

AFGHANISTAN DRUGS AND TERRORISM AND U.S. SECURITY POLICY

HEARING BEFORE THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS

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AFGHANISTAN DRUGS AND TERRORISM AND U.S. SECURITY POLICY

THURSDAY, FEBRUARY 12, 2004

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Committee met, pursuant to call, at 10:10 a.m. in Room 2172, Rayburn House Office Building, Hon. Henry Hyde (Chairman of the Committee) presiding.

Chairman HYDE. The Committee will come to order. Today's hearing continues this Committee's oversight of the U.S. global war on terrorism, including efforts by the U.S. Government to eliminate financial support for terrorism. We have learned much.

In testimony before this Committee last July, Ron Noble, the Secretary General of Interpol, warned publicly that al-Qaeda and other terrorist groups operating in Kosovo, Syria, Lebanon, Chechnya and northern Europe were materially benefitting from the sale of counterfeit goods such as music, popular videos, jewelry, designer clothes, similar to those items sold openly on the streets of every major city in the world.

The theft of intellectual property and its link to international terrorism will receive further attention from the Committee this year. But today we turn our attention to a phenomenon that both derives benefits from and provides benefits to terrorists, the illicit drug trade in Afghanistan.

This hearing will examine, among other things, how opium production in Afghanistan not only undermines Afghan reconstruction but also fuels Islamist terror groups, including the Taliban, HIG, and according to recent reports, al-Qaeda itself.

President Karzai has warned of the links between Afghan heroin and terrorism, and has publicly stated that Afghan drug money is feeding terrorism. In testimony before this Committee in April 2002, the Administrator of The Drug Enforcement Administration, spoke of the presence of narco-terrorism in Afghanistan, which senior Afghan government officials have echoed. The Administrator also noted that DEA had received multi-source information that bin Laden has suspected involvement in the financing and facilitation of heroin trafficking activities.

According to the United Nations Office of Drugs and Crime, opium production accounts for over 50 percent of Afghanistan's gross domestic product, generating an estimated \$2 billion annually in economic activity.

The Afghan government believes that 30 percent of families are involved in some form of opium cultivation and production. This

production and associated crime and terror undermines security and poses a grave potential for massive drug-related corruption at all levels in the fledgling government in Kabul.

With national elections looming, and a small national police force and army still in training, an expanding drug economy threatens to defeat the stability of Afghanistan and the region for which we and our allies have sacrificed so much.

The numbers are staggering. An estimated 70 percent of the world's opium production originates in Afghanistan, with an annual production of 3,600 tons. This generates 360 tons of morphine and heroin, and vast amounts of illicit monies ripe for the taking by al-Qaeda, the Taliban and their terrorist allies.

For instance, recently reported seizures of several vessels carrying Afghan drugs in the Persian Gulf had an estimated street value of \$11 million. Earlier seizures of Afghan drugs in Turkey worth hundreds of millions of dollars may also have been linked to al-Qaeda and the Taliban.

We do not know how much al-Qaeda can clear from facilitating or sponsoring any given drug transaction, but certainly the possibility of immense illegal profit exists with these significant strategic consequences. Al-Qaeda is nothing if not flexible as it raises funds, and as I hardly need add, respects no law, including Islamic law.

It should be evident to everyone that we and our allies neglect the Afghan problem at our peril. We clearly have a possible narco-terrorist state in the making in Afghanistan. We should be aware of all that means for our short and long-term strategic and security interests.

On October 30th, I wrote Secretary of Defense Donald Rumsfeld to express my growing concern about Afghanistan and the impact of illicit drugs on the fight against global terrorism. I am particularly grateful to have DoD representatives here today to provide testimony on this difficult and challenging problem.

Let me make clear that I do not want our military forces already tasked with the vital counter-terrorism and stability operations to become Afghanistan's anti-narcotics police. Responsibility for law enforcement eventually will fall to the Afghan police, army, and judicial authorities we are helping to build, along with the valuable assistance from the DEA headed by its able Administrator.

We need to first set priorities in the struggle against illicit drugs. Crop substitution programs and aggressive poppy eradication programs must be a part of a long-term strategy to curb the flow of Afghan opium onto the world market. But with so many livelihoods in Afghanistan dependent upon opium cultivation, and given the strength of regional warlords relative to the central government, an aggressive crop eradication program like the one underway in Colombia is likely to yield mixed results at best in the short term. Not until the central government is able to extend effective political control to more of the country will a crop substitution program be effective.

Nevertheless, we must ask if there is a way to more effectively fight the flow of opium in the near term. Permit me to suggest I believe we can. Now is the time for the Department of Defense to treat these labs and opium dumps as legitimate military targets,

and to utilize DEA's narcotics-related intelligence to locate other such targets. Because of the brazen openness of the opium trade in Afghanistan, the locations of some of the numerous and massive opium processing labs and depots are well known to Afghans and coalition forces alike.

It is my hope that until there is a viable Afghan national police and military in place coalition forces will find the will to destroy these drug-related targets of opportunity.

When the Taliban ruled Afghanistan, decrees against opium were issued, creating the impression that the Taliban was serious in the war on drugs. However, in fact, Taliban was merely regulating the drug trade in order to increase their share of the profits. Moreover, al-Qaeda members often provided security for the drug trade.

Both then and now people have found it easy to move between terrorism and drug trafficking. Only by addressing the Afghan drug challenge can we make Afghanistan more secure. In a synergistic fashion, we will learn more about the Taliban, HIG and al-Qaeda so that we may bring the fight to them and thus help reduce Afghanistan's transformation into a narco-state.

The DEA needs to develop an Afghan drug kingpin strategy, setting its sights on approximately 20 of the biggest drug dealers who threaten the emerging Afghani economy and democracy. It is my hope that at today's hearing we will learn that the United States Government is developing a comprehensive strategy to combat Afghan drugs as part of its larger Afghanistan strategy.

It is also my hope that the Administration will explain why individual farmers fall prey to the exploitative terms of the opium traders, and in particular, how the United States intends to address the economic factors and the security void that have enveloped much of rural Afghanistan.

Meanwhile, however, the DEA's operation containment now underway to stem the flow of drugs from Afghanistan urgently needs support. In Turkey, Pakistan and Central Asia, the DEA has developed long-term allies. We compliment the DEA and DoD on the recent massive morphine and heroin seizures in Turkey, and in the Persian Gulf, but we want to ensure that the Afghan anti-drug monies which Congress has provided are not used in isolation, but instead will be used to support the broader regional containment strategy.

On numerous occasions in recent years this Committee has expressed concern about the State Department's narrow view on linkages between drugs and terrorism. That we have an opium crisis in Afghanistan should not come as a surprise. It has been 28 months since the start of the campaign in Afghanistan, and valuable time has been lost. A comprehensive and unified strategy addressing the connection between drug trafficking, security and terrorist is overdue. To start with, the State Department can play an indispensable role in the success or failure of the DEA's expanded operation containment strategy for Afghanistan. I urge greater support on the ground from our United States diplomats in these countries for the terrorist reward program, and stepped-up communications with Afghanistan and regional governments about the broader threats posed by drug-related corruption and terrorism.

I am reminded of the long and debilitating internal debate on an appropriate United States response for Colombia. For years we in Washington struggled over the questions of whether or not the FARC, ELN and the AUC were trafficking in narcotics to support their terrorist activities. When we removed our blinders, we learned they were, and they still are.

For too long we focused United States resources separately on Colombia's drug trade and ignored the political insurgency. In Afghanistan, we may make the same mistake, fighting pieces of the problem rather than the whole problem. In President Karzai's words, "We are dealing with narco-terrorism in Afghanistan," just as we faced it in Colombia.

Working with the central government, the coalition needs to put forth a unified economic, political and security strategy for Afghanistan. I hope this hearing will help foster a consensus on such a strategy.

Let me now turn to my friend and colleague, Mr. Engel for any opening statement he may wish to make.

[The prepared statement of Mr. Hyde follows:]

PREPARED STATEMENT OF THE HONORABLE HENRY J. HYDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, AND CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

Today's hearing continues this Committee's oversight of the U.S. Global War on Terrorism, including efforts by the U.S. Government to eliminate financial support for terrorism.

We have learned much.

In testimony before this Committee last July, Ron Noble, the Secretary-General of INTERPOL, warned publicly that Al-Qaida and other terrorist groups operating in Kosova, Syria, Lebanon, Chechnya and Northern Europe were materially benefiting from the sale of counterfeit goods such as music, popular videos, jewelry and designer clothes, similar to those items sold openly on the streets of every major city in the world, including American cities. The theft of intellectual property and its links to international terrorism will receive further attention from the Committee this year, but today we turn our attention to a phenomenon that both derives benefits from, and provides benefits to, terrorists: the illicit drug trade in Afghanistan.

This hearing will examine, among other things, how opium production in Afghanistan not only undermines Afghan reconstruction but also fuels Islamist terror groups, including the Taliban, HIG¹ and, according to recent reports, Al-Qaida itself.

President Karzai has warned of the links between Afghan heroin and terrorism and has publicly stated that Afghan drug money is "feeding . . . terrorism." In testimony before this Committee in April of 2002, the Administrator of the Drug Enforcement Administration (DEA) spoke of the presence of "narco-terrorism" in Afghanistan, which senior Afghan government officials have echoed. The Administrator also noted that DEA had received "multi-source information that bin Laden has suspected involvement in the financing and facilitation of heroin trafficking activities."

According to the United Nations Office of Drugs and Crime (UNODC), opium production accounts for over 50 percent of Afghanistan's gross domestic product (GDP), generating an estimated \$2 billion annually in economic activity. The Afghan government believes that 30 percent of families are involved in some form of opium cultivation and production.

This production and associated crime and terror undermine security and pose a grave potential for massive, drug-related corruption at all levels in the fledgling government in Kabul. With national elections looming and a small national police force and army still in training, an expanding drug economy threatens to defeat the stability of Afghanistan and the region for which we and our allies have sacrificed so much.

¹ Official name is Hizb-I Islami Gulbuddin.

The numbers are staggering. An estimated 70 percent of the world's opium production originates in Afghanistan, with an annual production of 3,600 tons. This generates 360 tons of morphine and heroin and vast amounts of illicit monies ripe for the taking by Al-Qaida, the Taliban, and their terrorist allies.

For instance, recently reported seizures of several vessels carrying Afghan drugs in the Persian Gulf had an estimated street value of \$11 million dollars. Earlier seizures of Afghan drugs in Turkey worth hundreds of millions of dollars may also have been linked to Al-Qaida and the Taliban.

We don't know how much Al-Qaida can clear from facilitating or sponsoring any given drug transaction, but certainly the possibility of immense illegal profit exists with significant strategic consequences. Al-Qaida is nothing if not flexible as it raises funds and, as I hardly need add, it respects no law—including Islamic law.

It should be evident to everyone that we and our allies neglect the Afghan drug problem at our peril. We clearly have a possible "narco-terrorist" state in the making in Afghanistan, with all that means for our short- and long-term strategic and security interests.

On October 30th, I wrote Secretary of Defense Donald Rumsfeld to express my growing concerns about Afghanistan and the impact of illicit drugs on the fight against global terrorism. I am particularly grateful to have DoD representatives here today to provide testimony on this difficult and challenging problem.

Let me make clear that I do *not* want our military forces, already tasked with vital counterterrorism and stability operations, to become Afghanistan's anti-narcotics police.

Responsibility for law enforcement eventually will fall to the new Afghan police, army, and judicial authorities we are helping to build, along with valuable assistance from the DEA headed by its able Administrator.

We need to first set priorities in this struggle against illicit drugs. Crop substitution programs and aggressive poppy eradication programs must be part of a long-term strategy to curb the flow of Afghan opium onto the world market. But with so many livelihoods in Afghanistan dependent upon opium cultivation, and given the strength of regional warlords relative to the central government, an aggressive crop eradication program—like the one underway in Colombia—is likely to yield mixed results at best in the short term. Not until the central government is able to extend effective political control to more of the country will a crop substitution program be effective.

Nevertheless, we must ask if there is a way to more effectively fight the flow of opium in the near term? Permit me to suggest that I believe we can.

Now is the time for DoD to treat these labs and opium dumps as legitimate "military targets," and to utilize DEA's narcotics-related intelligence to locate other such targets. Because of the brazen openness of the opium trade in Afghanistan, the locations of some of the numerous and massive opium processing labs and depots are well-known to Afghans and coalition forces alike. It is my hope that until there is a viable Afghan national police and military in place, coalition forces will find the will to destroy these drug-related "targets of opportunity."

When the Taliban ruled Afghanistan, decrees against opium were issued, creating the impression that the Taliban were serious in the war on drugs. However, in fact, the Taliban were merely regulating the drug trade in order to increase their share in its profits. Moreover, Al-Qaida members often provided security for the drug trade. Both then and now, people have found it easy to move between terrorism and drug trafficking.

Only by addressing the Afghan drug challenge can we make Afghanistan more secure. In a synergistic fashion, we will learn more about the Taliban, HIG, and Al-Qaida so that we may bring the fight to them—and thus help reduce Afghanistan's transformation into a "narco-state."

DEA needs to develop an Afghan "drug kingpin" strategy, setting its sights on approximately 20 of the biggest drug dealers who threaten the emerging Afghan economy and democracy.

It is my hope that at today's hearing, we will learn that the U.S. Government is developing a comprehensive strategy to combat Afghan drugs as part of its larger Afghanistan strategy. It is also my hope that the Administration will explain why individual farmers fall prey to the exploitative terms of the opium traders, and in particular, how the United States intends to address the economic factors and the security void that have enveloped much of rural Afghanistan.

Meanwhile, however, the DEA's "Operation Containment," now underway to stem the flow of drugs from Afghanistan, urgently needs support. In Turkey, Pakistan, and Central Asia, the DEA has developed long-term allies. We compliment the DEA and DoD on the recent massive morphine and heroin seizures in Turkey and in the Persian Gulf, but we want to ensure that the Afghanistan anti-drug monies which

Congress has provided are not used in isolation, but instead will be used to support the broader "regional" containment strategy.

On numerous occasions in recent years, this Committee has expressed its concerns about the State Department's narrow view on linkages between drugs and terrorism. That we have an opium crisis in Afghanistan shouldn't come as a surprise. It has been 28 months since the start of the campaign in Afghanistan, and valuable time has been lost. A comprehensive and unified strategy addressing the connection among drug trafficking, security and terrorism is overdue.

To start with, the State Department can play an indispensable role in the success or failure of the DEA's expanded Operation Containment strategy for Afghanistan. I urge greater support on the ground from our U.S. diplomats in these countries for the terrorists reward program, and stepped up communications with Afghanistan and regional governments about the broader threats posed by drug-related corruption and terrorism.

I am reminded of the long and debilitating internal debate on an appropriate U.S. response in Colombia. For years, we in Washington struggled over the questions of whether or not the FARC, ELN and the AUC were trafficking in narcotics to support their terrorist activities. When we removed our blinders, we learned they were—and they still are.

For too long, we focused U.S. resources separately on Colombia's drug trade and ignored the political insurgency. In Afghanistan, we may make the same mistake—fighting pieces of the problem rather than the entire problem as a whole. In President Karzai's words, we are dealing with "narco-terrorism" in Afghanistan—just as we have faced it in Colombia.

Working with the central government, the coalition needs to put forth a unified economic, political and security strategy for Afghanistan. I hope that this hearing will help foster a consensus on such a strategy. I am anxious to listen to your ideas and hear your comments on the concerns I have expressed.

Let me now turn to my friend and colleague, Mr Lantos, for any opening statement he may wish to make.

Mr. ENGEL. Thank you very much, Mr. Chairman, and let me first of all thank you for holding this very important hearing, and let me identify and associate myself with all of your excellent comments in your opening statement.

Mr. Chairman, heroin and opium production in Afghanistan have skyrocketed in the last year. Twenty-eight of thirty-two provinces now grow opium poppy, and Afghanistan provides fully 70 percent of the world's heroin and opium supply.

It has long been suspected that al-Qaeda, the Taliban and other terrorist groups finance themselves whole or in part through drug trafficking. A recent Committee investigation in Afghanistan, Pakistan, and other drug transit countries found ample evidence and near consensus by United States drug enforcement officers and the most senior host country officials on this point.

On Tuesday, the head of the U.N. Office on Drugs and Crime told the conference in Kabul that hundreds of millions of dollars from narcotics are going to terrorist groups each year. He also said that drug trafficking can get so powerful, perhaps forming cartels much like the cocaine industry in Columbia, that it could become the primary power base within Afghanistan.

It is impossible for anyone to credibly deny that drug trafficking does not find al-Qaeda, Taliban and other terrorist groups operating in Afghanistan and Pakistan.

Mr. Chairman, if Afghanistan becomes, as the interior minister warned last spring and as you mentioned in your opening statement, a narco mafia state, we will have lost the war against terrorism there. Even if we capture Osama bin Laden and his henchmen, even if we capture Mullah Omar, Hecmatar and the other terrorist leaders, we will still have failed in our mission. So long as Afghanistan's narco warlords are allowed to grow, process, and

traffic heroin and opium millions upon millions of dollars will end up flowing into terrorist hands. We may have ended Afghanistan as a training ground for al-Qaeda and other global terrorist groups, but until we go after the drug labs, the open air drug markets, and the traffickers themselves, terrorism will still be nurtured.

Mr. Chairman, the poppies growing today, the heroin and opium gum being processed in well known and apparent open air labs may next year fund another September 11th. We hope not, but this is a reality. I am very concerned over the apparent reluctance of the Department of Defense to engage drug labs and other targets. The argument apparently is that they do not do counter-narcotics, only operations against purely military forces. I believe this is woefully shortsighted.

In early January, there was a British raid against a notorious drug lab in northeastern Afghanistan. A fire fight ensued, and a British soldier radioed for air support. A U.S. A-10 ground attack aircraft answered the call and bombed the lab. This was a great success, and we could have sent a chilling message to the narcotics lords your time is up and we are coming for you.

Instead, there has been a probable sense of embarrassment and denial from the U.S. military about this incident. Instead of seeing it as a lesson to build upon, it was clear to the Committee staff that they did not want anything to do with it or with fighting drugs. They were only there to fight terrorists as if there was a clear difference between them. It is obviously one and the same.

Perhaps part of the problem is that we have always had too few troops in Afghanistan to do the job properly. Perhaps it is bureaucratic tunnel vision of the Pentagon that believes it must only focus on the fighting of wars, not drugs. This Administration used to believe that it was not the U.S. role to do nation building either until it discovered that there can be no lasting victory, no success in regime change without civil and political reconstruction, which is, of course, nation building.

If we rebuild the government in Afghanistan only to let it be taken over by drug kingpins, we will obviously fail in our mission.

Eradication alone is not the answer. Indeed, whole scale eradication of the poppy crop is not a viable option at present. I wish it was. Without a credible alternative for poor farmers to provide for their families, large-scale eradication could increase poverty and sympathy for anti-government forces. But by going after the drug labs and traffickers now, the United States would send a powerful and deadly message that the traffickers days are numbered.

Of course, it is critical to hunt down the remnants of al-Qaeda, the Taliban and other terrorist groups. I am not advocating that the U.S. and other coalition partners redirect their forces away from that mission. But engaging, disrupting, and destroying drug labs and traffickers I believe is a crucial part of that mission. We will not be successful in Afghanistan and Afghanistan cannot become a responsible free and secure country until we pull our heads out of the sand and deal with drug trafficking in a serious and rational way.

I look forward to the hearing. I look forward to our panelists, including our esteemed colleague, Congressman Kirk, and yield back the balance of my time.

Chairman HYDE. Thank you, Mr. Engel.

Mr. Ballenger, do you have—

Mr. BALLENGER. No, sir.

Chairman HYDE. Very well. Mr. Chabot, have you? Mr. Delahunt? Thank you. And Mr. Smith?

Mr. NICK SMITH. Well, just very, very briefly.

We have to be concerned that we are not doing the job that we had planned to do, that hopefully we can do in terms of controlling drug production in Afghanistan. And so I think it is a very, very good hearing, Mr. Chairman. Thank you.

Chairman HYDE. Thank you.

I would like to welcome Mark Steven Kirk, our colleague, representing the 10th District of Illinois. Mr. Kirk began his career on the staff of his predecessor, Congressman John Porter, and he later served in the World Bank, the State Department, the law firm of Baker McKinsey, and the House Committee on International Relations.

Mr. Kirk is here to discuss his findings from his recent trip to Afghanistan and Pakistan, and Mr. Kirk, if you would encapsulate your remarks into 5 minutes, if you can. We will be liberal, of course, and your full statement will be made a part of the record. Thank you.

STATEMENT OF THE HONORABLE MARK STEVEN KIRK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. KIRK. Thank you, Mr. Chairman. If I could ask consent to have the statement in the record.

Chairman HYDE. Without objection.

Mr. KIRK. I really appreciate the opportunity to testify before this Committee. As many of you know, I used to serve this Committee on the staff under Chairman Gilman, and so it is a great honor to be here.

I am here mainly to focus on the State Department's Rewards Program. It has been essential in bringing the murders of Americans to justice. I think, with reforms, we can do an even better job.

I recently returned from the Pakistani frontier, and in Afghanistan where I reviewed the operations of the Rewards Program, and operations with our allies. I think we can make this program more effective based on the findings of my recent mission.

Many Members of this Committee know the Rewards Program has had a number of successes in catching the killers of Americans. When Mir Amal Kanzi killed two Americans outside the CIA entrance in Virginia, he hid on Pakistan's frontier with Afghanistan. Agents from the State Department's Bureau of Diplomatic Security, the FBI, and our Embassy staff working with Afghan and Pakistani police all coordinated the Rewards Program that led to the arrest of Kanzi.

Program officers printed thousands of matchbook covers with pictures of Kanzi, giving clear instructions on how to pass information to authorities. A single tip from a matchbook cover led to the successful arrest of Kanzi in this very difficult region.

He was repatriated to the United States, convicted and sentenced to death. His arrest and prosecution is an example of effective

inter-agency coordination and of working with our allies overseas to bring a murderer of Americans to justice.

In 1999, this Committee helped pass legislation that would increase the reward to \$25 million, and also allow for the payment of information leading to the arrest of United Nations war crimes suspects. The program yielded impressive results in the Balkans where many persons indicted for war crimes, otherwise known as PIFWCs, were arrested and/or killed while attempting arrest, some of them for crimes such as the massacre of 7,000 people in the Bosnian town of Srebrenica.

This program has also been operating in Iraq. After publication of two \$15 million rewards for the arrest of Saddam Hussein's two sons, Uday and Quasai Hussein, coalition authorities received a tip about the whereabouts of those two sons in northern Iraq. The Hussein brothers resisted arrest and did not survive their encounter with coalition forces, but the program, the State Department's Reward Program was key to generating the contacts that brought about that encounter.

In light of these successes, I traveled to Pakistan's Frontier Autonomous Tribal Area, where Osama bin Laden and key lieutenants are reported to be hiding. During the mission, I learned of several reforms that should be made to the Rewards Program to more effectively improve its operations in Central Asia.

This region and the area across the border in Afghanistan are the source of three quarters of the world's supply of heroin. Under the Taliban dictatorship of Mullah Omar, Afghanistan imposed a strict Islamic code, for example, that banned all women from school. Mullah Omar is also infamous not just for providing aid and comfort to bin Laden, but also for his drug policy.

Many news organizations reported that Mullah Omar banned the cultivation of poppies in Afghanistan in 2001. They are correct, and poppy cultivation in Afghanistan nearly disappeared that year. Almost all news organizations missed what else Omar did. Before banning the cultivation of poppy, he stockpiled 300 tons of refined heroin in an attempt, ala the Hunt Brothers, to corner the heroin market in Central Asia. Throughout his tenure in office, he was one of the world's number one seller of heroin.

Information in this part of the world is incomplete but the picture is now emerging regarding funds for terror in general, and for bin Laden in specific. With the United Nations and allied financial control orders, it appears have dried up al-Qaeda and the Taliban's access to Wahabi donations from Saudi Arabia, and the bin Laden family fortune. In response, these organizations have shifted their income to the processing and sale of heroin.

In my meetings with officials of the United States, U.K., Pakistani and Afghan governments, I learned that there are several heroin trafficking organizations operating in Afghanistan. At least three of these organizations, the HIG, the Taliban and al-Qaeda, finance terror with the profits from the sale of heroin.

One organization deserves note. Operating out of the Afghan city of Kandahar, the heroin trafficking organization of Haji Bashir Noorzai reportedly provides 2,000 kilograms of heroin every 8 weeks to bin Laden lieutenants in Pakistan. At the Pakistani price for heroin, this one conduit gives Osama bin Laden an annual in-

come of \$28 million a year. In total, the sale of heroin from Afghanistan yields \$2.5 billion to drug traffickers and represents at least half of the economy.

There are now indications that bin Laden is attempting to boost his profits through his heroin network. On December 14, two U.S. Navy vessels led by the USS DECATUR seized three dhows in the Arabian Gulf. These ships carried probable al-Qaeda agents and \$10 million worth of methamphetamine, hashish and heroin. If this cargo had made it to Turkey, al-Qaeda would have been able to sell its heroin for five times the price it receives in Pakistan. If the network was able to reach New York, the profit would be multiplied by 40 times.

This information calls on us to update our picture of Osama bin Laden and his operations. He appears no longer to be supported by Wahabi and other foreign donations. Osama bin Laden has become one of the world's heroin drug kingpins. In his new role, he has access to tens of millions of dollars to fund the terror network. In the frontier region of Pakistan, he is one of the most wealthiest people.

As we seek the arrest of people who kill Americans—especially Osama bin Laden—we need to update the Rewards Program to reflect the growing reliance by terrorists on the sale of heroin. I believe Congress should reform the Rewards Program to include rewards for the arrest of drug kingpins and their lieutenants who are connected to terror.

There are other problems with operating law enforcement programs in this region. Most people in this part of Afghanistan and Pakistan cannot read or write. To effectively communicate a reward, we must use radio, the dominant means for most people in the region to get their news. The dominant radio program in this region is the BBC's Pashto service. It is very important that we work with our allies in the U.K. to carry our message on the most trusted news organization in the region to where bin Laden is likely hiding.

Our new bill, the bill you introduced with Congressman Lantos, provides funding for media services and surveys to get the word out on potential rewards and how to contact authorities. It is critical that the program operate in the languages of rural people and through the media they trust to get the contacts we need to arrest the killers of Americans.

Our bill also increases the total reward for the arrest of bin Laden to \$50 million. It also does this and something more important—it allows the State Department to provide rewards in commodities—for example, a tractor or farm animals—as well as cash. In this remote region, key commodities, such as a truck, can provide as much incentive as a large cash bounty. We should allow the State Department to provide flexible rewards in this area to make it more effective in this remote and rural region.

Mr. Chairman, I have outlined the history of the program and the challenges it faces when operating in Pakistan and Afghanistan. I urge you and Mr. Lantos and this Committee to move this legislation to the House Floor as quickly as possible. It will make this program much more effective in this region. We tracked down Mir Amal Kanzi on the Afghan/Pakistani frontier border. We can

do the same with other suspects with the reforms I have proposed here.

Thank you very much for the chance to testify.
[The prepared statement of Mr. Kirk follows:]

PREPARED STATEMENT OF THE HONORABLE MARK STEVEN KIRK, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. Chairman, thank you for giving me the opportunity to testify before the Committee this morning. As many of you know, I served for many years on the staff of this committee under Chairman Gilman. It was in that role that I drafted changes to the current Rewards Program of the State Department. Over a number of years, the program has been very successful in bringing the murderers of Americans to justice.

With reforms, this program can be even more successful.

I recently returned from the Pakistani frontier and Afghanistan where I reviewed the operations of this program and opportunities for the United States and our allies. As a result of this mission, we introduced legislation to improve the Rewards Program to make it more effective—even in the most remote places of this earth where we know key criminals are hiding.

Many members of the Committee know that the Rewards Program posted many successes in catching the killers of Americans. After Mir Amal Kanzi shot several Americans outside the CIA's entrance in Virginia, he hid on Pakistan's frontier with Afghanistan. Agents from the State Department's Bureau of Diplomatic Security, the FBI and our embassy staff in Islamabad worked with Afghan and Pakistani police and intelligence units to publicize an American reward offered for information leading to the arrest of Kanzi. Program officers also printed up thousands of match book covers with pictures of Kanzi, giving clear instructions for anyone offering information which could lead to an arrest.

A single tip that came from the matchbook program led to the successful arrest of Kanzi. He was repatriated to the United States, convicted and sentenced to death. His arrest and prosecution were examples of effective interagency cooperation, working with our allies overseas to bring a murder of Americans to justice.

In 1999, this Committee passed bipartisan legislation to increase the reward offered to \$25 million and to also allow payment for the arrest of suspects indicted for United Nations War Crimes. The program yielded impressive results in the Balkans where many Persons Indicted For War Crimes (PIFWCs) were arrested or killed while resisting arrest for crimes such as the murder of 7,000 people at Srebrenica.

This program has also been operating in Iraq. After the publication of \$15 million rewards for the arrest of Saddam Hussein's two sons, Uday and Qusai Hussein, Coalition authorities received a tip locating their whereabouts in a home in Northern Iraq. The Hussein brothers resisted arrest and did not survive their encounter with Coalition Forces but the program yielded key results to guide international authorities to the hide out of two people responsible for the murder of thousands of Iraqis, Iranians and Kuwaitis.

In light of these successes, I traveled to Pakistan's Frontier Autonomous Tribal Area (FATA) where Osama bin Laden and key lieutenants are reported to be hiding. During that mission, I learned of several reforms that should be made to make the Rewards Program operate more effectively in this remote region of Central Asia.

This region and the area across the border in Afghanistan is the source of three quarters of the world's supply of heroin. Under the Taliban dictatorship of Mullah Omar, Afghanistan imposed a strict Islamic code that banned women from school. Omar is infamous not just for giving aid and comfort to bin Laden. Many news organizations reported that Omar banned the cultivation of poppies in 2001. They are correct and poppy cultivation in Afghanistan nearly disappeared that year.

Most news organizations missed what else Omar did. Before banning poppy cultivation, he stockpiled 300 tons of refined heroin in an attempt to corner the market. Throughout his tenure in office, he was one of the world's number one heroin dealers.

Information in this part of the world is incomplete but a picture is now emerging regarding funding for terror in general and bin Laden in specific. With the U.N. and allied financial control orders, it appears that Al Qaeda and the Taliban have less access to Wahabi donations from Saudi Arabia or the bin Laden family fortune. In response, both organizations shifted their source of income to the processing and sale of heroin.

In my meetings with officials of the U.S., U.K., Pakistani and Afghan governments, I learned that there are several heroin trafficking organizations operating in Afghanistan. At least three, the HiG, the Taliban and Al Qaeda finance terror with profits from the sale of heroin.

One organization deserves note. Operating out of the Afghan city of Kandahar, the heroin organization of Haji Bashir Noorzai reportedly provides 2,000 kg of heroin every eight weeks to bin Laden lieutenants in Pakistan. At the Pakistani price for heroin, this one conduit gives Osama bin Laden an annual income of \$28 million per year. In total, the sale of heroin in Afghanistan yields \$2.5 billion to drug traffickers and represents at least half of the Afghan economy.

There are indications that bin Laden is attempting to boost the profits of his heroin network. On December 14, two U.S. Navy vessels led by the USS DECATUR seized three dhows in the Arabian Gulf. This ships carried probable Al Qaeda agents and \$10 million worth of methamphetamine, hashish and heroin. If this cargo made it to Turkey, Al Qaeda would have been able to sell its heroin for five times the price it gets in Pakistan. If the network is able to reach New York, the profit would be multiplied by 40 times.

This information calls on us to update our picture of Osama bin Laden and his operations. He appears to no longer be supported by Wahabi and other foreign donations. Osama bin Laden has become one of the world's heroin kingpins. In his new role, he has access to tens of millions of dollars to fund his terror network. In the Frontier of Pakistan, he remains one of the wealthiest people in the region.

As we seek the arrest of people who kill Americans—especially Osama bin Laden—we need to update the rewards program to reflect his growing reliance on the sale of heroin to finance terror. I believe the Congress should reform the Rewards Program to include rewards for the arrest of Drug Kingpins and their lieutenants who are connected to terror.

There are other problems with operating a law enforcement program in this region. Most people in Afghanistan and Pakistan cannot read or write. To effectively communicate a reward, we must use radio, the dominant means for most people in this region to get their news. The dominant radio program is the BBC's Pashto service. It is very important that we work with our allies in the UK to carry our message on the most trusted news service of the people where bin Laden is likely hiding.

Our new bill provides funding for media services and surveys to get the word out on potential rewards and how to contact authorities. It is critical that the program operate in the languages of rural people through the media they trust to generate the contacts we need to arrest the killer of Americans.

Our bill also increases the total reward for the arrest of bin Laden to \$50 million. It also does this and something more important—it allows the State Department to provide rewards in commodities—a tractor or farm animals—as well as cash. In this remote region, key commodities, such as a truck, can provide as much incentive as a large cash bounty. We should allow the Department to provide flexible rewards to make this program more effective in this remote, rural region.

Mr. Chairman, I have outlined the history of this program and the challenges it faces when operating in Pakistan or Afghanistan. I urge you and Mr. Lantos to move your legislation to make the reforms outlined here. It will make this critical program even more effective. We tracked down Kanzi in a remote Afghan/Pakistani frontier village, we can do the same again with the reforms I proposed here this morning.

Thank you.

Chairman HYDE. Well, thank you, Congressman Kirk, for a very instructive, illuminating statement. We will certainly take into full consideration your suggestions, and we appreciate it. Thank you.

Mr. KIRK. Thank you.

Mr. DELAHUNT. Mr. Chairman.

Chairman HYDE. We usually do not ask questions of congressional witnesses.

Mr. DELAHUNT. I understand the practice, Mr. Chairman, and I want to applaud my friend for his presentation, and I agree with what he has to say, and I know he might have a busy schedule, and I can always inquire of him, but if he has a moment, maybe he could respond to some questions.

Chairman HYDE. Well, he is willing. Go ahead, Mr. Delahunt.

Mr. DELAHUNT. Okay, and again, I think Mr. Kirk's presentation was a good one. I support the legislation, and we have had discussions about this issue in the past, and I share the concern that you have articulated.

But I wonder if the fundamental answer here is that we need to have the political will to recognize that there should be a commitment that is far more substantial in terms of support and assistance for the Karzai government that currently exists.

There is an interesting article, I do not know whether you saw it, Mark, in *The Wall Street Journal* by Barnett Reuben, and he indicates that upon analysis now \$28 billion over 7 years is necessary, because we all know that we can capture these individuals, these drug kingpins, and we can even hopefully at some point in time capture Osama bin Laden.

But if there is unavailable a livelihood for the people of Afghanistan, if there is no security, then we are simply going to find others willing to replace them.

I do not know whether you are familiar with the article, but upon my own review of it and review of other information, I think it is obvious that the amount of assistance is absolutely totally inadequate. And while we can pass measures such as the one that you have put forth here, we are never going to get there until we recognize that we have to upgrade our commitment in terms of resources if we are going to do what we want to do. This is President Karzai's brother who says,

"The Taliban are gathering again in the same places from where they started. It is like a rerun of an old movie."

What we do not want to do is allow this opportunity after 2 years to escape, and have a rerun of al-Qaeda bases and a Taliban resurgence in Afghanistan.

I do not know if you have any comment or whatever.

Mr. KIRK. I read the article. I agree with it. I think that the American people largely believe that we cannot neglect Afghanistan as we did in the 1990s. That then allows it to metastasize into a narco-terrorist state. I think we had a bipartisan concern about assistance to Afghanistan. The Administration originally did not request funds last year. Led by Chairman Kolbe, the Congress made the decision to provide additional funds to Afghanistan. I think that was a very wise choice, and we need to increase that.

We also need to update our picture of what is going on there. We need to call somebody like Osama bin Laden, this is the new matchbook cover that has come out, what he is. The more accurate description of him is now narco-terrorist, because narco-terrorist describes not only his objective but it also now describes his funding. And so the recognition of that then gives us an understanding of how large this problem is.

In my statement, I talked about \$2.5 billion of drug profits coming into Afghanistan. That is what President Karzai is up against, and so it is up to the international community led by the United States to give them the resources he needs to make sure that it does not evolve into another narco-state.

Thank you, Mr. Chairman.

Chairman HYDE. I would like to point out, Mr. Kirk, just before you leave, in the supplemental appropriations bill for the defense and reconstruction of Iraq and Afghanistan, that international narcotics control received \$170 million, and the military, Department of Defense received \$73 million.

Mr. KIRK. That is right and it—

Chairman HYDE. And that was in the bill that some Members did not vote for.

Mr. KIRK. Right.

Chairman HYDE. And I appreciate Mr. Delahunt's suggestion that this is inadequate.

Mr. KIRK. And we are looking forward to how the \$73 million from the Defense Department will be committed.

Chairman HYDE. Thank you very much.

Mr. ENGEL. Mr. Chairman, if I must might, I want to just thank our colleague for testifying. It certainly was very enlightening testimony. I was going to make a remark before when you said you were going to be liberal with him, you know, glad to hear you say that you are liberal.

Chairman HYDE. Small "I". [Laughter.]

Mr. ENGEL. And I want to tell our colleague that I am always in awe of his knowledge. You know, when you are a former staff for this Committee I think you have more knowledge than the Members, so Congressman Kirk has the benefit now of being both.

Chairman HYDE. Mr. Kirk comes from a great part of America. [Laughter.]

Mr. ENGEL. I agree, Mr. Chairman.

Chairman HYDE. Thank you very much.

I would like to welcome Karen P. Tandy. Ms. Tandy was confirmed as Administrator of the Drug Enforcement Administration in July 2003. Prior to becoming DEA Administrator, she was Associate Deputy Attorney General and Director of the Organized Crime, Drug Enforcement Task Forces. She is a graduate of Texas Tech University, and law school.

Thomas W. O'Connell is the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict. Prior to his appointment in 2003, Mr. O'Connell served as a Senior Manager for the Raytheon Company's Intelligence and Information Systems. He is a distinguished military graduate from the University of Rhode Island, and holds an M.A. from the Naval War College. We welcome Mr. O'Connell.

He is accompanied by Brigadier General Gary North, Director of Politico-Military Affairs for Asia-Pacific for the Joint Chiefs of Staff. We welcome General North.

Robert Charles is Assistant Secretary for International Narcotics and Law Enforcement Affairs at the State Department. He previously served as Chief Counsel and Staff Director to the House National Security, International Affairs, and Criminal Justice Subcommittee, and as Chief of Staff for the Speaker's Task Force on Counter-narcotics. He holds a B.A. from Dartmouth College, and an M.A. from Oxford University. We welcome Mr. Charles.

He is accompanied by Ambassador William Taylor, the Afghanistan Coordinator for the U.S. Department of State. We welcome Ambassador Taylor.

Ms. Tandy, would you proceed with a 5-minute, give or take 5-minute summary of your statement? And each of the witness's statements will be made a part of the record without objection.

Please proceed, Ms. Tandy.

**STATEMENT OF THE HONORABLE KAREN P. TANDY,
ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION**

Ms. TANDY. Thank you, Chairman Hyde, and I want to thank the Committee on behalf of the men and women in the Drug Enforcement Administration (DEA) for your support for our efforts on behalf of this country.

It is an honor to appear before you today. This is my first appearance before you in the capacity that I now serve as the Administrator of the Drug Enforcement Administration.

The situation in Afghanistan presents DEA with a unique and enormous challenge. Afghanistan, as the Chairman has noted, is the leading opium producer. However, the Afghan counter-narcotics directorate is in its infancy stage of development, which leaves DEA with no viable national or local counterpart drug agency for us to work with.

The country also lacks most of the basic elements of a criminal justice infrastructure, no developed police force, no prosecutors, no judges, no prisons. Moreover, security constraints restrict our in-country movement and the capability of our drug enforcement special agents to conduct traditional drug investigations.

Less than 48 hours ago, I was in Afghanistan where Assistant Secretary of State Charles, Bobby Charles and I met with senior representatives from that country, from the United Nations Office of Drugs and Crime, from the European Union, and the U.S. Ambassador regarding Afghanistan's drug problem.

I saw firsthand the extent of the challenges that law enforcement faces in Afghanistan, but what I also saw were opportunities, where we do have a chance to contribute more so to the reduction of drug production and contribute to the stabilization and the rebuilding of Afghanistan.

Let me first discuss briefly the current state of opium production and trafficking, and then discuss why I am cautiously optimistic about the future of drug enforcement efforts in Afghanistan.

After the 1-year ban on opium, poppy cultivation imposed by the Taliban, Afghan growers have resumed business. In fact, production has returned to previously high levels, although not yet at the level reached in its peak year of 2000.

Afghan heroin is primarily destined for Europe, but United States serves as part of its downstream market. Of course, any heroin reaching the United States is too much, and there are opportunities now to disrupt that heroin and opium trade, and DEA is taking advantage of them.

First and foremost, as Chairman Hyde noted, DEA is continuing Operation Containment, and we are focused on regional and global investigations targeting the networks used to distribute Afghan heroin and its proceeds. This strategy has been very effective, and I want to particularly thank the Committee for its support for this initiative.

Since January 2003, Operation Containment has led to 23 significant seizures of narcotics and precursor chemicals and the dismantlement and disruption of several major transportation and distribution organizations that are involved in the southwest Asian drug trade.

Most notably it led to the disruption in Istanbul of one of the most significant heroin trafficking organizations in Turkey and resulted in an all-time record seizure of 7.4 tons of morphine base. This operation also resulted in the seizure of more than a thousand kilograms of heroin in Turkey and the arrest of several traffickers. This has been reported as the largest heroin seizure in Turkey's history.

Further, Operation Containment has enhanced DEA's capability to gather intelligence regarding drug trafficking in this region, and to disseminate this information to both United States and British law enforcement and intelligence agencies.

Program funding also has enabled DEA to step up its efforts to provide drug enforcement training to our counterparts in this region.

Our meetings this week in Afghanistan gave me reason for cautious optimism about the future of our drug enforcement efforts in Afghanistan. In particular, the counter-narcotics directorate is continuing to increase its capability to interdict drugs and other contraband by employing mobile interdiction teams in programs such as the Kabul City Gates Initiative.

The Afghan authorities also are beginning to conduct raids in an effort to destroy morphine base and heroin processing labs.

To support these efforts, I have directed my agents to aggressively focus their intelligence collection on identifying heroin processing labs and sharing that information with our Afghan authority counterparts and our coalition partners. In addition, our offices in Kabul and throughout the region are working with our partners to identify the major heroin trafficking organizations and their money flow so that we can strategically attack them where they are most vulnerable.

As a result of my trip to Kabul and my discussions with the U.S. Ambassador there, I intend to seek enhancement of DEA's resources in Kabul at least three-fold.

In addition to Afghan opium production and trafficking, the Committee also asked me to address the potential links between opium trafficking and terrorist groups in Afghanistan.

The DEA has identified a number of drug traffickers and money launderers with suspected ties to the Taliban and al-Qaeda. One such example involved a joint DEA/FBI investigation targeting to heroin traffickers in Pashawa, Pakistan that led to the seizure of 1.4 kilograms of heroin in Maryland, and the identification of two suspected money launderers, one with suspected ties to al-Qaeda.

In another investigation conducted by the FBI in 2002, undercover agents negotiated with Pakistanis to exchange heroin and hashish for Stinger anti-aircraft missiles that were allegedly to be sold to al-Qaeda.

Other than these investigations, the quality of DEA's information regarding direct links between terrorist groups and activity and

narcotics trafficking groups in Afghanistan at this time is generally uncorroborated or anecdotal.

We know there are associations between the two groups and there is fertile ground for these sinister relationships to flourish. Raw intelligence and uncorroborated statements from confidential sources continue to indicate these relationships exist between drug traffickers and terrorist groups within Afghanistan. However, clear corroborated evidence of these sources has been very difficult to obtain because of the restrictions on our ability to conduct full law enforcement investigations in Afghanistan.

The DEA, however, will continue to view as a pressing priority the investigation of further information linking drugs to terrorism. In my written testimony, I have addressed these topics in greater detail, and will be happy to entertain the questions of this Committee at the appropriate time. Thank you.

[The prepared statement of Ms. Tandy follows:]

PREPARED STATEMENT OF THE HONORABLE KAREN P. TANDY, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

Chairman Hyde, Ranking Member Lantos and distinguished members of the Committee, thank you for the invitation to testify today on the important issue of opium production in Afghanistan and its potential links to terrorism.

OVERVIEW

Afghan drug production is a priority for the DEA that guides our enforcement strategy in the region. As you know, opium production in Afghanistan has resumed over the last two years, although it is still lower than the highest level reached under the Taliban. While we expect that only a small portion of the resulting opium and heroin will ultimately reach the United States, these drugs are of great concern because they increase worldwide supply and have the potential to fund terrorists and other destabilizing groups. Because the situation inside Afghanistan presents unique challenges to law enforcement, the DEA has successfully acted with neighboring countries to control the spread of Afghan opium and heroin through Operation Containment.

I have just returned from Kabul where Assistant Secretary of State Robert Charles, other senior officials representing the United States, and I participated in discussions with Afghanistan Transitional Authority President Hamid Karzai, United Nations Office of Drugs and Crime Director Antonio Costa and other representatives from Afghanistan and the European Union on the challenges posed by Afghan drug production. The international drug control community shares our view that concerted multilateral efforts will be required to effectively address these problems. I look forward to discussing each of these important issues with the Committee.

AFGHANISTAN POPPY PRODUCTION AND THE U.S. RESPONSE

Significant Opium Production Resumes

Afghanistan is a major source country for the cultivation, processing and trafficking of opiate products. It has historically produced significant quantities of opium, and accounted for over 70 percent of the world's supply in the year 2000, when the United States government estimated Afghan opium production at 3,656 metric tons. In 2001, the Taliban banned the cultivation of opium poppy. The DEA believes that the ban was likely an attempt by the Taliban to raise the price of opium which had fallen significantly due to the abundant supply produced in years prior to 2001. Regardless of intent, production plummeted to 74 metric tons in 2001.

With the fall of the Taliban, Afghan growers resumed cultivation despite renewal of the ban on poppy growth by the Karzai government. Opium production has returned to its historically substantial amounts, although it is important to emphasize that it has not yet reached the level of poppy recorded in 2000. In 2003, the United States Government officially estimated production of 2,865 metric tons of oven-dried opium from 61,000 hectares of poppy cultivation.

Afghanistan: Estimated Annual Potential Opium Production (Metric Tons)

| 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 |
|-------|-------|------|-------|-------|-------|-------|-------|
| 2,865 | 1,278 | 74 | 3,656 | 2,861 | 2,340 | 2,184 | 2,099 |

Heroin Production and Movement

The opium produced in Afghanistan is readily made into narcotics to be sold on the international market, much of which eventually reaches users in Europe. While Europe is the primary destination for Afghan heroin, much of the opium remains in Southwest Asia for local consumption. Laboratories convert the opium into morphine base, white heroin, or one of several grades of brown heroin. Large processing laboratories are located in southern Afghanistan; smaller laboratories are located in other areas of the country, including the Nangarhar Province. In addition, morphine base produced in Afghanistan is shipped to traffickers based in Turkey and converted to heroin.

Transporting converted opium from Afghanistan is no easy task. Larger than the State of Texas, Afghanistan is landlocked, forcing traffickers to rely on challenging overland routes to move drug shipments out of the country. In addition to the traditional smuggling routes through Iran to Turkey, our intelligence reports indicate continued movement of heroin shipments north from Afghanistan through the Central Asian States, notably Tajikistan, to Russia. Some of the heroin is consumed in Russia, while a portion moves on to other markets. Afghan heroin also moves through India enroute to international markets and continues to be trafficked through Pakistan, where heroin is smuggled out through airports and vessels leaving the Pakistan coast.

DEA intelligence suggests that relatively little Afghan heroin is ultimately destined for the United States, although we continue to monitor carefully the market for potential new trends. Through the Heroin Signature Program (HSP), the DEA Special Testing and Research Laboratory analyzes samples from seizures at ports of entry and other randomly selected sources to determine their purity and geographic origin. In 2002, Southwest Asian heroin (which includes Afghan heroin) accounted for ten percent of the weight of all samples analyzed. Preliminary data for 2003 indicate that Southwest Asian heroin was eight percent by weight of the sample, although the 2003 survey is not yet complete. Similarly, the Domestic Monitor Program (DMP), which examines samples bought undercover on American streets to monitor their characteristics, showed that Southwest Asian heroin represented four percent of samples in 2002 and five percent in 2003. Neither HSP nor DMP results should be equated with market share, but rather suggest availability over time.

The DEA's Response Inside Afghanistan

Opium production in Afghanistan nonetheless is a significant concern and a priority for the DEA because of its impact on worldwide drug supply and its potential, as I will discuss later, to provide financial support to terrorists and other destabilizing groups. In assessing strategies to control and respond to this production, it is important to understand the significant operational obstacles we face in Afghanistan. Three decades of civil war and unrest have left the criminal justice system in disarray. Outside of Kabul, the country is not uniformly controlled by the central government. DEA has no national or local drug enforcement counterparts and Afghanistan lacks many of the most basic elements of its criminal justice institutions. Due to security constraints, DEA's presence in Afghanistan is limited to two agents, whose movement and ability to conduct traditional drug enforcement operations are severely restricted.

The DEA's Kabul Country Office, reopened in February 2003, nonetheless is making superb contributions under these difficult circumstances. DEA agents continue to gather and disseminate intelligence to U.S. and British law enforcement and intelligence agencies. We have made the collection and analysis of drug intelligence a priority within Afghanistan and Central Asia and are supporting a Department of Defense initiative to open an intelligence "fusion center" for multinational information sharing. Our country office also continues to debrief confidential sources in Kabul and supports domestic and foreign drug enforcement operations.

The DEA also works with other federal agencies on law enforcement matters in Afghanistan. Three months ago, DEA's Kabul Country Office personnel assisted the State Department's Bureau of International Narcotics and Law Enforcement Affairs and the U.S. Army, traveling by convoy from Kabul to Kunduz to recruit police officers and soldiers for the Afghanistan Police Force and to conduct a site survey for

a new Regional Law Enforcement Training Center to be funded by the United States. The mission was successful: for example, the Konduz RTC will be operational in March.

Operation Containment

The challenges to law enforcement within Afghanistan strongly suggested the need for a simultaneous, concerted effort to control Afghan drugs in neighboring countries before they can spread to broader markets. Operation Containment is a large-scale, multinational law enforcement initiative begun in early 2002 under the leadership of the DEA and with special support from Congress. Emphasizing coordination and information sharing among nineteen countries from Central Asia, the Caucasus, Europe and Russia, the program aims to implement a joint strategy to deprive drug trafficking organizations of their market access and international terrorist groups of financial support from drugs, precursor chemicals, weapons, ammunition and currency. It has been enormously successful, and I would like to thank the Committee for its strong support for this initiative.

The DEA supports Operation Containment worldwide, particularly in Pakistan, Turkey, Russia, and Central Asia. We have expanded existing offices in Europe and Southwest Asia and opened a new office in Uzbekistan. The DEA has assigned Special Agents to its Kabul, Ankara, Istanbul, Tashkent, Moscow and London Offices to support Operation Containment. In addition, one Intelligence Specialist and one support position are assigned in Ankara and one support position is assigned in Tashkent to support Operation Containment. DEA is also seeking approval to assign two Special Agents to Kyrgyzstan and additional agent and intelligence personnel to Uzbekistan and Brussels for Operation Containment.

Another key element is the Sensitive Investigative Unit (SIU), a program that has been highly successful in other regions of the world. An SIU is made up of host nation law enforcement personnel, who are individually screened to protect against corruption and then specially trained and equipped to DEA standards. We have established a new DEA SIU in Uzbekistan, and the DEA SIU in Pakistan has made several significant seizures. These DEA-lead units provide critical and valuable assistance to anti-drug efforts in their countries.

Intelligence sharing is also a priority, with the initiative supporting regional intelligence sharing centers in Bucharest, Romania and Bishkek, Kyrgyzstan and a short-term Fusion Center program in Tashkent, Uzbekistan. DEA has temporarily assigned an Intelligence Analyst to the Bucharest intelligence center.

Operation Containment has been a great success. Since March 2002, it has resulted in 23 significant seizures of narcotics and precursor chemicals and led to the dismantlement and disruption of several major distribution/transportation organizations involved in the Southwest Asian drug trade. These include the disruption three months ago in Istanbul of the Galip Kuyucu transportation group, which was one of the most significant heroin traffickers in Turkey and a Justice Department international priority target. The Turkish National Police, working with the DEA and Her Majesty's Customs and Excise, seized 495 kilograms of heroin, and disrupted this organization, which was regularly transporting similarly sized amounts of drugs throughout Western Europe. This investigation also led to the arrest of Urfi Cetinkaya, a major source of heroin supply with direct ties to Afghan drug traffickers.

Another significant success for Operation Containment was the arrest of 15 members of the Attila Ozyildirim heroin trafficking organization and the seizure of 7.4 tons of morphine base in Turkey during March 2002. This is the largest seizure of morphine base ever made. To put the magnitude of this seizure in perspective—the amount seized was more than four times greater than the total worldwide morphine base seizures made in 2000. Morphine base can be converted to heroin at a ratio of 1:1.

Drug Enforcement Training

The DEA is also working to build law enforcement capability and cooperation in Afghanistan and throughout the region. During October 2002, we participated along with officials from Afghanistan's Interior Ministry in a United Nations International Narcotics Control Board conference in Tashkent, Uzbekistan regarding Operation Topaz. Operation Topaz is intended to bring together law enforcement in several nations to detect and seize suspicious and unauthorized shipments of acetic anhydride, the primary precursor chemical used in the production of heroin.

We have particularly emphasized training for foreign law enforcement agencies, including a three week seminar conducted last September in the United States for high-level police managers. General Hilaluddin Hilal, Afghanistan's Deputy Interior Minister of Security Affairs, attended the course, which took place at both DEA

Headquarters and the DEA Academy in Quantico, Virginia. I participated in this seminar personally as did members of the DEA's senior management, and we believe that it helped to begin and improve important partnerships with and among DEA and the international agencies involved.

During 2004, the DEA plans to conduct Drug Unit Commander training courses in Turkey and Uzbekistan. These one-week courses are funded through Operation Containment and are geared for supervisors of operational drug units. We anticipate that five to ten participants from throughout Afghanistan will attend each school. In addition, DEA is expanding its training efforts throughout the region during 2004, with training courses scheduled in Turkmenistan, Uzbekistan, Tajikistan, Thailand and India.

LINKS BETWEEN TERRORISM AND THE AFGHAN DRUG TRADE

DEA's Role in Fighting Terrorism

Mr. Chairman, the Committee has also asked me to address the potential links between terrorism and trafficking of Afghan opium and heroin. Last September, President Bush thanked DEA agents in a speech at Quantico, Virginia. He said "By keeping drug money from financing terror, you're playing an important part of this war." And we will continue doing so.

A narco-terrorist organization is an organized group that is complicit in the activities of drug trafficking to further or fund premeditated, politically motivated violence to influence a government or group of people. Although the DEA does not specifically target terrorists, some of the powerful international drug trafficking organizations we have targeted have never hesitated to use violence and terror to advance their interests. As of October 2003, the DEA has identified seventeen Foreign Terrorist Organizations, as designated by the Department of State, with potential ties to the drug trade. More generally, we know that drugs and terror frequently share a common ground of geography, money, and violence.

Our headquarters is only about 700 yards from the Pentagon, and DEA shook, literally and figuratively, when the terrorists attacked on September 11, 2001. DEA mobilized resources immediately, lending more than one hundred Special Agents to the Sky Marshal program, supporting the FBI investigation through the El Paso Intelligence Center (EPIC) and fifty loaned Intelligence Analysts, and debriefing all of its Confidential Sources in an attempt to gain any available information on the attacks. Since the attack, EPIC has processed well over 200,000 terrorism inquiries.

During December 2001, the DEA formed a Special Coordination Unit at its Special Operations Division. This multi-agency unit coordinates all DEA intelligence and investigations having a possible nexus to terrorism and shares information with agencies responsible for coordinating terrorist intelligence and investigations. DEA drug investigations have generated such narco-terrorist related intelligence and investigations both domestically and internationally. DEA also has assigned personnel to various FBI Joint Terrorism Task Forces across the country and maintains liaison with the Department of Homeland Security.

Evaluating Links between Drugs and Terrorism

Past domestic investigations have shown the clear potential for drug money to fund terrorist groups. In October 2001, a joint DEA/FBI investigation targeting two heroin traffickers in Peshawar, Pakistan led to the seizure of 1.4 kilograms of heroin in Maryland and identification of two suspected money launderers, one with suspected ties to al Qaida. Similarly, Operation Marble Palace in 2001 determined that several members of a targeted heroin trafficking organization had possible ties to the Taliban and that a connected bank account had been used to launder proceeds to alleged Taliban supporters in Pakistan.

Based on that demonstrated potential, many have suggested that there must be financial ties between drugs and terrorism in Afghanistan. At this time, we do not have evidence capable of sustaining an indictment of direct links between terrorism and narcotics trafficking groups within Afghanistan. To the extent that allegations have been raised based on more than speculation, they generally come from single sources. Clear corroborating evidence of such sources has been difficult to obtain, in part because many traditional investigative techniques cannot be used within the country for reasons I have previously explained.

Raw intelligence and uncorroborated confidential sources continue to indicate possible relationships between drug traffic and terrorist groups within Afghanistan. The DEA will continue to assign the highest priority to investigating any information linking drugs to terrorism. We will do so in cooperation with our law enforcement and intelligence partners, and we will aggressively work to gather and document intelligence relating to drug activity that may finance terrorism.

The Drug/Financial Fusion Center recently created by Congress will use the Foreign Terrorist Tracking Task Force's architecture to enhance capabilities to uncover links between drug trafficking and terrorism. Investigative links between drug trafficking and money laundering organizations and known terrorist organizations will be shared with the FBI, the Department of Homeland Security, the Treasury Department and the intelligence community. Additionally, our intelligence programs continue to work closely with law enforcement and the intelligence community to identify and anticipate emerging threats posed by the links between drug trafficking and terrorism.

CONCLUSION

Mr. Chairman, control of drug production in Afghanistan and its potential ties to terrorism is an agencywide priority for the DEA. I very much appreciate the opportunity to testify before the Committee today. I will be happy to answer any questions you may have.

Chairman HYDE. Thank you, Ms. Tandy.
Mr. O'Connell.

STATEMENT OF THE HONORABLE THOMAS W. O'CONNELL, ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW-INTENSITY CONFLICT, U.S. DEPARTMENT OF DEFENSE

Mr. O'CONNELL. Thank you, Mr. Chairman. Chairman Hyde, distinguished Members of the Committee, it is my honor to appear before you today to discuss the problem of illegal narcotics trafficking in Afghanistan, its relation to narco-terrorism, and the programs we are developing to defeat this problem.

I am particularly pleased to discuss these issues with you because the Congress has been very responsive in supporting my office's initiative and requesting funding for counter-narcotics programs for Afghanistan in last year's Supplemental Appropriations Act.

I have a statement that I will submit for the record in detail, summarize my statement now with your permission, sir.

A narcotics program in Afghanistan presents indeed a special challenge. The international community and the Afghan leadership, with the support of the United States, are addressing this challenge. The United Kingdom has the lead in providing international assistance and the Afghan leadership, including President Karzai, and Minister of Interior Jalali is beginning to take action.

This is the appropriate course to take because the problem requires a long-term effort that the Afghan government must lead, and assistance from the United States and the rest of the international community is essential.

The Defense Department counter-narcotics program for Afghanistan is being developed in coordination with and in support of the State Department's efforts to increase security and law enforcement. Our plan includes a mix of short and long-term actions. We will focus short-term efforts on ways that provide direct assistance to the Afghan government in coordination with the United Kingdom. At the same time we are integrating our long-term aid to build an Afghan counter-narcotics capability with the State Department's programs to train and field the new Afghan police force.

But we must do more than attack the immediate problem. We must also provide resources so that Afghan authorities can establish a more effective national police and counter-narcotics capa-

bility. In that area we intend to equip the police with communications gear, and some surveillance and detection equipment. These efforts will be coordinated closely with the State Department. We are also examining different ways to increase border security, including constructing some border facilities.

As we develop and begin to execute this program, we understand that the narcotics program in Afghanistan is different from that problem in Latin America. In Afghanistan, the illegal narcotics industry is comparatively fragmented with numerous organizations and smuggling networks involved in the trade. In addition, the extremist and terrorist elements in Afghanistan, which are also fragmented, including the Taliban remnants, the al-Qaeda operatives and leaders, and other extremist groups like the HIG, do not by themselves, do not by themselves control narcotics networks.

So in Afghanistan the problem we see consists of linkages and cooperative arrangements between desperate trafficking elements, extremist groups and sometimes local leaders, and even militia commanders.

Poppy cultivation and the revenues generated from different aspects of narcotics trade provide fresh resources for extremists and terrorists. The infrastructure of smuggling that supports narcotics trafficking also services terrorist transportation and logistics needs. Local leaders and commanders can use profits from narcotics to oppose a unified Afghan government that hopes to provide full security to its citizens.

We see illegal narcotics as a critical component of the challenge to political and economic reconstruction in Afghanistan, and we see our current narcotics program there as a very important part in our campaign against terrorism. In fact, we believe our counternarcotics efforts will bring additional weapons to bear on the fight against global terrorism by making it more difficult for smugglers to transport illegal narcotics. We will also constrain their ability to support terrorist and extremists.

By disrupting trafficking networks and reducing poppy cultivation, we will deprive terrorists and extremists of a potential new source of financial support.

I would like to thank you, Chairman Hyde, and the Members of the Committee for the opportunity to testify before you. Look forward to discussing any questions you may have. Thank you, sir.

[The prepared statement of Mr. O'Connell follows:]

PREPARED STATEMENT OF THE HONORABLE THOMAS W. O'CONNELL, ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW-INTENSITY CONFLICT, U.S. DEPARTMENT OF DEFENSE

Chairman Hyde, Representative Lantos, and distinguished Members of the Committee, it is my honor to appear before you today to discuss the problem of illegal narcotics trafficking in Afghanistan, its relation to terrorism, and the programs the Defense Department is developing to defeat this problem. I am particularly pleased to discuss these issues with you, because the Congress has been very responsive in supporting my office's initiative in requesting funding for counternarcotics programs for related to Afghanistan in the FY 2004 supplemental appropriation. As you know, Congress supported the Administration's request for Department of Defense funding of \$73 million for these purposes.

Taking Immediate Actions while Building Long-Term Capability

The narcotics problem in Afghanistan presents a special challenge. The international community and the Afghan leadership, with the support of the United

States, are addressing this challenge. The United Kingdom has the lead in providing international assistance, and the Afghan leadership, including President Karzai and Minister of Interior Jalali, is beginning to take action. This is the appropriate course to take, because this problem requires a long term effort that the Afghan government must lead, with assistance from the United States and the rest of the international community.

Our current actions must also aim not just at immediate positive effects, but also at sustainable long-term results. This can only be achieved by devoting some of our current efforts to helping create a strong, long-term capability for Afghanistan to control this problem on its own. This is especially important because, as we know from successful counternarcotics efforts in other countries, success is achieved not just by destroying fields and disrupting traffickers, but also by creating a strong law enforcement framework, with effective police equipped with adequate counternarcotics tools, who can enforce narcotics laws in efficient court systems. Those capabilities are now beginning to develop in Afghanistan.

A long term approach is also necessary because of hard economic realities. Poppy cultivation will remain a problem until Afghanistan has a sound and strong economy, with infrastructure to allow farmers to earn a legitimate living.

The counternarcotics program we are developing in Afghanistan must therefore simultaneously address the narcotics problem there now, as well as build capacity in Afghan law enforcement organizations. In designing that mix of short and long term actions, the Department of Defense is generally focusing short term efforts in ways that provide assistance to the Afghan government, in coordination with the United Kingdom, while integrating our support with the State Department's programs to train and field a new Afghan police force.

Our overall thrust is to put greater pressure on drug traffickers by improving border security and police capabilities over the long term, while supporting more effective Afghan interdiction, in coordination with the British, as soon as possible.

Near-Term Results: Supporting Existing British and Afghan Efforts

As you know, the United Kingdom, which receives almost all its heroin from Afghanistan, is designated the lead government in providing international narcotics assistance to Afghanistan. We want to support and supplement, but not supplant, the efforts of the British. Supporting existing British assistance to the Afghan government is the best way to achieve a rapid impact. Earlier this month I met with the United Kingdom Parliamentary Under-Secretary of State William Rammell of the Foreign and Commonwealth Office on this issue, and my staff has been discussing our developing program with British officials.

The British have trained an interdiction force, which is beginning to operate in different parts of the country. The UK also has helped the Afghan government develop and begin to implement a national counternarcotics strategy. That strategy now includes a poppy eradication effort, which will be controlled by the Afghan Ministry of Interior this year, with advice from Britain, the United Nations Office of Drugs and Crime, and the United States. Those poppy eradication steps will involve governors and local leaders; that has been a component of successful eradication campaigns in the past in other countries. This year, unlike 2002, eradication will not have a payment component.

Department of Defense efforts in support of the British will concentrate on improving communications between existing British and United States law enforcement officers inside Afghanistan, U.S. and foreign intelligence, trusted Afghan officials in the Ministry of Interior and in the provinces, and other U.S. law enforcement offices within the region. In short, we are working on fusing intelligence and law enforcement information from U.S., allied, and Afghan sources, and making targeting information available more quickly for Afghan law enforcement authorities to take appropriate action.

We are also discussing with the British ways of supporting their efforts to improve the equipment available to the interdiction force trained by them. We are looking at several ways to contribute to this force and make it even more capable.

Finally, we intend to help the Ministry of Interior develop a public affairs campaign inside Afghanistan that will emphasize key messages that discourage growing poppy and supporting the narcotics industry.

Investing for Long Term Success

We must do more than attack the immediate problem. We must also provide resources so that Afghan authorities can establish an effective national police and counternarcotics capability. We also are examining different ways to increase border security, including constructing some border facilities. We also intend to help de-

velop a communications system for the border police and strengthen border control with surveillance and detection equipment.

We currently intend to expand the national police communications system that State Department has initially established. Although we are still looking at the precise scope of this assistance, we want to build upon the existing communications to link important border posts, towns outside provincial capitals, and mobile police elements into the national police communications network.

We also intend to equip border police with some surveillance and detection equipment to enhance that force's ability to detect smugglers and to find narcotics hidden in smugglers' vehicles.

We also are beginning to work with the State Department and the Army Corps of Engineers to establish border control facilities that will provide appropriate protection and office space for the border police, and will enable various functions related to customs and immigration to be carried out within the facilities.

I have met with the USCENTCOM Director for Operations about this program, and I know that USCENTCOM understands the seriousness of the challenge that narcotics poses to our reconstruction and counterterrorism objectives in Afghanistan. USCENTCOM sees our counternarcotics programs as an opportunity to devote additional resources, primarily in the form of intelligence and surveillance, to targets that assist or are linked with extremists. USCENTCOM has established a Counter-Narcoterrorism Office within its Joint Interagency Coordination Group (JIACG), which is part of the USCENTCOM Directorate for Operations. It has prepared a strategy for Counter-Narcoterrorism, and has drafted a plan to implement the counternarcotics program I have described for you.

The Narcoterrorism Problem in Afghanistan

As we develop this program, we understand that the problem of narcotics and terrorism in Afghanistan is different from the problem in Latin America. In Afghanistan, the illegal narcotics industry is comparatively fragmented, with numerous organizations and smuggling networks involved in the trade. In addition, the extremist and terrorist elements in Afghanistan, which also are fragmented—including the Taliban remnants, al Qa'ida operatives and leaders, and other extremist groups, like Gulbuddin Hekmatyar's Hizb-i-Islami—do not, by themselves, control narcotics networks.

So in Afghanistan, the problem, as we see it, is neither a cartel that is also a terrorist organization; nor is it a terrorist insurgency that controls the narcotics industry in a particular region. Rather, the problem is more diffuse, consisting of different kinds of linkages and cooperative arrangements between disparate trafficking elements, extremist groups, and, sometimes, local leaders and militia commanders.

We know that some traffickers provide logistical assistance to extremists—especially to the remnants of the Taliban—and that some extremist groups are raising money by taxing poppy production and profiting from the processing and sale of narcotics. We have reason to believe that the narcotics traffickers and terrorists have various motives: traffickers to some extent are trying to buy protection, and extremists clearly want to benefit from the revenues of the drug trade.

Poppy cultivation and the revenues generated from the different aspects of the narcotics trade provide fresh resources for extremists and terrorists. The infrastructure of smuggling that supports narcotics trafficking, which can expand and become more capable as the trade increases, also services terrorist transportation and logistics needs. Local leaders and commanders can use profits from narcotics to oppose Coalition efforts to establish a unified Afghan government that provides full security to its citizens. The narcotics trade can corrupt Afghanistan's new governing and security institutions, just as these institutions are trying to reestablish their authority after years of lawlessness. It can undermine confidence in government, to the extent that Afghans perceive that governing institutions cannot guarantee their security against drug-related crime. In short, we see illegal narcotics as a critical component of the challenge to political and economic reconstruction in Afghanistan, and we see our counternarcotics program there as a very important part of our campaign against terrorism.

In fact, we believe that Department of Defense counternarcotics efforts will bring additional weapons to bear in the fight against global terrorism in Afghanistan. By supporting Afghan police, as they make it more difficult for smugglers to transport illegal narcotics, the United States and Afghanistan also will constrain traffickers' ability to support terrorists and extremists. As Afghan authorities disrupt trafficking networks and reduce poppy cultivation, they deprive terrorists and extremists of a potential new source of financial support.

I would like to thank you, Chairman Hyde, Representative Lantos, and the Members of the Committee for the opportunity to discuss these issues with you. I look forward to answering your questions.

Chairman HYDE. Thank you, Mr. O'Connell.
General North.

**STATEMENT OF BRIGADIER GENERAL GARY L. NORTH, USAF,
DIRECTOR OF POLITICO-MILITARY AFFAIRS FOR ASIA-PACIFIC,
JOINT CHIEFS OF STAFF**

General NORTH. Mr. Chairman, Mr. Engel, and Members of the Committee, thank you for the opportunity to meet with you today to discuss the link between drugs and terrorism in Afghanistan and the United States military's roles.

I would also like to thank you for your continued support for the men and women of our Armed Forces. As you know, that gracious support is critical to our operational successes.

In pursuit of our United States' goals, the U.S. Central Command is fully engaged in building the Afghan security sector, and that enables reconstruction in Afghanistan. The security situation in Afghanistan varies from province to province. The primary areas of instability are in the east and in isolated areas of the south.

In these areas U.S. and coalition forces continue to face opposition from al-Qaeda, Taliban and other anti-coalition elements.

In addition to reconstruction efforts, U.S. Central Command continues to conduct operations in the combined joint operating area of Afghanistan in order to destroy these groups and to prevent the reemergence of international terrorist organizations.

Under mission taskings, U.S. Central Command and its operational unit, the Combined Joint Task Force 180, do not directly conduct counter-narcotics operations in Afghanistan. Their core military missions are substantial. They include security sector reforms, reconstruction and combat operations to capture, kill and deny sanctuary for anticoalition forces, the enemy.

Central Command is very aware of the role that narcotics plays in the overall security picture, and provides guidance for coalition forces that discover drugs, drugs paraphilia, or drug labs during the course of normal operational military missions.

Additionally, U.S. Central Command, working with the Joint Staff in the Office of Secretary of Defense and with other United States Government agencies, and the government of Afghanistan, is developing plans to establish better border controls and continues to share intelligence with other United States agencies, the United Kingdom, and Afghan law enforcement entities.

We will continue to provide support to the United Kingdom interdiction teams per current arrangements.

Mr. Chairman, in the sense of brevity, I will conclude my remarks and stand ready to answer questions at the appropriate time.

Chairman HYDE. Thank you, General.
Mr. Charles.

STATEMENT OF THE HONORABLE ROBERT B. CHARLES, ASSISTANT SECRETARY, BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. CHARLES. Good morning, Mr. Chairman, Members of the Committee. I am both grateful for the chance to be here and grateful for your leadership on this issue.

As you know, just hours ago DEA Administrator Tandy and I were on the ground in Kabul meeting with President Karzai and the United States Ambassador, but also talking with young marines, with INL and DEA agents on the ground, and with those who work every day among the Afghan people.

As a result, I would like to ask that my formal testimony be admitted to the record, but I would also like to put it aside, and share with you some thoughts that washed over me on the plane on the way back.

First, for our sake and for the sake of the Afghan people, we cannot fail in this mission. If we do not tackle narco-terrorism head-on in Afghanistan now, it will tackle us in places all over the region, and in time, all over the globe. That really means locking horns with five core missions:

Deterring future trafficking and poppy planting through more visible and aggressive interdiction, eradication, lab destruction and law enforcement support;

Preventing the institutionalization of a heroin economy. That is, we have to work fast and creatively to nurture a real, not false and corrupt, market economy based on a wide range of agricultural products trading on a free market.

We have to accelerate efforts to stabilize, encourage, and follow with the lead of the central government and President Karzai. He has made a clear, strong anti-drug, anti-terror commitment. And if he is willing to do that from within a place with bullet holes in its windows, we need to put every ounce of effort behind him.

We need to use all possible means in Afghanistan and neighboring countries to block the flow of heroin money to criminal warlords and known terrorists.

And we need to build the justice sector even as we train the police. We need to continue the process of bringing a non-corrupt democracy to life in a sustainable way as an example for others across the Middle East and across Central Asia.

From my perspective, these are the primary needs and they are both important and urgent. To some degree, they are already being met, but we must accelerate that effort. We must make measurable progress toward these goals this year, or we will bear the consequences for decades to come.

So how do we get there?

First, as you and your staff know, and Congressman Kirk has so well articulated, we must speak truthfully, openly, and without either over or understatement about the linkages that tie Afghan heroin to identifiable terrorist groups.

While the information available may not rise to an evidentiary standard in every case, we can and should say that the information we have makes the nexus solid and to some degree actionable.

After that, after all, even when they were more inclined to bank transfers than to Hawallah, and using heroin as a currency, neither drug traffickers nor terrorists offered the evidentiary comfort of filing CMIRs or suspicious transaction reports. What we know about how they do, what they do will never be complete. That cannot be a barrier to coordinated action in Afghanistan anymore than it could have been or should be in Colombia.

If we do not tackle these linkages in their infancy in post-Taliban Afghanistan, the links will tighten and harden, allowing an as yet unborn set of cartels to destabilize a free Afghanistan, to corrupt democratic institutions, to create a culture of hopelessness, and to export that instability westward and northward.

In short, the institutionalization of a drug/terror nexus would be both anti-democratic and opportunity crushing.

To address this reality, INL is working with DEA and DoD, and others, not least the Afghans and our foreign partners, Great Britain, Germany and Italy, to accelerate change on the ground. With at least 40 percent of the Afghan GDP arguably tied to heroin, the risks of an untethered narco economy producing a chain reaction that reverses gains to date, ushering in some kind of corrupt and ungovernable narco state is real.

That is why INL is building seven police training facilities and plans to have trained or retrained at least 20,000 Afghan police officers by late next summer. Several thousand have already graduated at our Kabul academy, and are on the job. Four of the academies are due to be complete by February 26. Each academy will train between 500 and 1,250 police in basic police skills.

In coordination with German efforts, the end game is 50,000 border and Afghan national police in place by December 2005. Of the \$170 million supplemental money for INL programs in Afghanistan, \$110 million will press this goal.

The INL, which is going through a metamorphose of its own on several fronts, is also involved in hands-on creation of a comprehensive justice sector. For all intents and purposes, that is a ground-up exercise. Prosecutors, courts, judges, prisons and the bedrock of it all, the very laws that allow both prosecution and the protection of human rights, must all be brought on line.

Finally, let me say a word again about becoming more aggressive on counter-narcotics. We must now be in the business of sending strong signals on interdiction, prosecution, stockpile destruction, lab destruction, and a nationwide well targeted eradication campaign, one that is credible, one that reenforces the religious undercurrent of disapproval about heroin production, and one that is tied to making rapidly available some legitimate alternative income streams.

Because justice sector reform and ramped up interdiction will take time, the urgency of sending a strong anti-cultivation and pro alternative development signal is high. As we work with our Italian partners on justice sector reform, we must redouble our efforts with the British to build out provincial and then centralized eradication teams in support of President Karzai's commitment to do so.

As the head of the UNODC pointed out in Kabul 2 days ago, poppy farmers in Afghanistan get about a dollar from the quantity of heroin or morphine that will generate \$100 on the streets of

Paris or New York. That money is not going to the farmers. It is going to international criminals, warlords and narco-terrorists.

With the proper mix of incentives and deterrents, farmers will turn back to growing food like wheat and other legitimate products. Hospitals, roads and schools can be conditions on village-wide eradication, which has worked very well in Peru. And farmers will learn that there is no profit in producing poppies for a warehouse or a lab that is likely to be blown up.

Intelligence will improve. Government institutions will begin to function as they have in other nations, and Afghanistan with your help will get out from underneath the narco-terrorist threat and on with life as a free democracy under the rule of law.

When that happens Afghanistan's national security and our national security here in the United States of America will be significantly enhanced.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Charles follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT B. CHARLES, ASSISTANT SECRETARY, BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE

U.S. POLICY TOWARDS NARCOTERRORISM IN AFGHANISTAN

Mr. Chairman, and distinguished members of the Committee: Thank you for the opportunity to talk to you today about the narcotics situation in Afghanistan and what we are doing about it.

Success in rebuilding Afghanistan, an epicenter in the war on terrorism, is one of the Administration's two highest priorities. More than two decades of war have destroyed Afghanistan's physical infrastructure and much of its human and social capital as well. Operation Enduring Freedom's ousting of the Taliban regime, the subsequent Bonn process establishing peace between rival factions, and the presence of the moderate Hamid Karzai as head of an interim government, have solidified Afghanistan's strong and supportive relationship with the U.S. and Coalition partners. However, as the international community and the fledgling central government begin the task of building for Afghanistan an infrastructure, economy, and public institutions, the country faces major threats from different directions, including the resurgence of illegal drug cultivation and an unstable security environment. The challenge is enormous.

I have just returned from the International Counternarcotics Conference on Afghanistan held in Kabul on February 8 and 9. The Conference brought together practitioners and policy makers from a host of countries, and underscored the concern of the international community about the narcotics situation in Afghanistan and our common commitment to assist the nascent institutions of the government of Afghanistan in dealing with it.

For as you know, there is much to be concerned about. For the past decade, opium poppy has been Afghanistan's largest and most valuable cash crop. After a one-year "poppy ban" in 2000-2001, under the oppressive rule of the Taliban and during which drugs were stockpiled, Afghanistan has reemerged as the world's leading supplier of illicit opium, morphine and heroin. The CIA's Counternarcotics Center estimated the 2002-2003 crop at 61,000 hectares—a 98% increase over the 2001-2002 crop. Opium was cultivated in 28 of Afghanistan's 32 provinces indicating the nationwide scope of the problem. The International Monetary Fund estimates that the opium trade makes up between 40-60% of Afghanistan's GDP, with approximately \$1 billion/year going to cultivators and \$1.3 billion to downstream processors and traffickers. Early indications are that the 2003-2004 crop—and its negative consequences—would be even larger absent immediate action. These poppy crops present both immediate and longer-range threats.

Profits from the Afghan drug trade enabled the Taliban regime to stay in power. Today there are strong indications that these heroin drug profits provide funds, to varying degrees, to Taliban remnants, al Qaeda, destabilizing regional warlords, and other terrorist and extremist elements in the region. Unfortunately, the world financial community has only limited ability to track money moving through the hawala system, and it is difficult for the DEA and other USG agencies to estimate how

much is earned from the narcotics trade and other illicit activities. However, given the street prices of these drugs in Europe and points east, estimates of “millions of dollars” are now likely—and this amount is more than enough to finance terrorist activities in and out of Afghanistan.

The consequences of failing to aggressively confront this reality could be devastating, even on top of the low intensity conflict now occurring in Afghanistan. And, as we become increasingly effective in cutting off other sources of terrorist financing, drug revenues—which already generate billions of dollars of profit for ordinary criminals—will become increasingly important to terrorist networks. For this reason, stability in Afghanistan cannot be achieved without addressing the drug issue, and counternarcotics programs cannot be deferred to a later date. Afghanistan is already at risk of its narco-economy leading unintentionally but inexorably to the evolution of a narco-state, with deeply entrenched of public corruption and complicity in the drug trade undermining stability, containment of other threats, and all our assistance programs (army, police, governmental, etc.).

We may even say that, to some degree, what loom are consequences affecting both the stability of the region and the world. The Bureau for International Narcotics and Law Enforcement Affairs (INL) programs to fight narcotics and build police and judicial institutions are an essential, leading piece of our endgame in Afghanistan, and are a vital element of our total assistance and wider and longer-range security strategy.

The immediate impact of unimpeded drug trafficking outside Afghanistan is apparent in the adjoining states and along the Afghan drug routes. A group of powerful tribal families, many based in Pakistan, together with other, less organized drug trafficking rings, act as primary brokers. The routes and financial and communications methods used by Afghan-based drug traffickers cannot be distinguished from those used by terrorist organizations, arms smugglers and other criminal elements to move and conduct activities in and around the region. This drug trafficking and related criminal activity emanating from Afghanistan are corrupting public officials and undermining fragile states throughout the former Soviet Union and Eastern Europe, while the twin plagues of drug abuse and HIV/AIDS are destroying lives across Europe and Asia.

Afghanistan’s new national drug control strategy, ratified in May 2003, aims to eliminate opium poppy cultivation and trade in 10 years. We can assist in both supporting and accelerating the realization of that goal. To that end, President Karzai has issued decrees outlawing the production, trafficking, and use of illegal drugs, but the central government’s ability to enforce these decrees is minimal. There is presently no reliable Afghan capability to accurately estimate illegal drug cultivation or to destroy illegal drug crops, and no integrated drug intelligence, investigation, and interdiction capability within the Afghan National Police. Drug arrests, seizures, testing, and destruction are haphazard and drugs confiscated by the authorities are sometimes stolen and/or resold. Trials and incarceration of offenders are beyond current government capabilities.

This mix of lawlessness and poverty has created a haven for drug traffickers and opium brokers. It is an environment in which criminals and terrorists can and do thrive and flourish. There is urgent need to help the Afghans pursue legal crop cultivation and enforce their current ban on poppy cultivation and the opiate trade. We must therefore simultaneously be preparing the foundation for institutional capacity and the implementation of laws, while also seeking to help Afghanistan eradicate crops and find and prosecute traffickers.

The INL program in Afghanistan and for the surrounding region, in partnership with the United Kingdom, Germany, Italy and others, seeks to address these weaknesses across the board. The programs currently planned include activities focusing on the following areas: support for an Afghan-led eradication campaign; continued support for alternative livelihoods programs linked to cessation/prevention of poppy cultivation; and support for major Afghan public affairs anti-drug campaign, in coordination with DOD. Programs will also address the evolving containment theory of stopping heroin from transiting across the borders of Afghanistan and in support of heroin lab targeting. In this way, we will promote greater coordination between counternarcotics and counterterrorism activities.

It is important to recognize that the process of reconstruction in and of itself will not “solve” the drug problem. The drug trade is insidious and traffickers are savvy. Simply having alternatives is not enough; licit crops cannot compete with poppy. INL “alternative livelihood” projects have had some success, but effective sanctions on illicit activity are critical. The lesson to be drawn is that economic development and drug law enforcement must be implemented in parallel.

To improve the security environment as quickly as possible, in coordination with Germany, the lead country on policing, and other international partners, we plan

to train 50,000 combined Afghanistan National Police (ANP), Border Police (ANBP) and Highway Police by December 2005. More than 2,000 have been trained to date, and we aim to train a total of 25,000 by this June. We are using reprogrammed Emergency Response Funds and FY 2004 supplemental money that INL received to establish seven Regional Training Centers (RTC) near Provincial Reconstruction Teams (PRT) in Gardez, Mazar-i-Sharif, Konduz, Kandahar, Bamiyan, Jalalabad and Herat. Supplemental funds will also provide equipment, communications and management systems, police physical plant and infrastructure, and salary support. We believe that this program will give the Afghan government, for the first time, the capacity to enforce the law throughout the country—a necessary condition for legitimate, sustainable economic development to take place.

Second, in coordination with Italy, the lead country on justice reform, we are working to rebuild the justice sector, which was almost completely destroyed in 20 years of war. Our criminal justice program, in coordination with the Afghanistan government, will continue the repair and construction of courthouses, aid in the development of justice sector institutions, and invest in human capital by training judges, prosecutors, defense counsel, and court administrators. Legal training and professionalization programs will reestablish professional standards and integrate women jurists and attorneys into the Afghan legal system. This program, over time, will create an Afghan government capacity to try criminal defendants fairly and to mete out appropriate punishments.

Finally, in coordination with the UK, the lead country on counternarcotics, INL programs are going after the drug industry directly. This is a multi-level strategy that involves going after drug labs, “containing” the drug trafficking threat, and becoming more aggressive about poppy eradication nationwide.

Specifically, we have contributed, with the UK, to a project through the United Nations Office of Drugs and Crime to establish a Drug Interdiction Unit, which will direct its specialized expertise against drug traffickers. This Unit has been formed and specialized training is being arranged. The UK has already established a similar unit—after a yearlong effort—and it has begun to undertake operations in the south, where opium poppy cultivation is concentrated. And we are in discussions with the Germans about possible partnership in establishing another interdiction unit, which would also have specialized capacity in the area of clandestine laboratories. Building drug law enforcement capacity like this is essential but also—as UK and UNODC experience shows—difficult and time-consuming. Afghan recruits come to us with very low levels of education and experience, and vetting for suitability and training take time. There will clearly be a need for embedded foreign experts in these units for some time to come to continue professional and organizational development.

For the next several years at least, Afghan law enforcement institutions simply will not have the capacity to attack processors and traffickers effectively and systematically. Recognizing this, and at the request of the Afghan government, we are now working on a program to begin to eradicate the crop in the ground, when it is most vulnerable. We hope to destroy a portion of the current year’s crop—perhaps 10–15%—and to prepare for a large-scale eradication campaign against the 2004–2005 crop. This program will, we believe, also deter farmers from planting. The profits to be made in the business are so large that only the credible threat of complete financial loss can be an effective deterrent—and we aim to create a centrally-directed, standing poppy eradication force that will be this deterrent. This program will disrupt the narcotics industry at its most vulnerable point and cut off the flow of raw material to the criminals, warlords and terrorists who profit from downstream processing and trafficking.

In support of law enforcement and eradication efforts, we will also implement alternative development and public affairs projects. To destroy Afghanistan’s opium economy, alternatives to the pernicious cycle of opium credit, cultivation and harvest must be available to rural communities. Unlike traditional development assistance, INL’s alternative livelihood programs directly support the opium ban by linking assistance to the cessation of poppy cultivation. INL is also working closely with the UK, USAID and the Afghans to coordinate the delivery of all development programs to poppy areas to ensure sustained success.

INL is also assisting the Afghan Counternarcotics Directorate within the National Security Council in implementing a major anti-drug public affairs campaign designed to deter cultivation, trade, use and abuse of narcotics. This campaign will include publicizing anti-drug messages through print media, radio, television and sponsorship of public/community events aimed at discouraging drug cultivation and use. We will develop and implement this program in close coordination with DOD, which also has expertise and experience in this area.

We recognize, too, that there is a need to deal with the drugs that flow over Afghanistan's borders to world markets, including the U.S. Since September 11, 2001, and the beginning of Operation Enduring Freedom, INL has dramatically expanded its efforts to "contain" this flow through programs to improve border controls in adjoining states in Central Asia and Pakistan, and to enhance the capacity of states on the Afghan drug routes to fight the narcotics scourge. We are continuing to work with the international community through the UNODC Paris Pact to identify drug routes, improve information exchange and coordinate the delivery of assistance programs all along the Afghan drug route. We were particularly pleased to be able to support establishment of a DEA vetted unit in Uzbekistan, and we think consideration should be given to expanding this program to other countries along the drug routes.

In conclusion, I would like to stress the importance of assistance programs and their relevance to national security. My DEA colleague can address the specific crime threats in Afghanistan and elsewhere, and will highlight the role that assistance programs play in developing competent and reliable foreign counterparts. It is thanks in part to the assistance from INL-managed programs that U.S. law enforcement can operate successfully against transnational crime threats to the U.S. The stark reality must be faced: If we do not implement programs to help develop effective institutions abroad, U.S. law enforcement agencies will have no one with whom to cooperate.

Afghan Extremists' Links to the Drug Trade

Degree of Certainty (from greatest to least):

- Almost Definitely
- Most Likely
- Probably
- Possibly

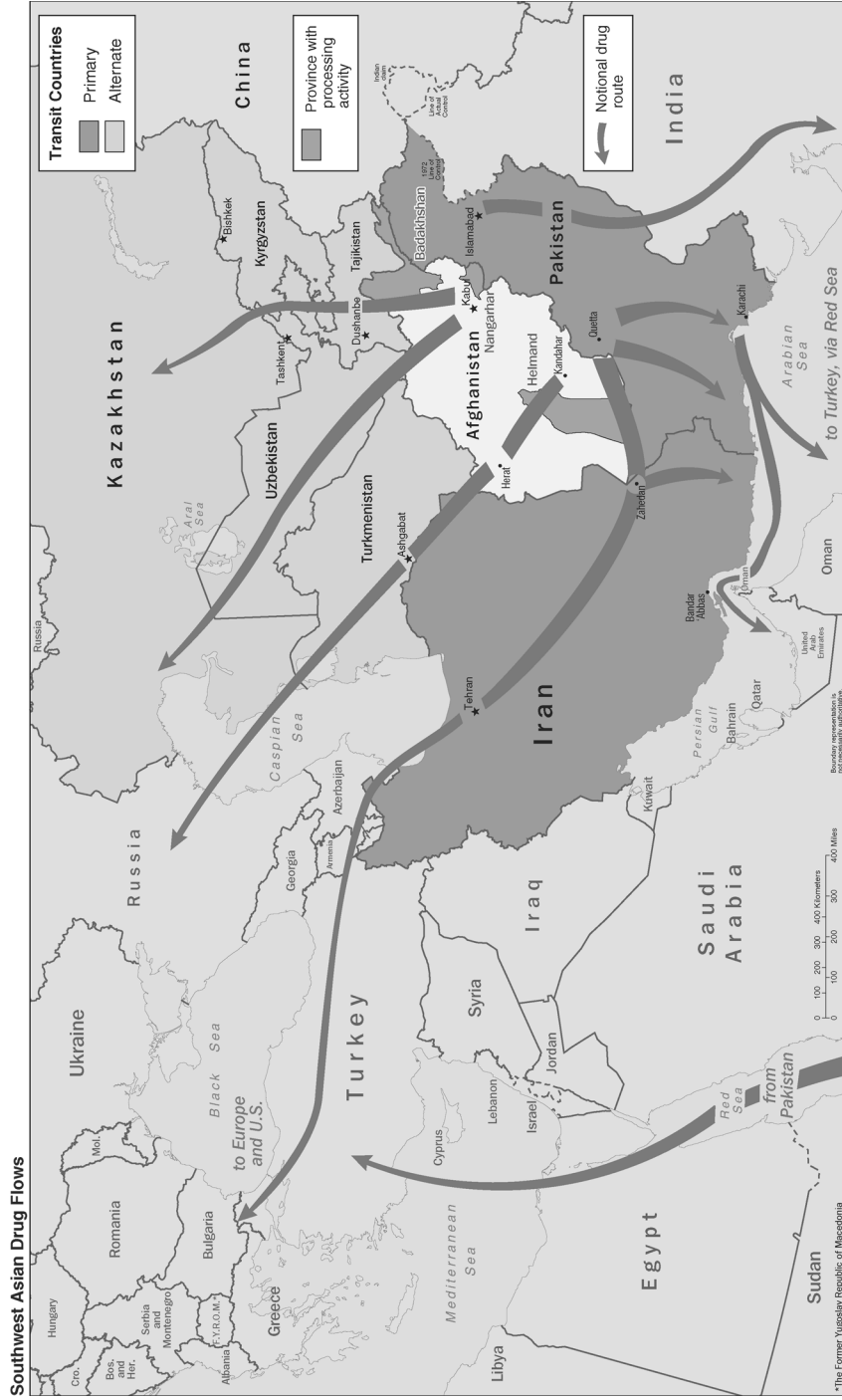
| | <i>Are they receiving money from the trade?</i> | <i>Do traffickers provide them with logistical support?</i> | <i>Are they telling farmers to grow opium poppy?</i> |
|---|---|--|---|
| Hizb-i Islami/ Gulbuddin (HIG) | Almost Definitely: HIG commanders involved in trafficking have led attacks on Coalition forces, and US troops have raided heroin labs linked to the HIG. | Most Likely: HIG commanders involved in the drug trade may use those ties to facilitate weapons smuggling and money laundering. | Probably: Afghan Transitional Authority officials say the Taliban now encourages poppy cultivation, and other extremist groups interested in weakening the government in Kabul—like the HIG—may be following its lead. |
| Taliban | Almost Definitely: UN and Afghan Transitional Authority officials report the group earns money from trafficking and gets donations from drug lords. | Most Likely: Major drug barons who supported the Taliban when it was in power remain at large, and may be moving people, equipment, and money on the group's behalf. | |
| Islamic Movement of Uzbekistan (IMU) | Probably: Uzbekistani officials have accused the group of involvement in the drug trade, and its remnants in Afghanistan may turn to trafficking to raise funds. | Probably: Members with drug ties may turn to traffickers for help crossing borders. | Possibly: No reports, and these groups—as foreigners in Afghanistan—may lack the moral and political authority needed to influence farmers' planting decisions. |
| Al-Qa'ida | Possibly: Only scattered reports, but fighters in Afghanistan may be engaged in low-level—but still lucrative—drug deals. | Probably: Traffickers stopped last December in the Arabian Sea were linked to al-Qa'ida. Al-Qa'ida may hire professional criminals in South Asia to transfer its weapons, explosives, money, and people through the region. | |

Afghan Extremists' Links to the Drug Trade

Degree of Certainty (from greatest to least):

- Almost Definitely
- Most Likely
- Probably
- Possibly

| | <i>Are they receiving money from the trade?</i> | <i>Do traffickers provide them with logistical support?</i> | <i>Are they telling farmers to grow opium poppy?</i> |
|---|---|---|--|
| Hizb-i Islami/ Gulbuddin (HIG) | ● | ● | ● |
| Taliban | ● | ● | ● |
| Islamic Movement of Uzbekistan (IMU) | ● | ● | ● |
| Al-Qa'ida | ● | ● | ● |



Chairman HYDE. Thank you, Mr. Charles.
Ambassador Taylor.

**STATEMENT OF THE HONORABLE WILLIAM B. TAYLOR, JR.,
COORDINATOR FOR AFGHANISTAN, U.S. DEPARTMENT OF
STATE**

Mr. TAYLOR. Mr. Chairman, thank you very much for letting me be here. The good thing about being at the end is all the important stuff has been said. Let me just summarize—that is true. There are others that are about to have this opportunity, I understand, but of this group. We might be able to think about work in Afghanistan in two phases, two overlapping phases: One, a stabilization phase, and the other, an institutionalization phase. And these phases are applicable in the political and economic and in the security arenas.

In the political arena, the stabilization phase came to us, we see it in terms of the emergency Loya Jirga where Afghans decided that President Karzai was going to lead them in the interim time until a constitution could be put together.

We then move into and have already begun to move into the institutional phase; that is, a constitution. And just last month the Afghan people put together a constitutional Loya Jirga that came up with a constitution, a pretty good one on paper.

The challenge on the institutionalization of that was to be sure that the protections and that the rights that that document gives to the people of Afghanistan are real.

In the economic phase, again, the stabilization side, we need to put funds into Afghanistan that will get the economy going quickly; that will jump start the economy, and that requires foreign assistance. And the Congress, as several of you have indicated, has been very supportive of this foreign assistance to Afghanistan. Infrastructure is destroyed, has been destroyed, need to be rebuilt in order for the economy to begin to grow.

In the institutional side, we need to create the conditions, the economic conditions where investors both in Afghanistan but also around the world are willing to put money into that economy, to see it grow on the long term.

And finally, on the security sector, Mr. Chairman, the stabilization phase requires General North's troops there in Operation Enduring Freedom. It requires the provincial reconstruction teams to go out into the parts of the country where the international community has not been, and they are out there now in 12 different areas. NATO is playing an increasing role. It has already taken over in Kabul and is expanding outside of Kabul, so that is on the stabilization side.

The institutionalization side, as several of my colleagues have already indicated, requires the Afghans to take over, and so there we are talking about training the police, as Secretary Charles has described, of training the army, as General North described, that is the institutional side that will move us toward a stable Afghan-oriented country.

Mr. Chairman, finally, failure is not an option. Several of us have made this point. Failure is not an option. We need to succeed in Afghanistan. It is not an option but it is still possible. If we do not recommit ourselves, if we are not there for the long term, if we

are not seen to be there for the long term, then people will not have confidence that we are going to do it right this time, and they remember before.

Thank you very much.

Chairman HYDE. Thank you, Ambassador Taylor.

It just seems to me that those people attempting to stabilize Afghanistan have about as tough a job as you could imagine because you have got warlords who run the country, run their own bailiwick, and we are asking them to give up power, to yield authority. The very notion is anathema. I am sure there are lots of them. But until the countryside gets stabilized where you can go from one town to another down a road and feel reasonably safe, I do not see how investors are going to rush to put money into Afghanistan.

And so the pacification and the gentrification of the warlords is something that has to precede, it seems to me, the development, but that is merely restating the problem. It will take a lot of luck and a lot of skill and a lot of firmness, and frankly, a lot of the U.S. to help that happen.

I would like the military witnesses or anyone thereof to respond. Assistant Secretary O'Connell and General North have testified they are gathering intelligence on heroin labs and the opium deposits or depots, and I am just wondering what will DoD do with this data. What follows the collection of this information?

I am urging the military to take on the laboratories and the depots as targets, military targets, and level them to the ground, but that is not a policy of the military now, but you are collecting data on these things. I am just wondering what you do with it.

Mr. O'CONNELL. Mr. Chairman, first of all, I would like to applaud your opening statement. I think it clearly frames the very difficult problem that not only the Defense Department but the DEA, State Department, our fine people in uniform are facing on a daily basis in Afghanistan, not to mention the Congress and the policymakers.

So your question is not an easy one to answer. Let me give a few statements and then as General North to respond as well.

With respect to intelligence, not my portfolio in DoD, but I am responsible for monies that you provided in the last supplemental, \$73 million, which we have started to use within the intelligence community, specifically, NSA in cooperation with CIA, and in cooperation with the new NEMA, the national geospatial agency.

We have a collection program in place that targets exactly what you asked for, sir. We also have monies that have been dedicated to the formation of an intelligence fusion center, which will be in the capitol city, which will combine the intelligence of DEA, our other national intelligence agencies, and it will include the lead country in terms of the narcotics problem, the U.K.

With respect to targeting, sir, I have met specifically with Lieutenant General Clapper, retired General Clapper, at NEMA, and we have, I think, a very robust program in shape in terms of national collection means, and I will leave it at that, that will be shared with the Afghans in a printed format, and with our colleagues in DEA, and others, particularly the U.K.

With respect to the intelligence effort against the specific labs, as the harvest goes forward at different times of the year, and I think

you are aware, sir, that there is a cycle of harvest in different areas, we have good data, past data and good analysis that reflects that we will be able to address many of these lab issues.

It, of course, has to be done in conjunction with the Afghan government and in conjunction with the combatant commander, General Abizaid, and the joint task force commander.

But I would like to respond positively to you, sir, that the labs will not go unnoticed. It is not a primary effort of U.S. Central Command now, but very clear instructions have been issued to the operators on the ground, to the people that are doing the fighting, as to what steps they take when they come across this, and what they can do in terms of targeting.

Does that answer your question, sir?

Chairman HYDE. Well, it does. It tells me we are part way there.

Mr. O'CONNELL. You are exactly right, sir.

Chairman HYDE. Ms. Tandy, is DEA into the intelligence loop now with the coalition forces in Afghanistan?

Ms. TANDY. Mr. Chairman, DEA is exchanging intelligence with the Brits and the intelligence agencies of the U.K. and the United States. We are hopeful that if the fusion center gets off the ground that we will start receiving direct drug intelligence at that point from the military.

We do receive from DoD general reporting now. DEA has made available its confidential sources, and has provided intelligence that we have to the military in Afghanistan.

Chairman HYDE. Would you like fuller cooperation from the military? You would always like that, I am sure.

Ms. TANDY. Yes.

Chairman HYDE. I will withdraw the statement.

Ms. TANDY. I am sorry?

Chairman HYDE. I said I will withdraw the question.

Ms. TANDY. Thank you. Thank you, Mr. Chairman.

Chairman HYDE. But I will suggest that it would be helpful to get the DEA into the intelligence loop fully, and not just partially.

One of our major problems is the failure to inter-communicate, and I hope we do well.

Mr. Engel.

Mr. ENGEL. Thank you, Mr. Chairman, and I want to thank the panelists for their excellent presentation.

I have lots of notes that I was writing down and lots of questions, but one thing that really hit me. It just seems so simple. You are all saying the same thing, the Chairman said the same thing, I am saying the same thing. We all really understand the gravity of narcotics and what it does, how it aids and abets terrorism.

Why are we seemingly not doing enough? Why are we perhaps not coordinating enough? What can the Congress be doing? Is it a matter of more resources that we ought to be doing? I wonder if any of you would care to comment on that.

Is it the fact that we do not have enough troops in Afghanistan? Are we so preoccupied with Iraq that we are neglecting Afghanistan? I am wondering, General North, if you could perhaps answer that?

I want to, first of all, thank you for the good work that you do, and perhaps you could give me your perspective on that.

General NORTH. Sure. Thanks for the opportunity to respond.

In regards to do we have enough troops in Afghanistan, and the linkage of perhaps Iraq has changed that dynamic. Sir, that is not the case. In fact, we have more troops in Afghanistan now than we had in Afghanistan when the major fighting was going on, and we have more coalition troops in Afghanistan that are supporting the effort. In fact, there are now 37 countries that either support directly OEF or the coalition in building the Afghan national army, supporting the reconstruction efforts with the police, with the judicial efforts and other arenas.

So “troops to task” for the military task are appropriately sized for the direct military operations and reconstruction efforts that are ongoing in Afghanistan.

And for those who have been to Afghanistan, both the United States troops, the coalition troops, and the Afghan military are doing a superb job. In regards to the Afghan national army, we have trained—we are on contract as the lead nation for training the Afghan national army. We have 13 battalions fielded today. We have three battalions in training today, and we will meet the program outlined for the Afghan national army that we set 2 years ago.

So we are on track for the “troops to task” and for the deliberate military missions in Afghanistan, sir.

Mr. ENGEL. Thank you, General.

Ms. Tandy, I am told, and please correct me if I am wrong, that DEA is only allowed to have two officers based in our Embassy in Kabul; that we are told that the State Department has limits on the number of personnel at the Embassy generally, and that is part of the reason why there is only two officers.

Is that true?

Ms. TANDY. Representative Engel, the situation on the ground in Kabul right now is—there is a severe housing restriction at the Embassy. It is not safe for American personnel to be outside of the Embassy grounds.

When I was there, I stayed literally in like a shipping container, and so there were restrictions at the beginning. When DEA resources were placed in the Embassy there, we sought five positions. We were given two.

When I met with the Ambassador 2 day ago, we discussed this issue, and as I mentioned in my remarks, I intend to seek to increase our two agents there to at least six people on the ground in Kabul, and the Ambassador has supported that.

We will do that by temporarily detailing agents in. The Embassy is expanding its residential quarters now, and those issues are about to be alleviated in terms of simply housing at the Embassy compound.

Mr. ENGEL. Why could we not expand and have more officers and put them at the military site nearby in Bahrain? I am told there are other civilians in Bahrain. Why could we not do that if the Embassy is not an option?

Ms. TANDY. We are severely hampered in our movements within that country, and require military escort or the equivalent of military escort to move around within that country presently. So there

are some geography issues in that regard of going to an alternate site.

Our office at the Embassy is co-located with the State Department's INL officials there, so there are other additional reasons to remain within the Embassy proper in Kabul.

Mr. ENGEL. Thank you.

General North, in response to my question about troops, you said there, in your opinion, were adequate troops. If we are looking at post-war troops, I have some statistics here that say in Kosovo we have 23 troops per 1,000 residents; in Bosnia, 22 troops per 1,000 residents; in Iraq, where I personally believe that we need more troops, we have 6 per 1,000 residents; in Afghanistan, we have ½ per 1,000 residents.

How could that be adequate enough? And it would certainly seem to me that if we are talking about going after these drug lords, it would be helpful if we would have more troops.

General NORTH. Sir, I will not get into the math of troops to civilian populations because each country is different. A large portion of Afghanistan is relatively stable. A large portion of the Afghan government and the international community is engaged in developing what we require in Afghanistan, which is a very strong judicial system, a very strong anti-crime system, and that is why we are building 20,000 policemen through their regional police centers.

We debated this discussion on what is required for security sector reform at length over the last 2½ years, and the majority of the issue is basic petty crime. This is where border police and this is where normal police and an effective judicial system will bring a large amount of stability to Afghanistan.

The U.S. military and coalition military, the "shooters" if you will, are engaged in taking on the offensive elements in those provinces that are still unstable in the east and in the southeast.

So the "troops to task" are very important. Of course, our capability as well with those troops have increased since Kosovo. We have much better "queuing," much better intelligence, the capability to transport troops to the fight faster. And so the numbers, we feel, are appropriate for the military mission.

Now, the challenge that we all face in the international community, and this is NATO's challenge as they step up to an expanded stabilization course throughout Afghanistan, is to provide stability so that the Afghan government with its civilian leadership and its police forces and its military can provide that stability in those provincial areas.

Mr. ENGEL. Thank you.

Mr. O'Connell, in my opening remarks I talked about my frustration with the seeming reluctance of the Department of Defense to engage drug labs and other targets. I believe that we need to do counter-narcotics operations, not only operations against purely military forces.

I mentioned about a British raid in early January, a raid against a notorious drug lab in the northeastern part of Afghanistan. There was a fire fight, and the U.S. A-10 ground attack aircraft answered the call and bombed the lab. I believe that this could have been a start or sent a chilling message to the narcotics lords that "we are

coming for you,” and instead what we feel is a sense of embarrassment and denial by our military about this incident.

Can you comment on that, please? Because I really think that instead of seeing it as a lesson to build upon, it seemed to us that DoD did not want anything to do with it or with fighting drugs—with an attitude we are only going to fight terrorists—and by everyone’s testimony obviously there is no clear difference between fighting terrorism and fighting drugs. So if you would comment on that, I would appreciate it.

Mr. O’CONNELL. Thank you, Representative Engel.

The specific incident that you are referring to, I do not know of anyone in the Defense Department that said we are ashamed of that or has moved away from that response.

We do have an agreement with the U.K., and the agreement is primarily that aircraft response or close air response or transport response would be for extremist situations.

There is not a reluctance on the part of the Department of Defense to address the entire lab situation in Afghanistan. Let me assure you of that, sir. I spent considerable time with Secretary Rumsfeld, with Deputy Secretary Wolfowitz, with Undersecretary Feith before he went into the interagency process with State, with members of the Department of Justice, and with others, as to how we would best approach this situation in terms of stability operations.

You make a very, very good point, sir. There are labs that could be hit. Part of that is a conscious decision on the part of the Afghan government. Part of it is a strategy that is being developed by not only elements of the United States Government, but in conjunction with the British and other NATO allies. So there is a plan in place.

But I would just like to emphasize that all of what DoD is doing is not necessarily apparent. We have some very effective clandestine collection elements that are going on not only in Afghanistan, but to target the tendrils that go out in the counter-narcotics operation.

We are looking at how to be more effective against the Hawallah efforts that were mentioned previously by the Assistant Secretary from State.

We have a program in place that takes the U.S. effort and applies it concurrently with our stability operations. As an example, I think it has been pretty much discussed here that wholesale eradication is really not a strategy, but if there is targeted eradication with an optional crop, that might be one step. Increasing our intelligence and training is another step.

I think everything has to be taken in lock-step with what for lack of a better term is a master plan and a lot of the counter-narcotics activities are going to have to be done concurrently.

I was talking with members of the staff just prior to the hearing, and one of the things that concerns us specifically when you talk about certain labs or certain narco-terrorist targets, it is not always easy to anticipate what the consequences are going to be of taking a certain action. It has to be done in conjunction with our Afghan allies.

But I would like to repeat that there are specific instructions for U.S. Central Command, and for the Joint Task Force, contrary to

what some might believe, to deal with labs and to deal with narcotics that are found on the battlefield or that are picked up incident to other military operations, sir.

Mr. ENGEL. Thank you.

Mr. Charles, did you want to say something?

Mr. CHARLES. I did. I just wanted to make a very quick clarification if I could, reenforcing what you have just heard.

There is a very clear end game and that end game we all understand involves the acceleration of targeted eradication and interdiction to send that clear signal. It also includes getting a justice sector in place in a country that right now can barely boast more than a handful of courts or prosecutors or judges, and it also involves accelerating and then re-accelerating as fast as we can without reducing the quality and the number of Afghan police officers that we have out in the field in Kabul and beyond Kabul. That is why we have seven institutions coming under, literally coming off the ground within months, and four of them this month, and that is why we are shooting for 25,000 by the mid-summer.

But I want to put it in perspective. Time is our enemy. It is not that we have a bigger or different enemy other than what we acknowledge as counter-terrorism. Time is our enemy. It is as if someone said to you I need a house built in 24 hours. I would like you to pour the foundation, build the roof, get the studs up, get the front door on, and go. So it is a long, tough battle, and we are trying to sequence as rapidly as we can solution.

The other thing I want to clarify is we are, INL, the INL bureau of the State Department under my leadership is strongly supportive of DEA getting into the field as often and as frequently as they are comfortable doing. As the Administrator indicated, I think near October is the current time line there will be new facilities available, and we will not only be supportive of additional resources there for DEA, but I am going to request that six, at least six slots be potentially filled by INL in that location. So we are absolutely on the same page, but time is our enemy.

Mr. ENGEL. Well, if time is our enemy, then what can Congress do in terms of changing that? I mean, obviously, we need more money. That is one of the situations. I would like to hear your comments on that.

And also, in your testimony you spoke about—which I thought made a lot of sense—about incentives to farmers. You know, I am no expert on agriculture having an urban and suburban district, but I try to do as much reading as I can, and obviously in this country we have programs where we subsidize farmers in this country. We do that. We subsidize people not to grow things in this country. It makes tremendous sense to me to be able to that in Afghanistan. If we can tell you the farmers, you mentioned wheat, grow wheat, if it is more profitable for them to grow wheat than it is to grow poppy, they will grow wheat. Obviously it is not if we do not get involved and subsidize them.

Mr. CHARLES. Let me answer both of those questions as succinctly as I can.

First, being a great admirer of Congress, I think that the first and most important thing that you do is to elevate this issue in a public dialogue, and you are doing that right now, the counter-ter-

rorism piece together with its linkages to counter-narcotics and the significance of Afghanistan in the grand scheme.

Secondly, I would ask you to just monitor what we are doing. I cannot speak to a need for additional resources at the moment because the supplemental is being implemented at this time. We are sending \$160 million into the police effort, \$10 million in to the justice effort, and \$50 million into the counter-narcotics effort in total. See what we get from that. Demand results of us. And if we need more, we will tell you.

And I think the third thing I would just do is address for a moment your farmer question. We have to work from what we know historically, and we know that, for example, in Peru there are more than 400 communities in which we have conditioned eradication. We have conditioned (a) a chosen asset or a chosen benefit on complete eradication by the entire village. So, for example, if they need a school, if they need a hospital, if they need a road, and that process works.

We also know that forced eradication works. We also know that voluntary eradication has a pretty poor track record, and therefore what I would say to you is put the obligation on us to produce for you in the ways that we know work, and in these particular countries, in these particular means, we know we can generate results, and then let us get back together again as soon as it is possible to do so and talk about it again.

Mr. ENGEL. Ambassador Taylor, if I could ask you a final question. When we look at the Taliban, in my estimation, neglect, Western neglect brought about the Taliban. We thought that we could get the Soviets out of Afghanistan, and then instead of sticking with it we walked away, and hopefully we are not going to make the same mistake again.

Please assure me that we are not. I guess that is what I—you know, you have been involved so much with it, and I just think—you know, I remember something I read in the paper not long ago where one of the former officials, one Russian official who was one of the former officials in the Soviet Union who is somewhat supportive of our efforts said, you know, we thought that we had wiped out forces that we did not like in Afghanistan too. We thought we had won the war there, but we learned otherwise. We learned that every time we knocked something down four ugly heads reared, came up in its place, and you Americans, you just wait. You think you have destroyed the Taliban, you think you have knocked them out, you think you have won the war. You just wait. You ain't seen nothing yet. I am sort of paraphrasing it, but that is what he was saying.

I would like you to comment on that too, because when I heard that it sent chills up and down my spine.

Mr. TAYLOR. Mr. Engel, it is very important, just building on what Charles said, which is an answer to your question, what can Congress do.

Congress, as reflecting the American people, and as prodding the Administration, can keep the focus on and ensure that we do not lose our attention; that our view does not phase out, that we are not distracted to something else. This is a—as you have indicated—this is a very important undertaking that we are doing here. This

can have historical benefits to us over a long period of time if we keep our eye on this ball.

And so you are doing that. You have provided resources for now. The supplemental has given us \$2 billion this year, \$2 billion for Afghanistan in fiscal year 2004. That is very good support.

Chairman HYDE. Would the gentleman yield for a moment, Mr. Engel?

Mr. ENGEL. Certainly, Mr. Chairman.

Chairman HYDE. Ambassador Taylor has just hit the nail on the head. What Congress could do is support the supplemental appropriation which provides the funds to do all these things, and it sends an uncertain sound to have prominent Members of the Senate vote no. So I think that is something Congress can do.

Mr. TAYLOR. Mr. Chairman, if we could bottle the enthusiasm that we have right now, right now the Congress has been very supportive, the Administration is pushing very hard, the American people are supporting that through you. What I worry about is the next 2 or 3 or 4 or 5 years. We need to sustain this effort at a high level.

Chairman HYDE. Okay. I did not mean to interrupt. Go ahead and finish your answer, and then we will go to Mr. Delahunt.

Mr. TAYLOR. If I could just do one last comment on the Taliban. I have told this story once or twice before, but the Taliban, exactly as you have said Mr. Engel, have a saying that the Americans have the watches but we have the time. We need to prove them wrong. We need to be sure that they know that we are in this for the long term. They are not going to wait us out. We are going to be there, we are going to succeed. We are going to get this country, this government, this state on its feet so it can both provide the services to its people and defend itself against the threat. Thank you.

Chairman HYDE. Mr. Delahunt.

Mr. DELAHUNT. Yes, thank you, Mr. Chairman, and thank you for the good work you are doing, Ambassador. I have had an opportunity to meet with you, and I think, be informed, and we appreciate that.

Talking about institutionalization, there is an election scheduled for this coming June. Clearly, the electoral process is a democratic institution. Now, it is my memory that there was a target of some 10.5 million Afghans to be registered. How many have been registered to vote?

Mr. TAYLOR. Mr. Delahunt, as of yesterday, about 800,000 have been registered.

Mr. DELAHUNT. So we are a long way.

Mr. TAYLOR. We are a long way. The plan that the U.N. has put together with a lot of support, material support that you have provided through your appropriations, but with other nations providing additional funds has a very large increase, acceleration in the number of Afghans to be registered.

Mr. DELAHUNT. Ambassador, is the 10.5 estimate, is that a realistic estimate at this point in time?

Mr. TAYLOR. Yes, sir. That is a realistic estimate of how many people there are probably eligible to be registered.

Mr. DELAHUNT. I understand that and—

Mr. TAYLOR. And I would imagine by May, according to the plans if security allows us, and so far we are reassured that it will, we can probably get in the 8 million, 9 million range, and some skepticism is in order.

Mr. DELAHUNT. That is why I am posing the question.

Mr. TAYLOR. Which is perfectly reasonable. That is, we are at 800,000 right now, and we are trying to get to at least 8 million of the 10.5 million people that can be registered.

Mr. DELAHUNT. How long has it taken us to date? When did the effort in terms of registering these Afghans, when was it initiated?

Mr. TAYLOR. It began the first of December.

Mr. DELAHUNT. The first of December, this past December?

Mr. TAYLOR. Yes, sir.

Mr. DELAHUNT. Okay.

Mr. TAYLOR. The plan has been, and has been implemented on time so far, is to go to the eight main cities, because you can do registration of voters in the winter in Afghanistan in urban areas, and that is what we are doing, eight main cities. We are about to go out to all 32 provincial capitols.

Mr. DELAHUNT. Can I—

Mr. TAYLOR. And then we are going to expand into the rural areas, and it is at that time that we—

Mr. DELAHUNT. Thank you for that answer, and that is one of the benchmarks we will measure in terms of our progress in Afghanistan. I hope we succeed. I think 8 million would be significant.

In terms of security for the elections, my memory was that we anticipated that there would be some 70,000 security police that would have been trained to secure free and fair elections in June.

Where are we in terms of the number of police that have been trained and are available for security?

Mr. TAYLOR. Sir, we expect to have by the end of next year about 50,000 police trained.

Mr. DELAHUNT. Okay, but what do we have right now?

Mr. TAYLOR. We have about 2,000 right now, and we are anticipating, again, Secretary Charles is the expert on this, we are anticipating 20,000 police trained by June, but Secretary Charles can—

Mr. DELAHUNT. If I can just continue with you, Ambassador. I would like to have your response, and Mr. Charles also, Secretary Charles.

But we were talking about 70,000. We are looking at about 50,000 by May?

Mr. TAYLOR. The 70,000 might also have been the number that we are focused on for the Afghan National Army; that is, the ANA, the Afghan National Army will be 70,000. I think the target for the police is 50,000.

Mr. DELAHUNT. Fifty thousand.

Earlier General North indicated that, in terms of stability that most of the—I think his, and he can obviously respond to this too—most of the nation was secure. Clearly, that is not the reports that our appearing in the information that we receive.

What would be your assessment, Ambassador, in terms of the security situation, and are we relying on the malitias headed by

these various warlords that the Chairman alluded to earlier to provide that security?

Mr. TAYLOR. sir, I agree with General North. Two-thirds of the country is in pretty good shape. One-third, fairly geographically focused, is not in good shape, and that one-third is, as General North said, in the south, southeast and east. It is right along the Pakistani border. That is where the principal problem for security is.

On security for the elections and related activities, registration, we can learn something, I think, from the success of the Constitutional Loya Jirga, which has people from all parts of the country getting together in large groups to elect their delegates to come to—

Mr. DELAHUNT. If I can just interrupt once more—

Mr. TAYLOR. Sure.

Mr. DELAHUNT [continuing]. Because my time is running out. I understand there was one particular warlord who intimidated a number who would wish to have participated in the Loya Jirga from participating. I think the jury is out, let me put it this way, in terms of the efficacy of the Loya Jirga. But let me get on to another issue.

In terms of the hundred thousand militiamen that are under arms at the behest or under the command of the various warlords, what is our progress there? What is the best estimate we have now?

Mr. TAYLOR. Sir, that 100,000 is probably a very upper end estimate.

Mr. DELAHUNT. Okay.

Mr. TAYLOR. I would imagine that it is probably more like 40,000 who are really militias under arm that are available to these local commanders. The process of demobilizing, demilitarizing and reintegrating those militia has begun also in this past fall, going into the winter. There are three pilot programs that are underway. That is expanding just as the other parts of our work on the registration side, the mobilization is expanding and will eventually get to those 40–50, maybe as many as 100,000.

Mr. DELAHUNT. Let me just conclude with one final question. I had read earlier that the finance minister in the Karzai regime indicated that upon re-costing out the resources necessary for Afghanistan was some \$28 billion over 7 years.

Do you disagree with that figure, Ambassador?

Mr. TAYLOR. Sir, we are looking at that figure right now. Minister Ghani has circulated that to the international community for the international community to take a look at. We do not dispute that it is billions and billions. Twenty-eight billion is a pretty good estimate. It may be a little high in some cases.

Mr. DELAHUNT. Okay.

Mr. TAYLOR. A little low in others. The World Bank and the Asian Development Bank also helped with that recost.

Mr. DELAHUNT. Thank you. And let me just conclude by saying this. When we have nearly 50 percent of an economy that is illicit, and I would like to have a conversation with you, Secretary Charles, in the aftermath, we can talk about interdiction, we can talk about eradication, but until, until there is an effort to supplant, if you will, that income from most Afghans, I would respect-

fully suggest that we will never have stability, and we will not make progress. This has to be a comprehensive plan and one that is holistic in terms of its viewpoint.

And I also would make a comment in response to the observation by the Chairman. I can assure you that prominent Members of the Senate who voted against the supplemental budget, if there were a clean supplemental dealing exclusively with Afghanistan, I feel very confident that they would support it.

With that I yield back.

Chairman HYDE. I agree with you. Just let Iraq sink, and just take care of Afghanistan. That would have been fine.

Yes?

Mr. CHARLES. If I could just briefly respond to that, sir, a couple of very quick things.

I think it is important to distinguish between numbers of army and numbers of police, and we are talking about 20,000 by this summer. I am actually, again, trying to accelerate that further, and we are talking about 50,000 by next year. So there will be large numbers of police. That will be a substantial number that will be deployed, as well as trained all over the country.

The second thing is a response incidently to Mr. Engel, and I think a very important fundamental distinction that we need to understand. When the Soviets, you asked how could it be that we would succeed where the Soviets failed. We are trying to seed a democracy in a free market; fundamentally different point of view from the Soviets, and that is not lost on the local Afghan people.

Chairman HYDE. Mr.—I am sorry. Go ahead.

Mr. CHARLES. My last point was comprehensive, and I wanted to say it is true that 40 or 50 percent of the GDP at the moment is heroin. It is also true that these farmers make a pittance, just a pittance, and the motivation for this is not like in Colombia, the motivation for this is at its core simple survival, and frankly, there are a lot of religious sentiments strongly against the idea of growing and producing heroin.

Therefore, if we provide them good, solid—which is part of my job—opportunities for doing something different, they will do it.

Chairman HYDE. Thank you very much.

Mr. Rohrabacher.

Mr. ROHRABACHER. First of all, let me note then, with all due respect to my colleague on the other side of the aisle, that I was here when the Democrats did control how the votes took place, and we never got a clean vote on anything, but that did not stop us—

Mr. ENGEL. If the gentleman would yield—

Mr. ROHRABACHER. No, no, no, I—

Mr. ENGEL [continuing]. I would note his leadership would assure that.

Mr. ROHRABACHER. We did not get a clean vote on anything when the Democrats were here, and that did not stop us from voting on those bills that were essential to the security of our country.

Mr. ENGEL. Unfortunately, I was not here during that era—

Mr. ROHRABACHER. Too bad or you would have known not to—

Mr. ENGEL [continuing]. Mr. Rohrabacher, but I hope that era returns.

Mr. ROHRABACHER [continuing]. It is better now. Thank you.

Let me note right off the beginning that I congratulate this Administration, all of you. I congratulate the United States military on a terrific job that you have done since 9/11. I mean, what an incredible challenge that we had in a country halfway around the world, in the worst possible circumstances, and our military stepped up to the plate, and I think now our diplomats and folks who are involved in development have stepped it.

It took us awhile to get our breath, let us say, and to start the journey, and we are well on the way to a democratic, if not totally democratic, at least a somewhat democratic Afghanistan, an Afghanistan where decent people can live and they do not have to be under the heel of tyrants and terrorists. And I believe that the people of Afghanistan are grateful to us for coming in and saving them from the al-Qaeda terrorists who were not just aimed at murdering us.

And let me just note for the record al-Qaeda killed as many Afghans as they killed Americans. Over the years the Taliban was in power bin Laden was running around, and anybody who opposed the Taliban became a target for his al-Qaeda, which means the foreign troops that were there from all over the world.

So congratulations to you for a job well done. That does not mean that we do not have a lot more to do, which we do, and some incredible challenges. But I also think that we owe a congratulations and let us note some appreciation for the people of Afghanistan.

The people of Afghanistan have successfully went through what most people thought was impossible, a Loya Jirga where leadership factions came from all over that very diverse country, and managed to reach a compromise on a governing body and a governing document that will help them in the future progress.

When our colonies got together, we ended up with the Articles of Confederation, and it did not look like we were going to get a U.S. constitution, and we had a much better chance of reaching that type of accommodation with one another than the Afghans who are much more diverse than we were at the time.

So they have proven themselves to be very committed, and on our side we are proving ourselves to be very committed, so there is reason for optimism. And if we have any message to the people of Afghanistan, it should be that we have made progress, there is going to be more progress, and we are not going to walk away. And it took us awhile to get started, but do not worry, we are totally committed to working with them to build a new country where everyone will have a decent life and the opportunity for a decent life, and they can live under freedom, and not under the threat of a terrorist or someone who would do them harm. So that is number one that we have to get into.

Now let us get into the problems. Let us talk a little bit about—first of all, about drugs, and that is the most important challenge. It has been an evil force in that society all the way along. But you know, Mr. Engel in his testimony said that the problems of Afghanistan started because of a lack of attention by the United States of America.

We are now paying attention, and those problems, I would agree with Mr. Engel, had we paid attention and done what was right, especially right after the war with the Soviets, perhaps we would

not have had the type of horror story that we had to suffer in 9/11, and the people of Afghanistan, of course, have suffered tremendously more than we have.

So with that said, one of the major challenges we have is the drug challenge. Mr. Charles, your long-term eradication plan and institution building, of course, has my support, but let me ask you specifically. In terms of the DEA's operation containing is, you know, well on the way, but it recognizes, and I hope we do, that the problem of drugs just is not an Afghan problem.

The last time I saw the map Afghanistan is a land-locked country. Those drugs have to go through somewhere. What are the countries that we are having trouble with in terms of helping us figure that problem and end that problem in Afghanistan?

I mean, we have got traffickers, it grows in Afghanistan, the people are trafficking it, and commercializing it, and laundering money are in other countries. Give me a list of the other countries we have to deal with that are not cooperating, or should be cooperating to a greater extent.

Mr. CHARLES. Let me just say that you are absolutely right. Containment is a big part of this equation. It is not all in Afghanistan, and I would point to—actually, let me illustrate this with two charts, and they are both in your folders. One is the actual drug flows you will see on the chart to my left and your right, and you will notice that the countries we are talking about are Turkmenistan, Uzbekistan, Tajikistan, most immediately Iran, and actually Pakistan, of course, as the centerpiece.

We are working both cooperatively with DEA and with others in or through each of those countries to try to get higher levels of cooperation, and frankly, to try to get our own people to do as much as they can possibly do to get into the field and to be able to address this from a containment point of view.

I will let DEA speak to the details of their operation, but let me say that there is no misunderstanding of the gravity of working with everyone of those countries, and frankly, even countries further out, including Turkey and beyond, to be able to address it.

Mr. ROHRABACHER. What about the money end of this?

Mr. CHARLES. Absolutely. The money end of it—

Mr. ROHRABACHER. We know the Afghan farmers get a pittance, as you noted.

Mr. CHARLES. Right.

Mr. ROHRABACHER. The people who are making the money are putting it in somebody's bank.

Mr. CHARLES. But there are both bank and non-bank transfers, and we are addressing, frankly again, on a coordinated basis, and again I will let DEA speak to their specifics, but we are addressing as INL very directly coordination with those countries to be sure that from a money laundering perspective we are trying to tackle those resources before the get back in.

The other thing I would just quickly note is there is another chart, and I want to just point that out to you because I know you have had a longstanding interest in it, which gives from the U.S. Government various degrees of connectivity between the terrorists and the drug traffickers. And I actually asked that this be

declassified so that people could assess what the linkages between the top four terrorist groups and drug traffickers are.

The last point I would note is, in response to your statement that the Loya Jirga has done essentially a miraculous job. We all, I think, rightly feel that, and I would note that it took us between 1776 and 1789, 13 years to get to where they have already gotten with greater fractiousness.

Mr. ROHRABACHER. Right. Ms. Tandy, could you tell me what countries get an A plus, but also tell me what countries get a D minus?

Ms. TANDY. Representative, the principal countries that—

Chairman HYDE. At the risk of creating a diplomatic incident.

Mr. ROHRABACHER. Maybe I will withdraw the question.

Chairman HYDE. Do you insist on that question?

Mr. ROHRABACHER. No. With the Chairman's great wisdom, I will withdraw the request for specifics.

Chairman HYDE. Thank you.

Ms. TANDY. Thank you again, Mr. Chairman.

Chairman HYDE. Well, I think we have had a very—

Mr. ROHRABACHER. Could I ask one question then—

Chairman HYDE. Sure.

Mr. ROHRABACHER [continuing]. If I do not get to get those specifics?

Chairman HYDE. Sure.

Mr. ROHRABACHER. Mr. Charles, there was research money that we gave to the United Nations, \$13 million for alternative eradication efforts—ways of finding, and of course offering, the Afghan farmers alternatives. I certainly agree with this conditioning aid. We will build you a school, build you an aqueduct and all this if you get rid of your drug production.

But what about the eradication research effort of alternative eradication? Where is that money? Is it being spent as we hoped it would be?

Mr. O'CONNELL. Well, as your staff knows, I think, I have been rather aggressive about talking to the UNODC about that particular issue, and what I think in the public dialogue they refer to it as microherbicides. The broad idea that there would be a way to work in an environmentally safe way to work with trying to do something constructive in other eradication mechanisms.

Mr. ROHRABACHER. Has that \$13 million been spent on that?

Mr. O'CONNELL. The \$13 million has not, and I have reached directly by letter, and I will get you copies of the letters to UNODC, to either take action and spend it on these research purposes and education to get us further along the road, or to give it back to us, and that as of about a week ago we now got word that they want to do both. They want to give it back to us so we can work it bilaterally, and they also want us—and by the way, that could be with any country in the world who is willing to do further research and they want to see if they can build a consensus downstream about how we could constructively work together with other nations—

Mr. ROHRABACHER. Well, you know, we are watching this very closely, and it is the congressional intent that that money be used for research so to see if new eradication alternatives can be used. And if that money is not used for that, it has been sitting there

for awhile, and I am very disappointed. It is a classified matter, but we will into that some other time. Thank you.

Mr. O'CONNELL. Sir, believe it or not when I lived my prior life I worked very hard on that initiative, so I agree with you.

Mr. ROHRABACHER. Okay.

Chairman HYDE. I want to thank the panel for a very instructive, compelling testimony, and we will go to school on this, and listen, and we will continue our oversight.

Without objection, Members' questions may be submitted for the record, and we will let you know if there are any unanswered questions that we did not think of this morning.

Thank you very much. The Committee stands adjourned.

[Whereupon, at 12:05 p.m., the Committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

LETTER FROM THE HONORABLE HENRY J. HYDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, AND CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS, TO THE HONORABLE DONALD H. RUMSFELD, SECRETARY, U.S. DEPARTMENT OF DEFENSE

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Congress of the United States
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October 30, 2003

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The Honorable Donald H. Rumsfeld
Secretary
Department of Defense
The Pentagon
Washington, D.C. 20503

Dear Mr. Secretary:

I am growing increasingly concerned about the reported role which illicit drugs play in financing terrorism. As you know, reports indicate that the proceeds from illegal drug trafficking are supporting many of the foreign terrorist organizations which the Defense Department and law enforcement agencies fight everyday around the world.

In Latin America, the Middle East, and particularly in Afghanistan, illicit drugs finance our enemies' weapons, operations, and the targeting of Americans and U.S. national interests. For example, according to recent United Nations Office of Drugs and Crime (UNODC) data, the illicit opium economy in Afghanistan currently produces an income of \$2.5 billion dollars and comprises about half of the entire country's gross domestic product. The resurgent Taliban and its affiliate terrorist network are partly financing their operations from the illegal narcotics trade. All indications point to an increasing role of illicit drugs in terrorist financing in Afghanistan.

To put the current role of drug profits in perspective, in the best days of the old Soviet Union and its support for Marxist terrorists around the world, the Soviets could never match the vast amount of monies which the illicit drug trade produces today in support of global terrorism.

The U.S. government has traditionally viewed illicit drugs as a problem of law enforcement and one of demand and treatment here at home. This is clearly no longer the case. Yet it appears that we may not have committed the necessary resources to get ahead of this growing narco-terrorist threat. For example, there are only two hardworking and dedicated Drug Enforcement Administration (DEA) agents assigned for this purpose in Kabul, and we cannot

The Honorable Donald H. Rumsfeld
October 30, 2003
Page Two

possibly expect them to address this problem alone. I am sure the Department is concerned about the increased production of illicit drugs in places like Afghanistan and Colombia, where drugs not only finance the purchase of arms and explosives by terrorists, but terrorist training and operations as well. The drug trade threatens the local democratic governments in those countries, making our American citizens and military personnel abroad vulnerable targets.

A greater role by the Defense Department may be called for. In Afghanistan, for example, military intelligence should work cooperatively with the DEA to identify and destroy the opium depots and heroin production labs in that country when the opportunity presents itself to the military.

I would welcome further discussion on this subject at such time as your schedule permits.

With best wishes, I remain

Sincerely,



HENRY J. HYDE
Chairman

HJH:jpm/ld

PREPARED STATEMENT OF THE HONORABLE NICK SMITH, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MICHIGAN

I want to thank Chairman Hyde for holding this hearing on Afghan narcotics. I would also like to thank our distinguished witnesses, including Congressman Kirk, for sharing their expertise with us.

Mr. Chairman, Afghanistan is a country that is going through remarkable transition. Just three years ago, the Taliban, with the support of Osama bin Laden, were running a totalitarian dictatorship that oppressed the Afghan people. In response to September 11th, our soldiers liberated the people of Afghanistan, destroyed the infrastructure of al-Qaeda's terrorist network in Afghanistan, and ended the rule of the Taliban. Two years ago, the Bonn Conference established June 20th of this year to pass control to an elected government. The Afghan people, Pashtun, Uzbek, Tajik, and others, held a Constitutional loya jirga and negotiated a constitution defining this new government. President Karzai has called for elections on June 20th of this year to complete the transition to a democratic government.

However, poppy production remains a significant stain on the Afghan nation and fundamentally undermines the viability of the Afghan state. Some estimates indicate that poppy accounts for 50% of the Afghan GDP. It funds the warlords who oppose Kabul, including some inside Karzai's own government. It supplies a large addict population that is not participating in building a new society and economy. And it provides an incentive for terrorism to continue in Afghanistan. This committee has explored the links between international terrorism and the international narcotics trade. We need to look no further than Afghanistan to see how these are mutually reinforcing and strengthening.

The Taliban were able to control the poppy production in Afghanistan during their rule. Karzai's government ought to be able to control the poppy production also. However, I recognize the difficulty of his situation. Karzai could directly confront the traffickers. But they will fight back, possibly through assassination attempts on Karzai himself. Karzai cannot just ignore the trafficking problem and build his country. The Afghan National Army, with or without NATO help, cannot provide security if the warlords have infinite amounts of money. Without security there can be no elections, and the new Afghan state will be stillborn.

Again, I would like to thank the Chairman for holding this hearing today. September 11th taught us that we cannot tolerate failed states. After the investment of American lives, Afghanistan cannot return to the status of a failed state. But the poppy trade is one of the most significant barriers in creating a sustainable Afghan state.

RESPONSE FROM THE HONORABLE ROBERT B. CHARLES, ASSISTANT SECRETARY, BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE TO QUESTION FOR THE RECORD SUBMITTED BY THE HONORABLE HOWARD L. BERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Question:

I strongly support efforts to combat narcotics trafficking in Afghanistan. It is absolutely essential that we cut off this major source of funding for terrorist networks. However, I have been told that an unintended consequence of reducing the supply of heroin from Afghanistan may be a substantial increase in the incidence of HIV/AIDS among the millions of heroin addicts in neighboring countries. I understand that throughout this region, addicts traditionally smoke heroin by heating it on a piece of tin foil and inhaling the vapors through a straw. If the supply is reduced, dealers are likely to dilute the purity of street heroin in order to maintain their profits. As purity declines, it is my understanding that addicts will no longer be able to smoke the heroin, and must inject the heroin intravenously. Given the lack of clean needles, this could lead to the widespread transmission of HIV/AIDS. As we work to reduce the narcotics trafficking, what steps are we taking to avoid an unintended explosion of HIV/AIDS in the region?

Answer:

The U.S. Office of National Drug Control Policy (ONDCP) and the Drug Enforcement Administration (DEA) do not have any data that suggests that reductions in drug availability increase injecting drug use. Nor are we aware of any data from the United Nations Office on Drugs and Crime, a partner agency to UNAIDS, that suggests reductions in drug availability increase injecting drug use. In its most recent report on "Strengthening Strategies regarding the Prevention of HIV/AIDS in the Context of Drug Abuse," by the United Nations Office on Drugs and Crime at

its annual meeting of the Commission on Narcotics Drugs in March 2004, no mention was made of any potential relationship between decreased supplies of heroin contributing to increases in HIV/AIDS.

The widespread availability of Afghan heroin in Central Asia has resulted in a dramatic spike in HIV/AIDS cases that are directly related to injecting drug use. According to UNAIDS, approximately 70% of the reported HIV/AIDS cases in the region are directly attributable to injecting drug use.

There has also been a rise in recent years in HIV/AIDS cases in Pakistan, which Pakistani authorities attribute directly to increased supply of heroin in both Pakistan and neighboring Afghanistan.

The ready availability of an addictive substance, such as heroin, leads to “experimental” or “casual” use and, inevitably, to increased demand with all the attendant health risks. For this reason, there is a direct correlation between drug availability and HIV/AIDS. Reducing the Afghan drug supply would have a significant impact in reducing the incidence of HIV/AIDS, not increasing it.

The U.S. and other donors have active drug demand reduction and HIV/AIDS outreach programs in Central Asia and Pakistan. HIV/AIDS and drug demand reduction programs work with vulnerable populations on prevention programs aimed at risk-taking behavior and at reducing the proliferation of non-sterile needles.

