers of opium poppy have not been addressed. As I mentioned before, the Taliban suppressed with the use of great military force, the repression against the population and production for 1 year. But even the Taliban could not maintain it, and before the suppression of the Taliban, production was rising.

Since then, there has been no addressing of security conditions that give rise to poppy cultivation or the structural economic drivers that drive poppy cultivation. It is only now that since the Obama administration has come to office, it has indicated it will focus on addressing these structural drivers, but we have to see

that will in fact take place. Now resolving the security situation, we will not be able to address even the economic drivers.

Let me also point out that Afghanistan is a very unique case since between one-third and one-half of the country's GDP depends on opium poppy or illicit drugs. We have not seen that anywhere in the history of the modern drug trade.

Mr. KUCINICH. Well, what was the amount that you say is exported now?

Ms. FELBAB-BROWN. The amount of heroin being exported?

Mr. KUCINICH. Yes.

Ms. FELBAB-BROWN. Well, I don't know the heroin numbers, but the opium numbers are about 6,000 metric tons of opium.

Mr. KUCINICH. Six thousand metric tons.

Ms. FELBAB-BROWN. Which is about twice as much as we believe is the global consumption, but these numbers are——

Mr. KUCINICH. What would that look like in terms of would that fill this room or more or what?

Ms. FELBAB-BROWN. I cannot really say. It would be a lot, probably.

Mr. KUCINICH. Hold on a minute. I will come to you in a minute.

How do they get this out? The United States controls the air. The United States has border presence. How do they get this out?

Ms. FELBAB-BROWN. Well, the United States does not control much of the territory. The borders are very long and very porous. You could ask a similar question of how does tremendous amount of drugs enter the United States.

Mr. KUCINICH. Who is moving these drugs out of Afghanistan? Is it al Qaeda?

Ms. FELBAB-BROWN. It is very diverse. It is crime organizations in Afghanistan.

Mr. KUCINICH. It is not the Taliban, though, right?

Ms. FELBAB-BROWN. Some of it is the Taliban, but far from all of it is the Taliban.

Mr. KUCINICH. So the Taliban is involved in the drug traffic as well?

Ms. FELBAB-BROWN. Very much so, very deeply, as it was in the 1990's.

Mr. KUCINICH. And so is Al Qaeda involved in the drug trafficking?

Ms. FELBAB-BROWN. There is a big controversy surrounding that. All the evidence indicates only very tangential links. And certainly in the early 1990's, Al Qaeda took a decision not to participate in the drug trade, even as the Taliban was deeply involved. It is not clear that decision still holds.

Mr. KUCINICH. Do you in your book do you cover the possibility of the government of Afghanistan and officials within the Afghan government being involved in the drug trade?

Ms. FELBAB-BROWN. Yes, there is very strong evidence that from the lowest levels to very high levels, officials of the Afghan government, officials of the Afghan National Police, especially, are deeply involved in aspects of the drug trade and drug cultivation, which is not surprising given that half of the country's GDP comes from drugs. Consequently, political arrangements are very much linked to the opium trade.

Mr. KUCINICH. So is Afghanistan fairly, then, described as a narco-state, given the fact that they are producing all these drugs and depend on it for——

Ms. FELBAB-BROWN. I don't like to use such labels. I don't think it is useful for policy. I don't think there are any definitions. But certainly, the intensity of the problem is far greater than we have seen anywhere in the world since World War II.

Mr. KUCINICH. What should the United States be doing in Afghanistan with respect to dealing with this tremendous outflow of drugs during the time that the United States has a presence there? What should we be doing?

Ms. FELBAB-BROWN. The No. 1 factor is to establish security. Without establishing security, no counter-narcotics policy, whether it is eradication or rural development, will be effective. Once security is established, or as security is being established, then the focus needs to be on building a state that is capacious and that is also accountable to its people.

Mr. KUCINICH. But if there is a state that depends on its income for this drug production, what hope is there that any kind of security would eradicate the drug——

Ms. FELBAB-BROWN. Security is the necessary requisite, but it is not sufficient. The other component then needs to be building state that can generate legal livelihoods, that can assist in generating legal livelihoods, and that can also generate access to justice and have effective law enforcement. This is inevitably a very long-term process. Given the scale of institutional underdevelopment in Afghanistan and the scale of the drug problem, there can be no hope that it can be accomplished——

Mr. KUCINICH. How many years has Afghanistan been a significant international player in the production of drugs, whether we are talking about opium or heroin?

Ms. FELBAB-BROWN. Since the mid-1990's, it is the No. 1 country in the world.

Mr. KUCINICH. OK.

Mr. Nadelmann, you had something you wanted to say?

Mr. NADELMANN. Yes. I just wanted to try to put this in some historical perspective, because while Afghanistan is in some respects unique, as Vanda mentioned, there have been hearings in the past that focused on Burma as producing 80 percent, or Turkey or Mexico or Colombia, what have you. And so it could well be the case that in 10 or 15 or 20 years, Afghanistan is a non-issue and it is now someplace in Africa or elsewhere in Central Asia or back elsewhere.

I think it is important to realize this. If the United States or anybody, or the mullahs, could suddenly wave a wand and, poof, no more opium or heroin coming out of Afghanistan, what would be the implications for the American drug problem, the global drug problem, for security? You know that so long as there is a demand, there will be a supply. You know that if Afghanistan was taken out, it would emerge back in the northwest frontier of Pakistan, back in Burma, back closer to U.S. borders.

Peter Reuter mentioned this as well. We don't know where, and it could well be that the disruptive implications in terms of U.S. economic and security interests and in terms of the economic and

human rights interests of others would be even worse, would be even more badly impaired.

So I think that the answer with Afghanistan is not to focus on reducing the supply of opium from Afghanistan. It is to focus, as Vanda suggested, on ensuring the stability of Afghanistan and looking at it from the perspective of Afghan security, NATO and U.S. interests.

We can talk all we want, of course, about economic development being the answer to reducing drug supplies, but America is one of the most economically developed countries in the world and that hasn't stopped us from being a major producer of marijuana and methamphetamine and a host of other illicit drugs as well.

Mr. KUCINICH. Why is there such a demand? What is your opinion or considered opinion on why there is such a high demand for drugs in this country, let's say?

Mr. NADELMANN. We are not that dramatically off from other countries. We have somewhat higher rates of use than, for example, European countries, but Pakistan and Iran have a higher per capita use of opium and heroin than does the United States. And some European countries use higher rates as well.

Let's face it, there has never been a drug-free society in human history, except maybe the Eskimos because they couldn't grow anything. But apart from them, there has never really been one. There is never going to be one. There is going to be consumption of alcohol, tobacco products, caffeinated beverages, you name it.

The real question in the long term is not how do we keep trying to build a moat between all these drugs and ourselves or our children. The real question is how do we come up with sensible ways of learning how to live with this reality so that we reduce the negative consequences of drug use and of our prohibitionist policies as much as possible.

Mr. KUCINICH. In your testimony, what you have said is that there has been a failure to adequately evaluate drug policies as to how they can meet the challenge of drug use.

Mr. NADELMANN. Yes. Harm reduction refers on the one hand to needle exchange programs. Harm reduction can be simply defined as those policies and interventions that seek to reduce the negative consequences of drug use by and among those people who are unable or unwilling to stop today.

But you can also define harm reduction in policy terms, as those that seek to reduce the negative consequences of drug use and the negative consequences of our drug policies. That is where I think the criteria need to go. That is where I would encourage this committee to push or mandate that ONDCP and the Obama administration move in that direction.

Mr. KUCINICH. I thought it was very interesting when Mr. Kerlikowske would not want to get into a description of harm reduction. I wonder what the AMA would say to that, since essentially the father of medicine's first rule is do no harm.

Mr. NADELMANN. Yes, that is exactly right. It is interesting. In the Commission on Narcotic Drugs and the international channels, the Europeans sort of hear Director Kerlikowske say this and they sort of roll their eyes. They think it is foolish. But it is not just the Europeans.

I was in Kuala Lumpur, Malaysia 2 years ago listening to a speech by the deputy drug czar of Malaysia. They have very harsh policies. And he said we have three components of our national drug control strategies: supply reduction, demand reduction, and harm reduction.

Now, if you could have people both in Europe, but also people in Asia who are saying this thing, I am baffled at why ONDCP is unable to use this language. Note, by the way, that the deputy drug czar, Tom McLellan, did begin to embrace the language of harm reduction some months ago, but appears to have been repudiated in the interim.

Mr. KUCINICH. Dr. Carnevale, why do you believe that the administration's rhetoric about moving to a public health model view of drug control has not been matched with changing funding priorities? For example, is it attributable to a lack of authority of ONDCP or a lag time in getting the right people in place? Do you believe with ONDCP's current structure and current political climate that they have the institutional and political wherewithal to change drug budget policies and priorities?

Mr. CARNEVALE. That is a very good question. Let me start by saying quite frankly when I saw the budget that did come out, I was really surprised that we did not see large increases in demand reduction and very large cuts and decreases in supply reduction. And I was hoping that would happen.

With regard to ONDCP's authorities, it does have the legal authorities to shape a budget, make recommendations independent of the OMB, directly to the President. And my sense is that in the new administration, when the Director came on board, there was a reshuffling of the deck chairs. And the loss of Cabinet status, to me, is one issue that I think is playing into this.

Second, I think the fiscal climate, from what I can hear from my friends at OMB, if I can call them friends given the disappointment I have with the budget, is that this simply was not a lot of money, but I kept saying that is no excuse for not cutting ineffective programs on the supply side.

I do think, though, ONDCP has the authorities. The issue is whether it uses them effectively. And I am at this point hopeful that at least the Director can do something more positive to shift resources.

Mr. KUCINICH. Then let me ask you, and I would like each of the panelists to respond to this question. Looking forward to the reauthorization of the ONDCP, what institutional changes do you believe should be made to ensure that it has the authority to truly affect policy formulation and spending? What would you recommend? Let's start with Mr. Carnevale and go down.

Mr. CARNEVALE. One of the concerns I have is the structure of the agency itself is now flawed. It was built and designed back in 1988. The Congress designed an agency to fight a cocaine problem, stopping drugs from coming into the United States. The Reagan administration budget then had a budget that was close to 80 percent focus on supply reduction because it viewed cocaine as the problem in America.

We have an Office of Demand Reduction, Supply Reduction, and there was an Office of State and Local Affairs that was designed

or intended to help spread that policy to State and local governments, so it would truly be a national drug control policy.

The current structure with the Office of Supply Reduction I think needs to be changed. It continues to dominate the scene in terms of what is going on with the drug budget inappropriately. And I think if we are moving more toward a public health model, we should consider that structure and design.

It doesn't make sense to me that we have five political Senate-confirmed appointees in an agency of about 100 people, one for each of these areas—demand, supply, State and local, and of course, the Director. I would reconsider that, and I would want supply reduction programs maybe to be viewed more of a program office, not headed up with such a high level official.

Mr. KUCINICH. Mr. Nadelmann.

Mr. NADELMANN. Yes, I would take one lesson for ONDCP from the United Nations Office of Drugs and Crime, the UNODC, which has not been notably successful in its work, but to the extent it has been, it is because it developed its own branch for harm reduction.

The most dynamic and successful aspect of UNODC has been that branch, and I would encourage ONDCP to create the position of a Deputy Director for Harm Reduction. It is not sufficient to simply rely on people, for example the two very talented former New York City Health Commissioners who now chair the CDC and FDA, Peggy Hamburg and Tom Frieden. There needs to be more of a dedicated presence within ONDCP.

I also think that, second, building in a capacity for independent evaluation, as well as some element to try to push forward on independent strategic thinking that has been notably absent, not just for ONDCP, but to my knowledge also within the State Department, within the defense community and within the intelligence community.

There needs to be an element within the U.S. Government, and it might appropriately be situated within ONDCP so long as it is to some extent politically independent, to encourage more strategic thinking about policy options.

Mr. KUCINICH. Thank you.

Ms. Felbab-Brown.

Ms. FELBAB-BROWN. If ONDCP is to remain in the role of being the national agency on counter-narcotics policy, it needs to not only have the standing comprehensive approach domestically but also internationally. Consequently, interagency working groups need to be mandated in the manner of the Director's choice, including Defense, State, Justice, etc., all the other agencies so that policy is set on the basis of what truly is in the U.S. national interest and would recognize the effects on communities and States abroad.

I would also stress Dr. Nadelmann's line that this committee, more broadly Congress should mandate that considering unintended consequences, secondary effects be part of regular policy process on which ONDCP and other agencies report.

Mr. REUTER. The premise of your question is that ONDCP should be reauthorized, and I would hope that you would examine that premise before moving ahead.

This is a problem which was acute in the late 1980's and is now not acute. It is a substantial, but routinized problem. If it is to be

continued, then I do think that the questions that the committee members posed today to Director Kerlikowske were very much about cost-effectiveness and in general assessing programs that are being carried out.

ONDCP is uniquely placed to do that. Dividing an office, as it is now, into supply reduction and demand reduction creates units that are rather defensive about their domains. There is an Office of the Chief Scientist, CTAC, which in principle could take on this evaluation responsibility and I would hope that you would strengthen its authorities and give it a clearer mandate to do just that.

Mr. KUCINICH. I want to thank each one of the witnesses for their presence before this subcommittee. There has been some very positive testimony and some suggestions that this subcommittee will act on, including exploring the necessity of an independent analysis of the drug policies.

As we move into the reauthorization, we certainly need to be able to determine the question of efficacy and effectiveness. You have raised some very important questions. This has been one of the best panels testifying on an issue that has some overarching importance in so many areas of the American economy and society.

So I appreciate your presence here. I would ask you to be responsive to any followup questions that Members may have in writing, and we will certainly keep all of you posted on the future hearings which we will have. This subcommittee does have legislative authority in this area and we are going to be taking very seriously our responsibility with respect to the reauthorization.

I am Dennis Kucinich, Chair of the Domestic Policy Subcommittee of the Committee on Government Oversight and Reform. Today's hearing has been "ONDCP's Fiscal Year 2011 National Drug Control Budget: Are We Still Funding the War on Drugs?"

We have had a distinguished panel, the first panel and the second panel. I want to thank all of the individuals here for participating, and the subcommittee will continue our work in this area.

Now, this hearing stands adjourned. Thank you.

[Whereupon, at 11:40 a.m., the subcommittee was adjourned.]

[The prepared statement of Hon. Diane E. Watson follows:]

Opening Statement

Congresswoman Diane E. Watson

"ONDCP's Fiscal Year 2011 National Drug Control Budget: Are We Still Funding a War on Drugs?"

Domestic Policy Subcommittee
Of the
Oversight and Government Reform Committee

Thursday, April 14, 2010
2154 Rayburn HOB
10:00 A.M.

Thank you Mr. Chairman for holding today's important hearing on the budget and objectives of the Office of National Drug Control Policy (O.N.D.C.P.). I look forward to hearing how the O.N.D.C.P. plans to develop a comprehensive and collaborative approach to drug control that addresses both the *supply* and *demand* sides of this public health issue.

As we analyze the nation's approach to reducing the availability and abuse of drugs it is important to emphasize both the individual and group costs of addiction. Domestically, the disease of addiction leads to devastating consequences for individuals, families, communities, and our judicial and health care systems; while on an international scale, as stated by Secretary of State Clinton while in Mexico, "our insatiable demand for illegal drugs fuels the drug trade." However, to see our national drug strategy simply as a "war on drugs" creates the impression that the federal government is an adversary rather than an ally for the thousands of Americans struggling to regain themselves from the depths of addiction. If we can prevent Americans from ever using drugs, and provide effective treatment for

those who use, we can reduce the demand, and thus the market for a supply.

Despite evidence that per dollar spent, demand-side initiatives such as treatment and prevention programs are more effective at reducing drug abuse than those focused on the supply-side; the previous Administration expanded the proportion of the budget dedicated to supply-side programs much more rapidly. Unfortunately, based on the limited information we have received thus far about this Administration's strategy it seems likely that this funding trend will continue.

While supply-side reduction efforts based on law enforcement, interdiction, and international counter-

drug support are necessary to a comprehensive national drug policy, the rate of drug availability and abuse among adults has remained largely unchanged since 2002, despite having the highest rate of incarceration in the world.

I would like to thank each of today's witnesses for providing us with their testimony so that we can ensure the United States has the best possible policy in place to prevent Americans from ever using illegal drugs, provide effective treatment for those who do, and dismantle the supply-chain of the drug trade.

Thank you Mr. Chairman and I yield back.

EDOLPHUS TOWNS, NEW YORK,
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Congress of the United State

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May 7, 2010

The Honorable Gil Kerlikowske
Director
Office of National Drug Control Policy
Executive Office of the President
Washington, D.C. 20503

Dear Director Kerlikowske:

In connection with the Domestic Policy Subcommittee of the Oversight and Government Reform Committee's hearing on April 14, 2010, ***"ONDCP's Fiscal Year 2011 National Drug Control Budget: Are We Still Funding the War on Drugs?"*** the Subcommittee submits the following questions for the hearing record:

1. When asked what parts of the ONDCP budget are most cost-effective in reducing illicit drug use, you stated that "it is the money that goes into prevention and treatment, because we know that is effective." You also acknowledged that international supply-side programs like crop eradication and interdiction were not effective in reducing the availability of drugs in the United States. Nonetheless, as you stated at the hearing, the drug budget is weighted "more heavily toward the supply interdiction and enforcement" strategies. Given your beliefs, why does supply reduction programming continue to receive so much budget emphasis?

2. Professor Peter Reuter stated at the hearing that despite annual expenditures of approximately $4 billion in FY 2010, no agency involved in interdiction has conducted a systematic analysis of the effectiveness of the program, or if they have, the results have not been published. What has ONDCP done to evaluate the utility of interdiction programs? Do you agree a study should be commissioned to undertake a cost-benefit analysis of interdiction efforts?

3. Given the fact that the drug budget is scattered across all federal agencies and many different appropriations committees, do you believe it is reasonable to expect that ONDCP can meaningfully break with failed, past funding priorities and shift funding to new, evidence-based priorities? How are you having an influence on the re-allocation of resources for drug control programs within and among federal drug control departments and agencies?

4. Do you agree that we need to increase funding for more programs that help reduce death and disease that result from drug abuse? Does the budget propose to fund any intervention programs that have demonstrated positive results in reducing drug overdose deaths?

5. Has any funding been requested in the 2011 budget for biomedical research and development to understand the effects of drugs on the brain so that we can more effectively treat drug addiction? Are there plans to invest in this type of R&D in the future?

6. The 2011 Budget maintains the much criticized practice of incorporating into the Budget Summary an appendix entitled "Other Related Drug Control Funding" to account for agencies that receive federal funds for drug control activities that do not have readily identifiable drug control line items in the administration's budgets. For Fiscal Year 2010, this appendix includes the activities of 26 agencies and totals about $6.8 billion. The appendix does not provide detailed information on the programs managed by these agencies, the resources dedicated to them, and expected performance—information that would help the Congress to understand the breadth of federal efforts to address the drug problems and provide additional tools in deliberations about key drug control program decisions. The 2006 Reauthorization Act made several statutory changes designed to mandate that ONDCP revert to a more inclusive budget. Do you acknowledge that the current budget format does not comply with the requirements in the 2006 Reauthorization Act? When will you bring the budget reporting into compliance with the 2006 Reauthorization Act so that all drug-related agencies and other key drug programs will be included into the accounting of federal drug control spending?

7. What role do you see ONDCP playing in advocating for criminal justice reforms for drug enforcement? Will ONDCP work to incorporate performance measures that seek to address these inequities?

8. Does the 2011 Budget support any research on pre-arrest diversion programs like the one piloted in High Point, North Carolina? How is ONDCP advancing these policies?

9. The 2011 Budget proposes that funding previously committed to drug courts shift to "drug, mental health and problem solving courts." Does ONDCP have any way of knowing how much of that $57 million allocated will be used for drug courts specifically?

10. The 2011 Budget proposes a $21.5 million increase for the National Youth Anti-Drug Media Campaign. A multiyear study could not demonstrate that the Campaign was effective in reducing drug consumption among youth. ONDCP has stated that it is in the process of revamping the Campaign in both its methodology and its focus. Please provide the Subcommittee with the social scientific basis to support the new approach.

11. The 2006 Reauthorization Act mandates an evaluation of the Media Campaign, directing a causation analysis "that enables consideration of whether the national media campaign has contributed to reduction of illicit drug use among youth and such other measures of evaluation as the Director determines are appropriate." ("Outcome Evaluation"). ONDCP issued the request for proposal for this Outcome Evaluation on January 30, 2009, and the Subcommittee expected the contract to be awarded by the fall 2009. What is the status of the RPF and by what date will the Outcome Evaluation be completed?

12. Please provide tabulated information showing source country and transit zone counternarcotics program spending (represented by the total international drug budget area) by agency and then, within each agency, by program activity (i.e. crop eradication, interdiction, aerial interdiction, marine programs, etc…) by year from 2000 to 2011(including the 2010 estimated and 2011 requested).

13. With regard to substance abuse treatment budget, the DAWN data surveillance system is being counted as drug treatment (80%) and prevention (20%). What is the breakdown for all federal data surveillance systems counted by ONDCP in the drug budget? Please provide a table showing this breakdown for surveys including, but not limited to NSDUH, ADAM, BJS jail and prison surveys, CDC surveys, etc., for the Strategy's five main functional areas.

Congressman Mark Souder submits the following additional question:

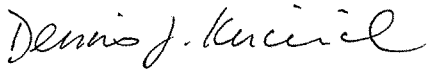
1. I am very familiar with the Drug Free Communities program from working with the Drug Free Noble County, Inc. Coalition in my District. I have been very impressed with their data driven multi-sector approach to dealing with our local drug and underage drinking issues, and know they have made a real difference in lowering youth drug and underage drinking rates. I am very concerned with the proposed cut to this program especially. Why was this particular program slated for a 10 percent cut in the FY 2011 budget request, and why was it not more of a priority for the Administration, given its popularity and effectiveness?

The Oversight and Government Reform Committee is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides information on how to respond to the Subcommittee's request.

We request that you provide these documents as soon as possible, but in no case later than **5:00 p.m. on Friday, May 28, 2010**.

If you have any questions regarding this request, please contact Claire Coleman, counsel, at (202) 226-5299.

Sincerely,



Dennis J. Kucinich
Chairman
Domestic Policy Subcommittee

cc: Jim Jordan
Ranking Minority Member

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Domestic Policy Subcommittee Document Request Instruction Sheet

In responding to the document request from the Domestic Policy Subcommittee, Committee on Oversight and Government Reform, please apply the instructions and definitions set forth below.

Instructions

1. In complying with the request, you should produce all responsive documents in your possession, custody, or control.

2. Documents responsive to the request should not be destroyed, modified, removed, transferred, or otherwise made inaccessible to the Subcommittee.

3. In the event that any entity, organization, or individual denoted in the request has been, or is currently, known by any other name than that herein denoted, the request should be read also to include them under that alternative identification.

4. Each document produced should be produced in a form that renders the document capable of being copied.

5. When you produce documents, you should identify the paragraph or clause in the Subcommittee's request to which the documents respond.

6. Documents produced in response to this request should be produced together with copies of file labels, dividers, or identifying markers with which they were associated when this request was issued. To the extent that documents were not stored with file labels, dividers, or identifying markers, they should be organized into separate folders by subject matter prior to production.

7. Each folder and box should be numbered, and a description of the contents of each folder and box, including the paragraph or clause of the request to which the documents are responsive, should be provided in an accompanying index.

8. It is not a proper basis to refuse to produce a document that any other person or entity also possesses a nonidentical or identical copy of the same document.

9. If any of the requested information is available in machine-readable or electronic form (such as on a computer server, hard drive, CD, DVD, memory stick, or computer backup tape), you should consult with Subcommittee staff to determine the appropriate format in which to produce the information.

10. The Committee accepts electronic documents in lieu of paper productions. Documents produced in electronic format should be organized, identified, and indexed electronically in a manner comparable to the organizational structure called for in (6) and (7) above. Electronic document productions should be prepared according to the following standards:

    (a) The production should consist of single page TIF files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.

    (b) Document numbers in the load file should match document Bates numbers and TIF file names.

    (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.

11. In the event that a responsive document is withheld on any basis, you should provide the following information concerning the document: (a) the reason the document is not being produced; (b) the type of document; (c) the general subject matter; (d) the date, author, and addressee; and (e) the relationship of the author and addressee to each other.

12. If any document responsive to this request was, but no longer is, in your possession, custody, or control, you should identify the document (stating its date, author, subject and recipients) and explain the circumstances by which the document ceased to be in your possession, custody, or control.

13. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you should produce all documents which would be responsive as if the date or other descriptive detail were correct.

14. This request is continuing in nature and applies to any newly discovered document. Any document not produced because it has not been located or discovered by the return date should be produced immediately upon location or discovery subsequent thereto.

15. All documents should be bates-stamped sequentially and produced sequentially. In the cover letter, you should include a total page count for the entire production, including both hard copy and electronic documents.

16. For paper productions, four sets of documents should be delivered: two sets to the majority staff and two sets to the minority staff. For electronic productions, one dataset to the majority staff and one dataset to minority staff are sufficient. Productions should be delivered to the majority staff in B-349B Rayburn House Office Building and the minority staff in B-350A Rayburn House Office Building. You should consult with Subcommittee staff regarding the method of delivery prior to sending any materials.

17. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Subcommittee or identified in a privilege log provided to the Subcommittee.

Definitions

1. The term "document" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, interoffice and intra-office communications, electronic mail (email), contracts, cables, notations of any type of conversation, telephone calls, meetings or other communications, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto). The term also means any graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, voice mails, microfiche, microfilm, videotape, recordings and motion pictures), electronic and mechanical records or representations of any kind (including, without limitation, tapes, cassettes, disks, computer server files, computer hard drive files, CDs, DVDs, memory sticks, and recordings), and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.

2. The term "documents in your possession, custody, or control" means (a) documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, or representatives acting on your behalf; (b) documents that you have a legal right to obtain, that you have a right to copy, or to which you have access; and (c) documents that you have placed in the temporary possession, custody, or control of any third party.

3. The term "communication" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether face-to-face, in a meeting, by telephone, mail, telexes, discussions, releases, personal delivery, or otherwise.

4. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of the request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.

5. The terms "person" or "persons" means natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures,

proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, and other units thereof.

6. The terms "referring" or "relating," with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject.

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

July 20, 2010

The Honorable Dennis J. Kucinich
Chairman
Committee on Oversight and Government Reform
Subcommittee on Domestic Policy
U.S. House of Representatives
B-349B Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

I have enclosed my responses to the Subcommittee's questions for the record pertaining to the April 14th hearing entitled, "*ONDCP's Fiscal Year 2011 National Drug Control Budget: Are We Still Funding the War on Drugs?*"

If you have any further questions, please do not hesitate to contact me directly at (202) 395-6700, or have your staff contact Rob Reed, Deputy Director of our Office of Legislative Affairs at (202) 395-6912.

Sincerely,

R. Gil Kerlikowske
Director

Enclosure: Responses to Questions for the Record

cc: The Honorable Jim Jordan, Ranking Member

Question 1: When asked what parts of the ONDCP budget are most cost-effective in reducing illicit drug use, you stated that "it is the money that goes into prevention and treatment, because we know that is effective." You also acknowledged that international supply-side programs like crop eradication and interdiction were not effective in reducing the availability of drugs in the United States. Nonetheless, as you stated at the hearing, the drug budget is weighted "more heavily toward the supply interdiction and enforcement" strategies. Given your beliefs, why does supply reduction programming continue to receive so much budget emphasis?

Answer: A balanced strategy of prevention, treatment, research, enforcement, interdiction, and source country control is necessary to reduce drug use and its related consequences. President Obama's Fiscal Year (FY) 2011 Budget request works toward all of these goals, and the Administration made progress in shifting funding to demand-side programs. The Administration believes both demand and supply interventions are required for a successful drug policy.

Because preventing drug use is a cost-effective drug policy strategy, the Obama Administration is calling for a 13.4 percent increase in prevention dollars. That is not to say that "supply" side controls are not also important. While they alone cannot eliminate drug use and its consequences, they play an important role in our drug budget and policy, because they have the potential to raise prices, lower drug purity, and, in turn, reduce drug use.

Question 2: Professor Peter Reuter stated at the hearing that despite annual expenditures of approximately $4 billion in FY 2010, no agency involved in interdiction has conducted a systematic analysis of the effectiveness of the program, or if they have, the results have not been published. What has ONDCP done to evaluate the utility of interdiction programs? Do you agree a study should be commissioned to undertake a cost-benefit analysis of interdiction efforts?

Answer: Drug interdiction efforts substantially raise the cost of illicit drugs due to the increased risks in transporting them from source countries to the United States. Without the pressure placed on prices by interdiction, cocaine and other illicit drugs would cost little more than legitimate over-the-counter drugs.

ONDCP is working to assess the effectiveness of drug control efforts, including interdiction. The following paragraphs describe how ONDCP and its interagency partners are working to assess the effectiveness of interdiction activities.

Our hemispheric partners and allies have long asked the United States to focus on reducing our demand for illicit drugs. To that end, the *2010 National Drug Control Strategy (NDCS)* places unprecedented emphasis on domestic prevention and treatment programs. The availability of drugs, such as cocaine, within the United States clearly threaten the health and safety of Americans and limit the effectiveness of domestic prevention and treatment programs. Over thirty years of research has shown drug consumption responds to changes in price (the higher the price, the lower the consumption), and so continued pressure to disrupt illicit drug shipments in the transit zone remains critical.

To achieve that purpose, ONDCP has developed an interdiction objective, set corresponding measures of effectiveness, and established tracking tools to optimize these interdiction efforts. To date, we have instituted two new efforts to evaluate the utility and cost-effectiveness of our interdiction programs. In November 2006 the United States Interdiction Coordinator (USIC) tasked The Interdiction Committee (TIC), a committee of agency heads who have international counterdrug authorities and responsibilities, to conduct a Western Hemisphere Performance Gap Analysis (PGA) of our interdiction efforts.

As a result, over 70 interagency subject-matter experts convened under the leadership of the TIC Executive Directorate and Micro-Systems Integration, Inc. (MSI), the company contracted to conduct the study. The study will provide a roadmap to improved interdiction results. The PGA is currently being vetted by TIC Principals and will be available for distribution late this summer.

The objective of the PGA is to provide guidance on the most cost-effective interdiction programs and assets in our arsenal. By virtue of the Performance Gap Analysis we will be able to evaluate the best return on investment for each interdiction dollar budgeted. The metrics of the PGA will enable an optimization of our interdiction activities.

Further, and in anticipation of the increased force capability that may be required to achieve the 40 percent removal (seizures and disruptions in the transit zone) rate goal found in the NDCS, TIC, USIC, and interagency staffs have further collaborated on development of a TIC "Dashboard," which is intended to identify and track the provision of those capabilities deemed to have the greatest impacts on interdiction removal rates.

Question 3: Given the fact that the drug budget is scattered across all federal agencies and many different appropriations committees, do you believe it is reasonable to expect that ONDCP can meaningfully break with failed, past funding priorities and shift funding to new, evidence-based priorities? How are you having an influence on the re-allocation of resources for drug control programs within and among federal drug control departments and agencies?

Answer: In April 2009, ONDCP convened an extensive Interagency Working Group bringing together the 34 Federal agencies involved in drug control policies. This work group not only helped to develop the 2010 *National Drug Control Strategy*, it will also play an integral part in implementing the Strategy. This unprecedented cooperation will be important in reaching the goal of putting our efforts behind meaningful, evidence-based priorities. In addition, ONDCP will continue to work with the Administration during the budget process to reallocate funding as necessary to support the President's *National Drug Control Strategy*. It should be noted that this Administration has made progress in shifting funding to demand-side programs.

The Administration requested $410 million in FY 2011 for a new Successful, Safe, and Healthy Students program to be administered by the U.S. Department of Education. The program is included in the Administration's Elementary and Secondary Education Act reauthorization proposal and constitutes a consolidation of several existing, narrowly targeted, programs. The new program would provide the flexibility for schools to design meaningful interventions tailored to their local needs without the constraints built into the existing bundle of narrowly focused programs.

Further, the FY 2011 Budget request includes several evidence-based, science-led programs, such as the new Prevention Prepared Communities (a new grant program designed by an interagency group around research-supported and evidence-based practices) and the Screening, Brief Interventions and Referral to Treatment program (SBIRT), administered by the Substance Abuse and Mental Health Services Administration (SAMHSA) since 2003 in 44 primary care health sites, where a screening is conducted through personal interviews or self-reporting. SBIRT utilizes screening tools administered in electronic, verbal, or written format, and helps the physician easily determine the appropriate level of follow-up care needed for the client, enabling them to offer immediate feedback to their patients. SBIRT has been implemented in medical settings across the country, and has demonstrated significant outcomes. As of April 1, 2010, 1,055,129 patients have been served by the program: 15.82 percent have received Brief Interventions, 2.68 percent have received brief treatment, and 3.25 percent have received referrals to specialized drug treatment programs. Six months after patients received interventions, they reported significant declines in the use of alcohol and a range of illicit drugs. Additionally, drug courts take a comprehensive and coordinated approach to engaging drug offenders in the criminal justice system in necessary treatment and other support services, while the Drug Free Communities grant program awards funding to community coalitions to assist in development and implementation of youth drug use prevention efforts.

Question 4: Do you agree that we need to increase funding for more programs that help reduce death and disease that result from drug abuse? Does the budget propose to fund any intervention programs that have demonstrated positive results in reducing drug overdose deaths?

Answer: One of the goals of the *2010 National Drug Control Strategy* is to improve the public health and public safety of the American people by reducing the consequences of drug abuse; the goal identified in the Strategy is to reduce both drug-induced deaths and drug-related morbidity by 15 percent by 2015.

To help meet this goal, the FY 2011 Budget request includes funding for a number of intervention programs. Most notably, the request includes nearly $450 million in Federal support for Screening, Brief Intervention and Referral to Treatment (SBIRT) services which are described in greater detail in the response above.

Question 5: Has any funding been requested in the 2011 budget for biomedical research and development to understand the effects of drugs on the brain so that we can more effectively treat drug addiction? Are there plans to invest in this type of R&D in the future?

Answer: The FY 2011 Budget request includes nearly $1.1 billion in funding for research by the National Institute on Drug Abuse (NIDA). This research has revolutionized our understanding of addiction as a chronic, relapsing brain disease - knowledge that is helping to correctly situate addiction as a serious public health issue and frame how we ultimately treat this disease. By supporting research that reveals how drugs affect the brain and behavior, and how multiple factors influence drug abuse and its consequences, including HIV, NIDA is advancing effective strategies to prevent drug abuse and to treat those who are addicted.

Question 6: The 2011 Budget maintains the much criticized practice of incorporating into the Budget Summary an appendix entitled "Other Related Drug Control Funding" to account for agencies that receive federal funds for drug control activities that do not have readily identifiable drug control line items in the administration's budgets. For Fiscal Year 2010, this appendix includes the activities of 26 agencies and totals about $6.8 billion. The appendix does not provide detailed information on the programs managed by these agencies, the resources dedicated to them, and expected performance—information that would help the Congress to understand the breadth of federal efforts to address the drug problems and provide additional tools in deliberations about key drug control program decisions. The 2006 Reauthorization Act made several statutory changes designed to mandate that ONDCP revert to a more inclusive budget. Do you acknowledge that the current budget format does not comply with the requirements in the 2006 Reauthorization Act? When will you bring the budget reporting into compliance with the 2006 Reauthorization Act so that all drug-related agencies and other key drug programs will be included into the accounting of federal drug control spending?

Answer: As referenced in testimony provided to the Committee on April 14, 2010, ONDCP is working to establish an accurate and reliable accounting of Federal resources that are being spent on the drug control mission. To that end, ONDCP is conducting a thorough review of the Federal Budget, focusing on the agencies and programs that should constitute the National Drug Control Budget. In addition, since ONDCP's Reauthorization Act requires that ONDCP develop a goal concerning the effects of drug use consequences, and because the *2010 National Drug Control Strategy* contains a goal pertaining to such consequences, ONDCP's budget structure review is taking this into account to ensure these resources are correctly identified. All agencies assess the performance of their programs through a range of approaches, which include internal management data, Government Performance and Results Act data, and other assessments such as evaluations. Such information can be used by ONDCP to appraise drug control efforts.

Question 7: What role do you see ONDCP playing in advocating for criminal justice reforms for drug enforcement? Will ONDCP work to incorporate performance measures that seek to address these inequities?

Answer: Chapter Four of the *2010 National Drug Control Strategy* is titled, "Break the Cycle of Drug Use, Crime, Incarceration, and Delinquency." This chapter directs national drug control program agencies to adopt innovations in criminal justice, including diversion, re-entry, and probation/parole reform. For example, the NDCS supports the Drug Market Intervention (DMI) program. The DMI program is a local program that addresses open-air drug markets, directly engages drug dealers and their families, and creates clear and predictable sanctions, while also offering a range of community services and assistance.

The DMI program is funded through grants in the Department of Justice. In 2006, the National Institute of Justice funded the University of North Carolina at Greensboro to evaluate the intervention in High Point, North Carolina, and the preliminary results are promising.
In FY 2008, the Bureau of Justice Assistance implemented the Drug Market Intervention Initiative (DMI), a nine-month training and technical assistance initiative for committed

jurisdictions to implement the "High Point" model of drug crime reduction, now called the Drug Market Intervention (DMI) strategy. The High Point model is based on the program designed and successfully implemented in High Point, North Carolina. With the support and assistance of national partners American University (AU), Michigan State University (MSU), Institute for Law and Justice and David Kennedy of John Jay College of Criminal Justice, the Bureau of Justice Assistance sponsored a continuum of three trainings which was piloted in FY 2008 for teams consisting of a prosecutor, law enforcement officer, community leader, and social service providers in multiple jurisdictions. In FY 2009, BJA sponsored a second round of training and technical assistance to additional jurisdictions.

Generally, the trainings are held in cities that have successfully implemented the strategy so that students can interface with experienced local criminal justice professionals, social service providers, and community leaders.

Recently, the National Institute of Justice released a solicitation to evaluate the Bureau of Justice Assistance approach to training other communities on implementing the "High Point" model.

Additionally, ONDCP supports testing and sanctions programs – now being rapidly expanded nationwide – modeled after Hawaii's Opportunity for Probation Enforcement (HOPE) program. The HOPE program utilizes regular drug tests and swift, modest punishment for drug use among the probation population. Further, drug courts – now celebrating their 21st anniversary – combine criminal justice sanctions and community-based treatment effectively, and should be expanded in scope and size. Pre- and post-booking diversion programs can address the co-occurring disorders of addiction and mental illness in the context of a community health setting, for example, and expanded treatment in jail and pre-release strategies for those behind bars can cut drug use and its consequences dramatically.

The Administration is also actively working with Congress to promote equity in sentencing for cocaine-related crimes.

Criminal justice innovations can be a more effective use of limited resources. When done smartly, the criminal justice system can be an effective partner to deter drug use and dealing, reduce drug availability, steer users into getting the help they need, and make our neighborhoods safer.

ONDCP currently assesses the contributions of drug control agencies addressing criminal justice reform by drawing on a range of data sources, including agency data systems, studies, surveys, and evaluations. As these efforts to improve the criminal justice system are expanded, ONDCP will continue to engage with these agencies to assist in understanding and appraising their contributions to the *National Drug Control Strategy.*

Question 8: Does the 2011 Budget support any research on pre-arrest diversion programs like the one piloted in High Point, North Carolina? How is ONDCP advancing these policies?

Answer: As stated in the response to Question 7, ONDCP highlights the Drug Market Intervention strategy (also known as the High Point Initiative) in the Administration's *National*

Drug Control Strategy. The Administration is working with other agencies to evaluate the Drug Market Intervention Strategy and encourages local communities to test this promising strategy.

In 2006, the National Institute of Justice funded the University of North Carolina at Greensboro to evaluate the intervention in High Point, North Carolina. Preliminary results from the study are promising. The researchers have found that in the 4 years since the intervention was implemented in one High Point neighborhood, violent crime has declined an average of 39 percent and drug crime has declined 30 percent. So far, results seem to be sustainable without displacing the criminal activity to other neighborhoods. The final results from the evaluation are expected soon.

In FY 2008, the Bureau of Justice Assistance (BJA) implemented the Drug Market Intervention Initiative (DMI), a nine-month training and technical assistance initiative for committed jurisdictions to implement the Drug Market Intervention (DMI) strategy. The High Point model is based on a program designed and successfully implemented in High Point, North Carolina to eliminate open-air drug markets and associated crime and violence. In FY 2009, BJA sponsored a second round of training and technical assistance. Generally, the trainings were held in cities that have successfully implemented the strategy, which enables students to interact with experienced local criminal justice professionals, social service providers, and community leaders.

The National Institute of Justice (NIJ) recently released a solicitation to evaluate the Bureau of Justice Assistance approach to training other communities on implementing the "High Point" model. In particular, solicitations were due May 28, 2010 for the multi-year, multi-site evaluation of the BJA Drug Market Intervention (DMI) Training and Technical Assistance Initiative. BJA will be supporting training and technical assistance at 12 sites within the United States. NIJ expects to fund a multi-year, multi-site comprehensive evaluation including process, outcome, and impact assessments across three phases (pre-program, implementation and outcomes, and post-program) of intervention.

Question 9: The 2011 Budget proposes that funding previously committed to drug courts shift to "drug, mental health and problem solving courts." Does ONDCP have any way of knowing how much of that $57 million allocated will be used for drug courts specifically?

Answer: The consolidated program allows the greatest flexibility to state, local, and tribal criminal justice agencies in working with mental health, substance abuse, housing, and related systems to address local needs. We will work with the Department of Justice to capture more specific allocations. It is important to note, however, that drug court participants often have co-occurring disorders and this flexibility will allow communities to determine what works best for them.

Question 10: The 2011 Budget proposes a $21.5 million increase for the National Youth Anti-Drug Media Campaign. A multiyear study could not demonstrate that the Campaign was effective in reducing drug consumption among youth. ONDCP has stated that it is in the process of revamping the Campaign in both its methodology and its focus. Please provide the Subcommittee with the social scientific basis to support the new approach.

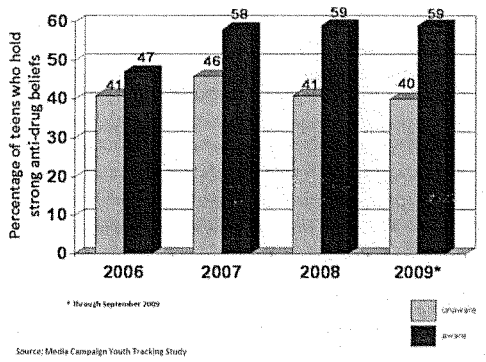
Answer: First, it should be noted that the evaluation cited in the question was based upon data that are now more than six years old. Since those data were collected, there have been improvements to the National Youth Anti-drug Media Campaign (Campaign). Primarily, the most significant improvements involve message refinement, improved message testing before ads are aired, better monthly tracking surveys, and, perhaps most notably, a new youth brand - "Above the Influence" (ATI). More recent Campaign research through an in-market tracking study conducted by a third party vendor, which involves surveying 100 teens per week nearly year round, indicates that exposure to Campaign advertising is successfully resonating with youth and resulting in changes in beliefs and intentions. While these results are not proof of the effectiveness of the Campaign, they are consistent with the social scientific theory that drives behavior change. Although the FY 2011 Budget request of $66.5 million represents an increase over FY 2010 enacted, it is similar to the FY 2010 requested level and restores funding to near the FY 2009 enacted level of $70 million.

The Campaign is grounded in well-established behavior change theory, specifically the Theory of Planned Behavior, which states that behavior is determined by the beliefs and intentions related to that behavior. More than 1,000 articles in the peer-reviewed scientific literature have reported on the effectiveness of this theory, as widely applied to health and social behaviors. The Campaign applies the principles of the theory to decrease youth drug use behaviors, through increasing awareness, strengthening anti-drug beliefs, increasing intentions not to use drugs, and, over time, reducing actual drug use. This theory has successfully been used to address other public health issues, including tobacco control, diabetes, and heart disease.

In FY 2009, Campaign research indicated an average of 76 percent of the Campaign's target audience, youths between the ages of 12-17, were aware of ATI advertising. This figure is similar to that of other teen targeted national brands such as Coca Cola, Burger King, and Nike. In addition, an average of 82 percent of teens recognized the ATI brand logo, which is significantly higher than other national social marketing campaigns, including the American Legacy Foundation's (an anti-tobacco group funded through the Master Settlement Agreement with the tobacco industry) teen-targeted Truth Campaign, which had an awareness of 63 percent. Of most significance, there was a positive association between increased awareness levels of Campaign advertising and an increase among anti-drug beliefs in the teen target. Specifically, teens who are aware of the Campaign hold stronger anti-drug beliefs than teens who are unaware of the Campaign.

ANTI-DRUG BELIEFS ARE STRONGER WITH AD EXPOSURE

– Youth who are *aware* of the *Above the Influence* advertising are consistently more likely to have stronger anti-drug beliefs compared to those *unaware* of the Campaign's advertising.



ONDCP's new vision shifts the focus of the Campaign in several key ways. First, the Campaign will strike a more effective balance between a broad, nationally focused prevention message and more targeted efforts focusing on populations or communities at risk. This approach is consistent with the *2010 National Drug Control Strategy*, which emphasizes community prevention. A two-tiered approach allows the Campaign to continue to reach all teens across the country with a highly visible national media presence, while focusing additional on-the-ground activities on those populations or communities where teens are most at-risk.

The Campaign will engage an expanded array of public and private sector partners who will contribute their expertise and community relationships to the crafting and delivery of Campaign messages across expanded digital and traditional media, as well as initiatives at the grassroots level. Campaign messaging will include, more specifically, the substances that most threaten teens in terms of both prevalence and severity, including alcohol and prescription drugs, as well as illicit drugs.

On-the-ground community outreach will create additional connections to reach teens as well as adults who have an influence in the lives of young people. As such, Campaign resources will also be used to develop and implement a public communications and advertising effort targeting adult influencers of teens, including parents, to help reinforce the localized efforts.

Question 11: The 2006 Reauthorization Act mandates an evaluation of the Media Campaign, directing a causation analysis "that enables consideration of whether the national media campaign has contributed to reduction of illicit drug use among youth and such other measures of evaluation as the Director determines are appropriate." ("Outcome Evaluation"). ONDCP issued the request for proposal for this Outcome Evaluation on January 30, 2009, and the Subcommittee expected the contract to be awarded by the fall 2009. What is the status of the RPF and by what date will the Outcome Evaluation be completed?

Answer: The Contracting Office working with ONDCP on this project awarded the contract for the evaluation of the Campaign on July 8, 2010. The contract is one year with four option years. The report of the final results of the evaluation is due June 2015. There will be interim reports of preliminary results delivered annually.

Question 12: Please provide tabulated information showing source country and transit zone counternarcotics program spending (represented by the total international drug budget area) by agency and then, within each agency, by program activity (i.e. crop eradication, interdiction, aerial interdiction, marine programs, etc...) by year from 2000 to 2011(including the 2010 estimated and 2011 requested).

Answer: Because of the varying types of lower level detail (some Departments budget by country, some only by program, etc.), ONDCP collects and displays funding at the lowest possible common denominator – at the appropriation account, decision unit and drug control function-level.

The charts below provide, for FY 2000 through the FY 2011 request, a by-Department breakout of funding classified as "International" and "Interdiction". International activities are those primarily focused on or conducted in areas outside of the United States, including:

- a wide range of drug control programs to eradicate crops
- seize drugs (except air and riverine interdiction seizures);
- arrest and prosecute major traffickers;
- destroy processing capabilities;
- develop and promote alternative crops to replace drug crops;
- reduce the demand for drugs;
- investigate money laundering and financial crime activities; and
- promote the involvement of other nations in efforts to control the supply of and demand for drugs.

Distinct from "International" is "Interdiction". Interdiction includes activities designed to interrupt the trafficking of illicit drugs into the United States by targeting transportation links. Specifically, interdiction encompasses intercepting and ultimately disrupting shipments of illegal drugs, their precursors, and the fruits of drug distribution.

ONDCP is working with the inter-agency to provide by-country estimates of International and Interdiction funding, and will provide this data once available.

International

Agency	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Department of Defense	62.3	103.3	-	-	-	-	-	415.8	474.7	542.8	824.4	855.3
Department of Homeland Security (ICE/OCNE)	-	-	-	-	-	-	-	-	5.1	5.0	4.7	4.7
Department of Justice (DEA)	263.7	250.8	238.1	252.2	243.7	254.1	298.0	363.8	384.7	408.4	409.2	435.3
Department of State	1,292.3	278.8	843.2	849.5	911.9	1,135.6	1,133.0	1,266.9	955.8	1,120.6	1,043.9	1,007.6
Office of National Drug Control Policy	0.8	3.1	3.2	3.5	3.7	3.6	3.5	3.5	4.3	5.4	5.9	5.2
Total, International	1,619.2	636.0	1,084.5	1,105.1	1,159.3	1,393.3	1,434.5	2,050.2	1,824.6	2,082.2	2,288.0	2,308.1

Note: Department of Defense funding for interdiction and international efforts was combined from FY 2002 through FY 2006 as interdiction funding; a separate breakout of international funding is currently not available.

Interdiction

Agency	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Department of Defense	562.4	431.5	385.4	433.2	499.9	666.5	585.3	324.1	383.4	470.9	388.4	393.0
Department of Homeland Security												
Immigration and Customs Enforcement	158.3	172.0	179.5	199.4	199.1	-	-	-	-	-	-	-
Coast Guard	757.0	740.9	606.9	646.1	770.3	870.5	1,224.5	1,080.2	987.7	1,094.8	1,157.9	1,205.4
Customs and Border Protection	401.7	505.4	684.4	814.4	997.7	1,332.0	1,422.7	1,712.6	1,329.3	1,866.2	1,871.1	1,851.5
Office of Counternarcotics Enforcement	-	-	-	-	-	0.8	1.3	2.0	2.1	3.0	2.9	3.1
Department of State	-	18.7	28.8	24.9	37.6	29.5	23.9	27.8	169.9	448.4	191.9	249.5
Office of National Drug Control Policy (HIDTA)	24.9	26.9	28.8	29.5	29.6	29.5	29.2	29.2	29.0	27.0	27.9	24.5
Total, Interdiction Funding	1,904.4	1,895.3	1,913.7	2,147.5	2,534.1	2,928.7	3,287.0	3,175.9	2,901.4	3,910.2	3,640.1	3,727.0

Question 13: With regard to substance abuse treatment budget, the DAWN data surveillance system is being counted as drug treatment (80%) and prevention (20%). What is the breakdown for all federal data surveillance systems counted by ONDCP in the drug budget? Please provide a table showing this breakdown for surveys including, but not limited to NSDUH, ADAM, BJS jail and prison surveys, CDC surveys, etc., for the Strategy's five main functional areas.

Answer: The table below reflects the functional breakdown of data systems that are a part of the federal drug control budget. The ADAM program is scored as a prevention program because it is a drug prevalence survey that is conducted on a special population (i.e., male booked arrestees).

SAMHSA's data programs that are funded by the Substance Abuse Prevention and Treatment block grant are split 20% prevention, 80% treatment, in accordance with the allocation established by Section 1922 of the Public Health Services Act. SAMHSA follows the same allocation when providing resources from Program Management consistent with ONDCP guidance; however, this is not a statutory requirement.

Agency	Prevention %	Treatment %
SAMHSA		
Drug Abuse Warning Network (DAWN)	20%	80%
National Survey on Drug Use and Health (NSDUH)	20%	80%
National Analytic Center	20%	80%

Drug and Alcohol Services Information System (DASIS)	20%	80%
Community Early Warning and Monitoring System (C-EMS)	20%	80%
Services Accountability Improvement System (SAIS)	0%	100%
Data Coordination and Consolidation Center (DCCC)	100%	0%
Data Information Technology Infrastructure Contract (DITIC)	100%	0%
HHS/NIDA		
Monitoring the Future (MTF)	100%	0%
Justice		
Arrestee Drug Abuse Monitoring Program (ADAM)	100%	0%

Note: CDC's surveys Youth Risk Behavior Surveillance System (YRBSS), the School Health Profiles, the School Health Policies and Programs Study (SHPPS) and National Center for Health Statistics (NCHS), as well as the BJS jail and prison surveys are not currently a part of the National Drug Control Budget.

Congressman Mark Souder submits the following additional question:

Question 1: I am very familiar with the Drug Free Communities program from working with the Drug Free Noble County, Inc. Coalition in my District. I have been very impressed with their data driven multi-sector approach to dealing with our local drug and underage drinking issues, and know they have made a real difference in lowering youth drug and underage drinking rates. I am very concerned with the proposed cut to this program especially. Why was this particular program slated for a 10 percent cut in the FY 2011 budget request, and why was it not more of a priority for the Administration, given its popularity and effectiveness?

Answer: The FY 2011 Budget request for most of ONDCP's accounts, including the Drug Free Communities (DFC) program, reflected a five percent reduction against the FY 2010 Budget request. The current economic situation in our Nation requires difficult decisions that force adjustments in program funding levels, even popular and successful ones like the DFC program. However, the FY 2011 Budget Request will still bolster community infrastructure to support environmental prevention strategies to be planned, implemented, and evaluated in local communities across the United States, the Territories and Protectorates. Additionally, while the budget request will curtail the number of new competing awards issued in FY 2011, it will not impact funding to grantees currently in their five-year funding cycle.

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