

Opening Statement of Senator Charles E. Grassley
Senate Caucus on International Narcotics Control
Hearing on Counternarcotics in Afghanistan
Wednesday, July 20, 2011

Madam Chairman, thank you for holding this hearing today to follow-up on our 2009 hearing on drug trafficking in Afghanistan. Today's hearing offers us the opportunity to follow-up with representatives from the Administration about the status of our counternarcotics programs in Afghanistan and what we have learned since 2009. This discussion is important today as October will mark the ten-year anniversary of U.S. involvement in Afghanistan and given the drawdown of U.S. military personnel in the coming future.

Even after years of U.S. counter-narcotics efforts, Afghanistan continues to produce about 90 percent of the world's supply of opium. At the time of our last hearing in 2009, witnesses reported a decline in poppy production due to a blight and drought conditions in other countries that increased wheat prices. However, the United Nations recently reported that opium production stabilized between 2009 and 2010.

In July of 2010, Chairman Feinstein and I released a bipartisan Caucus report regarding the U.S. counter-narcotics

strategy in Afghanistan. This report was endorsed by all members of the Drug Caucus and contains nine recommendations that we believe will make an impact on our current efforts.

In our report, we recommended that adequate resources be provided to the DEA, within current budgetary constraints, to increase the number of personnel dedicated to investigation and interdiction capabilities. DEA's funding for operations in Afghanistan flows through the State Department. One year after we issued our report, we remain concerned about the State Department's decision to reduce funding for DEA's operating expenses in Afghanistan without adequate explanation. The State Department and DEA need to resolve any difference and provide designated funding for DEA counternarcotics activities to ensure there's no gap in capabilities. I understand that Chairman Feinstein has been closely monitoring this situation and I wholeheartedly support her calls to ensure that DEA's operations are adequately funded by the State Department. I want to ensure that both agencies can reach an agreement on this necessary funding and that an agreement is real and not simply window dressing for today's hearing.

The 2010 Caucus Report also focused on the changes the Obama Administration made to the U.S. counternarcotics strategy in Afghanistan. Since President Obama took office in 2009, the

counternarcotics strategy has focused on interdiction, alternative development, and following the money. I support these efforts, but I also believe that crop eradication should be part of our counternarcotics program.

In other parts of the world, crop eradication has proven to be an effective deterrent especially when used in conjunction with alternative development programs. In our report, the Drug Caucus recommended including crop eradication as part of a comprehensive strategy citing expert testimony that found “eradication equals pressure” which forces the drug traffickers to make mistakes. These mistakes provide opportunities for our law enforcement, intelligence, and military assets to break up trafficking rings, terrorist cells, and ultimately the finances that support insurgent operations. Unfortunately, the Administration found it necessary to take eradication off the table as a policy option in 2009. I want to know more about how the Administration’s decision not to utilize eradication as a policy option has impacted the amount of opium cultivated in Afghanistan and whether reinstating this policy would help reduce the size of the opium crop.

Another front in Afghanistan is efforts to combat money laundering and terrorist financing. Money fuels the insurgency and cutting off funding needs to be at the forefront of the drug

fight. Opium emerged as a significant funding source for terrorism since the fall of the Taliban regime in 2001. The opium trade is currently estimated to be worth \$61 billion and accounts for roughly 50 percent of Afghanistan's GDP. Drug money funds more than just terrorist activities. It is also used to corrupt government officials and ultimately threatens to destabilize the country. We must remain vigilant against money laundering and terrorist financing by ensuring that our laws keep pace with new and emerging trends these criminals and terrorists exploit.

We are reaching a point where the Administration will soon be decreasing the troop presence in Afghanistan. While reducing the military footprint in Afghanistan and increasing the operational capacity of the Afghans to govern their country needs to occur, clear, coherent planning must take place in advance. Plans need to be in place to deal with drug trade and how counternarcotics operations and investigations will continue absent the security provided by the U.S. military. We need to ensure that our law enforcement agencies, such as the DEA, will still be allowed to operate alongside stepped up Afghan operations. I want to hear what steps the Administration has taken to plan for the eventual drawdown of troops and what impact it will have on counternarcotics operations. I'm concerned that in a rush to reduce our presence, we may lose any ground on the fight against the drug trade in Afghanistan.

I strongly encourage the Administration provide Congress with a strategy for the continuation of our counternarcotics programs as the number of military troops is reduced. I look forward to hearing from the witnesses today regarding the status of a government-wide counternarcotics plan, the status of funding disputes between government agencies, and also about what programs have been working and what's not working in our current efforts to combat the drug trafficking and money laundering in Afghanistan.

Thank you.