

# U.S.-MEXICAN BORDER VIOLENCE

---

---

## HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

—————  
MARCH 30, 2009  
—————

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.access.gpo.gov/congress/senate>

U.S. GOVERNMENT PRINTING OFFICE

52-293 PDF

WASHINGTON : 2009

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN RELATIONS

JOHN F. KERRY, Massachusetts, *Chairman*

|                                    |                              |
|------------------------------------|------------------------------|
| CHRISTOPHER J. DODD, Connecticut   | RICHARD G. LUGAR, Indiana    |
| RUSSELL D. FEINGOLD, Wisconsin     | Republican Leader designee   |
| BARBARA BOXER, California          | BOB CORKER, Tennessee        |
| ROBERT MENENDEZ, New Jersey        | JOHNNY ISAKSON, Georgia      |
| BENJAMIN L. CARDIN, Maryland       | JAMES E. RISCH, Idaho        |
| ROBERT P. CASEY, JR., Pennsylvania | JIM DEMINT, South Carolina   |
| JIM WEBB, Virginia                 | JOHN BARRASSO, Wyoming       |
| JEANNE SHAHEEN, New Hampshire      | ROGER F. WICKER, Mississippi |
| EDWARD E. KAUFMAN, Delaware        |                              |
| KIRSTEN E. GILLIBRAND, New York    |                              |

DAVID McKean, *Staff Director*

KENNETH A. MYERS, JR., *Republican Staff Director*

## CONTENTS

---

|  | Page |
|--|------|
| Arabit, Joseph M., Special Agent in Charge, El Paso Division, Drug Enforcement Agency, U.S. Department of Justice, El Paso, TX .....   | 19   |
| Joint prepared statement with William McMahon .....  | 21   |
| Babbitt, Harriet, former Ambassador, Organization of American States, Washington, DC .....   | 44   |
| Prepared statement .....   | 46   |
| Barrasso, Hon. John, U.S. Senator from Wyoming .....   | 8    |
| El Paso Times article “Hopes Rise as Violence Recedes” .....   | 11   |
| Campbell, Dr. Howard, professor of anthropology, University of Texas, El Paso, TX .....  | 51   |
| Prepared statement .....   | 53   |
| Carriles, Ricardo Garcia, former police chief of Ciudad Juarez, El Paso, TX .....  | 49   |
| Esparza, Jaime, district attorney, Thirty-Fourth Judicial District, El Paso, Culbertson and Hudspeth Counties, TX .....  | 13   |
| Prepared statement .....   | 15   |
| Kerry, Hon. John F. Kerry, U.S. Senator from Massachusetts, opening statement .....  | 4    |
| McMahon, William, Deputy Assistant Director, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice, Washington, DC .....   | 17   |
| Joint prepared statement with Joseph M. Arabit .....   | 21   |
| Reyes, Hon. Silvestre, U.S. Representative from Texas .....  | 1    |
| Prepared statement .....   | 2    |
| Wicker, Hon. Roger F., U.S. Senator from Mississippi .....   | 10   |
| ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD   |      |
| Lugar, Richard G., U.S. Senator from Indiana, prepared statement .....   | 65   |
| Letter in Support of Ratification of CIFTA .....   | 66   |
| D. Rick Van Schoik, director, and Erik Lee, associate director, North American Center for Transborder Studies at Arizona State University, Tempe, AZ, prepared statement and attachments ..... | 68   |
| Executive summary of “A Report to President Obama on Building Sustainable Security and Competitiveness” .....  | 70   |
| Cross Talk II: Building Common Security in North America—Draft Findings .....  | 71   |
| North America’s Forgotten Agenda: Getting Development Back on Track ..   | 74   |



## U.S.-MEXICAN BORDER VIOLENCE

---

MONDAY, MARCH 30, 2009

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*El Paso, Texas.*

The committee met, pursuant to notice, at 8:07 a.m., in the Tomas Rivera Conference Center, University of Texas–El Paso, Union Building East, 3rd floor, 500 West University Avenue, El Paso, TX, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Barrasso, and Wicker.

Also present: Congressman Silvestre Reyes.

The CHAIRMAN. This hearing will come to order, although you are all very orderly, I must say.

It is a pleasure to be here, and without further statement, I will reserve my comments. Let me introduce your great Congressman Silvestre Reyes. Thank you, Congressman, for having us here.

[Applause.]

### STATEMENT OF HON. SILVESTRE REYES, U.S. REPRESENTATIVE FROM TEXAS

Mr. REYES. Thank you, Mr. Chairman. It is a great honor to welcome you and members of your distinguished committee here to El Paso, although we did pick the windy season to come here. Both Senator Wicker and Senator Barrasso commented to me that the ride, landing in, was a little bumpy.

The University of Texas at El Paso is a mainstay for our community, and the president, Dr. Diana Natalicio, sends her apologies. She is on the west coast at an important academic conference and was unable to join us. But her great staff has done a marvelous job working with my office to put this hearing together.

And I think this will be a very informative hearing. The hope that we all have is that being here, you will get an opportunity to listen to individuals from our area, from our region, from our community that can give you firsthand testimony about the situation here in El Paso and El Paso-Juarez.

One of the ironies that we live with every day is that we in El Paso live in the third safest city in the Nation, and right across from us is Ciudad Juarez, which arguably has been called one of the most dangerous places in the world. And for us, the criminal activity, the violence has not spilled over the border, but that does not mean it has not affected us. Most of us feel like we are part of one community, the El Paso-Juarez area. We have close friendships and family ties. We share a common border, breathe the

same air, drink the same water. And prior to the violence escalating, it was not unusual for people from El Paso to cross over to Juarez and shop and eat at their fine restaurants and, in general, visit families and friends. So that has affected us in that manner.

I was honored to lead a delegation last week to Mexico City that included the chairman of the Armed Services Committee, the chairman of the International Relations, your counterpart, Howard Berman, and Ike Skelton from the Armed Services Committee, to meet with President Calderon. The Speaker, Speaker Nancy Pelosi, sent us to get an assessment of where we are with the Merida Initiative and also find out how we could help even more. And I am hopeful that after you have this field hearing, we can work together to find ways to help Mexico and President Calderon even more than we are currently with the Merida Initiative.

The Speaker also wanted to send a very public message that President Calderon has a tremendous amount of support from the U.S. Congress, and I think you being here at this field hearing is an important statement of that support. So for us, it is a great honor to have you here. We appreciate the fact that you accepted the invitation to be here in El Paso and actually get a chance to get firsthand testimony from individuals that can testify to the committee about the impact that President Calderon's fight against the cartels and criminal gangs has had on our extended community.

So with that, again, welcome, Mr. Chairman and members of your distinguished committee, and we look forward to an informative hearing here this morning.

[The prepared statement of Congressman Reyes follows:]

PREPARED STATEMENT OF HON. SILVESTRE REYES, U.S. REPRESENTATIVE FROM TEXAS

Thank you, Mr. Chairman, it is a great honor to welcome you and the members of this distinguished committee to El Paso.

I want to express my appreciation to Chairman Kerry for moving forward with this field hearing. There was a question of whether this hearing could proceed here in El Paso due to an initial scheduling conflict in the Senate, but Chairman Kerry felt it was critical to bring the members of this committee to the border region, and I appreciate his willingness to come to El Paso despite this scheduling challenge.

I also want to thank UTEP President Dr. Diana Natalicio and her exceptional staff for all their help in hosting this event and making this hearing possible. This is a wonderful opportunity for the students of this great university to get a firsthand look at an official proceeding of the United States Congress.

Mr. Chairman and members of the committee, the people of this community are neighbors to the brutal drug cartel violence that has claimed nearly 2,000 lives in Ciudad Juarez, a city that is only yards away from this institution. Our two cities make up one community—one with a common history and a shared destiny. The leaders of El Paso and Juarez have long known that we must work cooperatively if we are to realistically address the problems that impact the people on both sides of the border.

Last week, I led a congressional delegation to meet with President Felipe Calderon. Speaker Nancy Pelosi sent me, as the House Intelligence Committee Chairman, along with House Armed Services Chairman Ike Skelton and House Foreign Affairs Committee Chairman Howard Berman, Chairman Kerry's counterpart in the House of Representatives, to assess the effectiveness of the Merida Initiative and explore opportunities to further cooperation with Mexico. A delegation of three committee chairmen is rare, and it underscores Speaker Pelosi's commitment to assist the Mexican Government in its effort to strengthen the rule of law and restore stability in Mexico.

In a courageous effort to dismantle Mexico's drug cartels, President Calderon has dispatched about 45,000 soldiers to date to conflict areas throughout the country

and under his leadership Mexico is taking unprecedented steps to enhance its democratic institutions and to root out corruption. President Calderon has committed over \$6.4 billion in resources to combat Mexico's drug cartels, and America must step up its efforts to help him and the people of Mexico in this fight.

According to the National Drug Intelligence Center, Mexican and Columbian drug trafficking organizations bring in an estimated \$8-\$25 billion in annual profits from the drug trade. Drug cartels can afford to purchase guns, armor, and other weaponry that rival those of the Mexican military.

As the largest consumer of illicit drugs and the largest supplier of weapons to Mexico's drug cartels, we must do more to address this very serious national security threat. Providing only \$1.4 billion through the Merida Initiative for America's third-largest trading partner and second-largest market for U.S. exports is simply not enough, particularly when considering our country has spent over \$650 billion to date in Iraq.

Over the course of the last few months, there has been a lot of media coverage about Mexico's violence. Unfortunately, some have generalized the violence as occurring on the border, when in actuality the violence is occurring in Mexico. The problem is serious enough without being misrepresented by some in the media who sensationalize the situation. The vast majority of Mexico's drug-related killings have been limited to cartel-on-cartel violence.

It is important to make clear that the violence has not spilled over into our community, as many in the media would have you believe. For years El Paso has ranked among the safest cities in the entire country. The men and women of our local law enforcement have done an exceptional job of keeping our community safe. While nearly 2,000 people have been killed in drug-related violence in Juarez since January 2008, according to the El Paso Police Department, not a single homicide related to Mexico's drug cartels has occurred in El Paso during this same time. For the last 4 years in a row, there have been less than 19 homicides annually and since 1995, there has never been more than one unsolved homicide in a given year.

Furthermore, the El Paso Regional Economic Development Corporation (REDCo) has not seen a decline in investment from manufacturing and distribution companies in Juarez due to the violence. In fact, the organization is currently working with over 40 companies that are interested in expanding or relocating to Juarez, because the fundamentals which make it an attractive place in which to invest have not been eliminated by the violence. These factors include globally competitive operating costs, proximity to the U.S., and skilled labor.

Our city's low crime rate does not mean that the violence in Mexico has not impacted our community. Although we are among the safest cities in the U.S., we share an extensive border with the most violent city in all of North America. Many people who used to travel regularly to Juarez to visit loved ones, shop in a Juarez market, or dine at a restaurant are now simply too afraid to journey over the international bridges. Some victims of drug-related violence in Mexico have been transported to El Paso for emergency medical treatment. And with the large volume of drug-related cases in the border region, our local prosecutors assume many criminal cases for the Federal Government.

It is imperative that we continue to adequately fund programs like the Southwest Border Prosecutors Initiative, Section 1011 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, and Disproportionate Share Hospitals (DSH) funding. All of these initiatives are necessary to help ease the burden that border communities shoulder.

With over 26 years in the United States Border Patrol, I can tell you that the problems I dealt with as Chief are the same as today—we need more manpower, more resources, and better infrastructure to keep America's border secure. The United States has not done enough to stop the flow of weapons and money smuggled from our country into Mexico. Our failure to cut these illicit exports is helping supply the drug cartels with the weapons and resources necessary to carry out their ruthless acts of violence.

By manpower I do not mean U.S. soldiers or the National Guard. Our local and Federal law enforcement officers are fully capable of keeping us safe. What we do need are more Customs and Border Protection (CBP) inspectors. For the past few years, the United States has increased the number of Border Patrol agents to patrol the space between our ports of entry. It is now time to increase the number of CBP inspectors to address the staffing needs at our ports of entry.

We have inadequate staffing, facilities, and resources to effectively process the volume of traffic coming through the border and only minimal southbound inspection procedures to detect weapons and money that are illegally transported to Mexico. A comprehensive southbound strategy must be a part of our efforts to help Mexico reduce the violence.

In closing, I believe that our commitment to Mexico and to ending this violence and bloodshed must continue by: Passing an expanded Merida Initiative; strengthening efforts on the U.S. side to curtail the illegal transfer of weapons and money from the U.S. to Mexico; and increasing investment in the modernization and renovation of our land ports of entry.

I would like to once again thank Chairman Kerry and the distinguished members of the Senate Committee on Foreign Relations for coming to El Paso to hear from the people who live in this community. The violence across the border merits increased cooperation and communication with Mexico. It also requires a firm commitment on our part to share the responsibility for this grave situation and to continue moving forward with strategic and comprehensive policies that aim to strengthen our bilateral relationship.

The CHAIRMAN. Well, thank you very much, Congressman. It is an honor to be here with you, and we are deeply appreciative for your help and for the reception here in El Paso. And I thank you also for your concerns and leadership on this issue.

**OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR  
FROM MASSACHUSETTS**

The CHAIRMAN. The formal proceedings of the committee itself will begin now, and I will make an opening statement and then Senator Barrasso, who is serving as ranking member here today, will make an opening statement on behalf of himself and Senator Lugar. And then we will go right to our witnesses.

I want to thank President Natalicio and her assistant, Estrella Escobar, and all of those who have been involved at UTEP for their help and for all of the hospitality extended to us. We are very appreciative, and I thank the Congressman and his office for their help and coordination.

So why is the United States Senate Foreign Relations Committee here in El Paso today? Because this is an issue of global proportions and because it is an issue that involves our relationships abroad, not just with Mexico, but through Central America and Latin America, all the way to South Asia. Afghanistan as we know, where we have deep interests today, is providing perhaps 90 percent of the poppy that goes into the heroin trafficking on a global basis. So this is an issue between governments, between peoples, and it is an issue of enormous consequence because of the billions and billions of dollars spent, because of the law enforcement energies that are expended and, of course, because of the spillover of violence and crime into communities everywhere.

Let me say to you that I come to this issue with a fairly significant background in this area. In the 1970s, I was the chief prosecutor and administrator for one of the 10 largest district attorney's offices in the United States. I was on the front lines of law enforcement. I started a drug task force back in the 1970s.

In the 1980s, I was chairman of the Narcotics and Terrorism Subcommittee when I came to the Senate and I remained there into the 1990s. And we did a tremendous amount of work looking at the linkages between the Contras, as they were called, and the flow of narcotics and illicit bank accounts and the ways in which those bank accounts were linked to terrorism. In fact, during one of our investigations where we found Gen. Manuel Noriega's bank accounts linked to drug trafficking in a now infamous bank called BCCI. We also found the name of a fellow by the name of Osama



bin Laden. People back then did not, obviously, know who he was in the context of today.

But narcotics trafficking fuels insurgencies. Narcotics trafficking fuels terrorism. It is a vital concern for all law-abiding citizens and nations that are founded on the law to make certain that we understand the importance of dealing with it.

Frankly, I will tell you, even as a law enforcement person once involved in it, I have often said that we have never as a nation made the full commitment necessary to properly deal with this issue. We have our own culpability in having talked about it on political levels, but never having done all the things necessary in education, in treatment, or in enforcement. And many people can look at the borders and understand the debates we have had with respect to those kinds of issues.

So we are here today in 2009, once again, struggling to find the right policy and the right way forward. Our being here in El Paso underscores the commitment of this committee and the Senate to working with Mexican authorities to end the violence that is endangering our valued neighbor to the south. We look forward to two panels of expert witnesses who will help us understand the problem and what the possible solutions from the ground level on both sides of the border.

I think all of us, it is safe to say, have been deeply shocked by the brutal attacks occurring just a stone's throw across the Rio Grande from where we are sitting this morning. Policemen, soldiers, and innocent bystanders are being killed by drug cartels armed with high-powered weapons, the vast majority of which appear to be smuggled in from the United States.

Before we dig deeper into the issue of those weapons, let me say that I am troubled by the suggestion from some quarters that Mexico is in imminent danger of becoming a failed state. We have to be very careful about the kind of rhetoric that is used not just because it is simply untrue, but because it makes cooperation much more difficult. Mexico is a functioning democracy with a vibrant and open economy and stable institutions and civil society. I commend President Felipe Calderon for his courage and determination in challenging the cartels. You might say it would be failed if they did not challenge it and if it was a narcostate. But that fight is in full-throat, and he deserves great credit.

I met with him in Washington when he was there a number of weeks ago. We had a long discussion about this. There is no question in my mind about the determination of President Calderon and his government to challenge the cartels. He and the Mexican people need to know that we stand behind them in this fight, and we have not, and we will not, write them off.

Our response should be made in the kind of partnership that we build with Mexicans. The idea of dispatching the National Guard has been put on the table. Many believe it is premature and possibly even counterproductive.

Make no mistake. Right now, Mexico's institutions are under stress from the rising level of violence. And the fallout from the warring cartels is visible just across the border in Juarez, as our witnesses will describe in detail later.

Beyond those vital concerns, Americans are worried that the cartels will turn our cities and neighborhoods into the next front in the war. Drug trafficking and the ruthless violence that it spawns knows no borders, as we have learned.

So far, the United States has been largely spared, but it is in our national interest and it is our solemn obligation to take steps today to help curtail the killing in Mexico.

Americans, we have to remember—and this is not to point fingers of blame, folks. This is just how we have to talk about and think about this kind of an issue. If you are not willing to deal with facts, then you cannot come up with good solutions. And the fact is that Americans are enormous consumers of the drugs that pass through Mexico. As long as there is demand, the trade will produce the billions of dollars that fuel the cartels that corrupt public officials in Mexico and buy the guns killing those who get in their way. It is our responsibility to try to do our best to curb that addiction.

And let me just say, remembering the 1980s and Nancy Reagan and Ronald Reagan's efforts in Washington, I will tell you that there was more public effort, more public education, and more public awareness creation during her Just Say No Program than I can remember at any time in recent years. So we need to think carefully about what works and does not.

We have another responsibility. The vast majority of weapons used by the cartels, as they fight each other over drug smuggling routes and as they target army and police officers, come from the United States. And they are horrific weapons, folks. In Juarez and other battleground cities, the thugs are not armed with Saturday night specials. The cartels maintain well-trained paramilitary hit squads that are often better equipped than the police. Their encrypted communications gear is state of the art, and they have mobilized up to 80 vehicles in simultaneous strikes against multiple targets.

Let me give you an example. A year ago, there was a shootout in Chihuahua City, about 3 hours' drive south of here. A squad of Mexican soldiers cornered a hit team from the Juarez cartel that was hiding in a safe house. The gun battle lasted 3½ hours. An army captain was killed and so were six hit men.

When the army entered the house, they found the six dead hit men wearing level 4 body armor. This is designed to stop a high-powered rifle round and it is a restricted export under U.S. law.

The killers were armed with M-16 style assault rifles with laser sights. They had hand grenades and tear gas canisters. They also had a .50-caliber Barrett sniper rifle, the weapon used by the U.S. Army snipers. This super rifle, fires a 5-inch-long cartridge that is accurate up to 1,500 meters and it can cut a body in half. And yes, the safe house was set up for a siege. There were IV bottles and other first-aid material.

The Mexican Army called in the Bureau of Alcohol, Tobacco, and Firearms to trace the weapons. The trail led to two gun sellers in the United States who have since been arrested.

Unfortunately, this is a common story. Ninety percent of the weapons seized from the cartels and traced by our ATF originated in the United States.

What is less common, however, is the cooperation that occurred in this case. Only about one out of every four weapons seized by Mexican authorities last year was actually submitted to the ATF so they could be traced back to purchasers and sellers in the United States. The Mexican Government should provide the ATF with fuller access to these weapons.

Cooperation is also a two-way street. We in the United States need to work harder to enforce existing gun laws against exporting weapons across international borders. We should revive the ban on importing assault rifles into the United States. It was allowed to expire in 2004, resulting in a flood of cheap assault rifles, and many of them find their way to Mexico.

Stopping the guns also requires a strong United States-Mexico partnership. Just a few miles from here, as all of you who live here know, is the Bridge of the Americas, one of the busiest border crossings in the country. Drivers coming north from Mexico are stopped by United States agents and subjected to a thorough examination for drugs and other contraband.

But it does not happen to southbound traffic. We do not have the barriers and booths in place to stop vehicles headed into Mexico. Four lanes of traffic from the U.S. Highway 54 speed over the border. An agent who gets intelligence about a car carrying contraband would risk life and limb stepping into traffic to stop the suspect vehicle.

On the Mexican side of the bridge, traffic zooms past the checkpoint. Only rarely are vehicles stopped and inspected. When the Mexican authorities conduct a special check, the resulting traffic backup sends a signal and alerts smugglers and they use a convenient turnaround a couple of hundred yards before the border. Structural changes, obviously, need to be made, as well as conceptual ones.

We are getting the message. That is one of the important things we want people to know. We are getting the message. Last week, the Obama administration announced it will send more resources to the border, more DEA and ATF agents and mobile x-ray equipment to check for weapons going south. That is not going to solve the problem overnight and more is needed. I hope these steps encourage the Mexican Government to step up its interdiction efforts.

The drug trade recognizes no border, as I said, and neither should law enforcement. We need to build trust in both countries and eliminate the barriers between them. We have improved intelligence sharing immensely, but we need to do more to develop a combined front against the traffickers and their networks. This means making sure that law enforcement intelligence is combined with information picked up from license plate readers and other surveillance systems in the United States and passed quickly and effectively to the proper authorities in both countries, and that those authorities then respond quickly.

Finally, the U.S. Senate should ratify the Inter-American Convention against Illicit Trafficking in Weapons and Explosives. We were one of the first countries to sign the convention in 1997, and one of the negotiators will be here to testify on our second panel this morning. But sadly, we are among the few countries—few countries—that have not ratified the convention. It does not con-

tradict any American gun laws. I am a gunowner, and I am a hunter, and I respect and believe in the second amendment. This does not contradict any gun law. But ratification would send an important message about our commitment to fight the weapons trafficking that is fueling the violence in Mexico.

We often hear politicians fall back on the mantra “we must fight them over there so we don’t have to fight them here.” Well, when it comes to the drug cartels in Mexico, folks, this happens to be undeniably true. We have to help our neighbors reclaim their streets because it is the right thing to do and also because we will keep ours safer in the process.

Senator Barrasso.

**STATEMENT OF HON. JOHN BARRASSO, U.S. SENATOR FROM WYOMING**

Senator BARRASSO. Well, thank you very much, Mr. Chairman. Thank you for holding these hearings today. I want to thank all of the people who have come out today. That shows a tremendous interest.

Thank you to the University of Texas–El Paso for the wonderful hospitality. It is terrific to be here.

And also a big thank you goes out to Senator Cornyn of Texas and his staff who have helped significantly with the trip that I have taken for the last 2 days. Without their on-the-ground contacts and knowledge, this trip would not have been the same.

I want to give special thanks to the Texas National Guard. Drew Dougherty is here from the Guard today. I had a chance to fly a border patrol last night with them, using the advanced technology that they have with the forward-looking infrared ways to identify and detect people who are coming across the border, carrying loads.

I also want to thank Sheriff Arvin West who hosted me yesterday. We went down to Hudspeth County, went to the border, to a number of places where you can see just how easy it is to get across the border, where the fence is in various phases of construction, where there are a number of walkways along the river, which is not very deep and not very wide and very easy access across the border. So I am very grateful to Sheriff West and to other sheriffs from the area who were very helpful.

And as you said, Senator Kerry, you talked about the northbound traffic and the long lines of cars waiting to come across, and then the southbound traffic just kind of whizzing south. And I witnessed firsthand what you had just referenced, and it is also something that the people in this room see every day.

Wyoming, my home State, is not a border State, but what I saw yesterday is very reminiscent of my State in terms of the topography. And in Wyoming, we have very long roads. We have very small towns. We have vast lands that are owned by the Federal Government. We have low-density population. And what I saw yesterday, the open space along the southern border, is optimal to facilitate the movement of drugs and the movement of humans to the north. The lack of border enforcement on the Mexican side allows for the movement of firearms and drug cash back to the cartels.

A few weeks ago, National Public Radio was on the border and they reported that drivers headed south toward the border pass a welcome sign and then another sign warning both in English and in Spanish, no firearms or ammunition. The National Public Radio reported that the custom inspectors, talking on the cell phones, wave the cars through and no questions and no inspection. And as you said, when they do stop, the traffic backs up and those trying to move illegally across the border to the south see that and do a turnaround and go to another location.

The lack of border enforcement on the Mexican side allows for the movement of firearms and drug money back to the cartels, and the problems that Mexico and the United States face may seem simple to them, but it is not simple to all of us who are trying to find the proper solutions. We are dealing with a sophisticated drug trafficking organization that adapts quickly to law enforcement methods and capabilities, and they change their techniques and tactics quickly.

We are faced with a transnational criminal network and multiple networks that produce, transport, and market illegal drugs. The network operations in Venezuela, Colombia, and Ecuador are moving the products and the violence toward the north. We must destroy the networks, and in order for our countries to destroy these criminal networks, we need a short-term plan, a mid-term plan, and a long-term plan.

The short-term plan and solution is to beef up our border sheriffs' capacity to collect and share intelligence and boost their equipment capacity, even with unmanned aerial vehicles. Our border sheriffs are the ones on the front line dealing with the illegal border crossings and cartel-connected gang activity in the United States.

The mid-term solution involves putting the Merida Initiative to work. The initiative is not just about money. It is, more importantly, about providing the equipment and the training needed to deter and eventually defeat the cartels.

The long-term solution involves reforming the Mexican judicial system and curbing the United States appetite for illegal drugs. Mexico's justice system must send the message to those who work for the cartels that the quick buck will put them in prison for a long time. In the United States, we need to deal with our addiction to drugs and cut the market off for the cartels.

The violence along the United States-Mexican border is a serious security challenge and it is one we cannot simply ignore. We may have different problems on each side of the border, but our goal is to destroy the cartel networks and that is a mutual goal.

Some have suggested that we need to ban semiautomatic assault weapons to help curb the violence. I oppose this suggestion. Why would you disarm someone when they potentially could get caught in the cross-fire? The United States will not surrender our second amendment rights for Mexico's border problems. More gun control in the United States will not solve the United States-Mexico border violence problem. It will take trust, resources, and leadership to defeat the cartels.

President Calderon has not looked the other way. He has bravely taken the cartels head on. His bold move ought to have the United

States full support. Our strategic and economic partnership is too important. While everyone recognizes the safety and security issues surrounding the drug war in Mexico or along our border, the economic implications of this fight are just as significant. Mexico is the United States second largest export market after Canada and it is our third largest trading partner overall. Two-way trade with Mexico in 2008 totaled almost a billion a day. Mexico represents our third largest supplier of crude oil behind only Canada and Saudi Arabia, over a million barrels a day.

It is absolutely critical that we recognize that this is not merely a drug crisis, but it could easily become an economic crisis as well. At a time when our economy is struggling, we cannot afford to allow the situation in Mexico to further destabilize. Our friends in Mexico must realize—and I visited with three members, just last week, of the Mexican Senate, and I expressed to them that we stand willing to help. This is not a problem we can solve without intensive cooperation on both sides of the border. As a nation, we must realize what is at stake.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Barrasso.

Since there are only three of us here, I am going to let Senator Wicker also make an opening statement. We do not normally do that, but I think it is appropriate here.

**STATEMENT OF HON. ROGER F. WICKER, U.S. SENATOR FROM MISSISSIPPI**

Senator WICKER. Well, thank you, Senator Kerry. Yes, there was a chance that with three members getting to talk and one not getting to say a word, I might have gone into withdrawal or something. [Laughter.]

Would it be appropriate at this point to submit Senator Lugar's statement for the record? He asked that it be included.

The CHAIRMAN. Absolutely. Without objection, Senator Lugar's full statement will be put in the record.

Senator WICKER. And I know he would like to have been here.

Thank you, Senator Kerry, my friend and colleague, for scheduling this field hearing and for inviting the rest of us to come and attend. It really means a lot.

Thank you to my longtime colleague, Silvestre Reyes, for his gracious hospitality and for sticking this pin on me. I am not quite sure what I have agreed to, but he insisted.

The CHAIRMAN. You are a major donor to the university.

Senator WICKER. It is very likely, Mr. Chairman, that the Congress is a major donor to this university, and not only that, to Fort Bliss, which we saw in the dark last night when we landed, which I acknowledge is a great beneficiary of the recent BRAC round and for which we have great and high hopes and hope to get another quick look today on the way out.

Thank you, everyone at the University of Texas—El Paso, for what you have done to accommodate us in this regard.

The Merida Initiative was adopted in 2007. It was funded by the U.S. Congress in 2008. In our discussions with staff last night, Senator Kerry and I learned that some of the funds appropriated in 2008 are only now finding their way out to the field. I would make

the point that this program is relatively new, and one of the things we want to find out at this hearing is how the program is doing and whether it is succeeding as it is and whether we need to do anything else at all.

Thank you, Mr. Chairman, for your words of praise and partnership with President Calderon and the Government of Mexico. Indeed, there is a lot I do not know, but I do know that Mexico is nowhere near being a failed state. Our friend to the south and the leadership are to be commended for engaging in this effort.

There are national elections for the Mexican Congress that will be scheduled later this year. It is an open process. We do not know who will win. The Presidential election was an open process with three major party candidates. And Mexico is far from a failed state, and I think we need to emphasize that to the extent that there is some feeling to the contrary in the United States.

Mr. Chairman, I want to ask that we include in the record today a front-page article in the El Paso Times written by Ramon Barcamontes entitled "Hopes Rise as Violence Recedes." Might we enter that into the record.

The CHAIRMAN. Absolutely, without objection.  
[The article mentioned above follows:]

[From the El Paso Times, March 30, 2009]

#### HOPES RISE AS JUÁREZ VIOLENCE RECEDES

(By Ramon Bracamontes)

JUAREZ.—From a bar stool inside the historic Kentucky Club on the Juárez strip, Raul Martinez Soto sees, feels and analyzes the effects of the drug war on his business, on Juárez, on El Paso and on U.S.-Mexico relations.

Though Soto, one of the managers of the club that opened in 1920 on Avenida Juárez, will not be testifying Monday in El Paso before a U.S. Senate committee, he knows exactly what he would say to the senators if he got the chance.

"Things are improving here on a daily basis, and thanks for the help," Soto said. "Business is improving as tourists are slowly coming back. All of the initiatives by the officials are working. There is hope now that things will get back to normal."

The U.S. Senate Foreign Relations Committee is having a public hearing in El Paso titled "U.S.-Mexico Border Violence." Sen. John Kerry, D-Mass., the chairman of the committee, will preside over the hearing that will include several other U.S. senators and Rep. Silvestre Reyes, D-Texas.

The hearing, which is open to the public, is at 8 a.m. today in the Tomas Rivera Conference Center on the University of Texas at El Paso campus.

Kerry and his committee are key in U.S. foreign assistance legislation, including the Merida Initiative which will provide Mexico with \$1.4 billion for its fight against the drug cartels. Kerry's committee spokesman, Frederick Jones, said this hearing in El Paso will help the senators get to talk to the people who have seen the violence in Mexico up close.

Since January 2008, Juárez and Mexico have been marred by a drug cartel war that has killed more than 6,000 people throughout Mexico. The violence has taken the lives of elected officials, police officers and lawyers, and has touched just about every major city in Mexico.

Juárez is among the deadliest. In 14 months, 2,000 people have been killed. Most were executed or ambushed in broad daylight on busy streets. Hitmen often left notes naming who was next.

The chaotic environment in Juárez prompted city, state and federal officials to station more than 8,000 soldiers and federal police officers in Juárez. The Juárez police department is now being directed by retired military officials, and military vehicles with mounted machine guns patrol the city all day and night.

On Avenida Juárez, which is the heart of the city's tourist district, armed soldiers and federal police are permanently stationed. Anyone walking from El Paso into Mexico is reviewed by armed soldiers. Anyone driving from Juárez to El Paso must pass a military checkpoint before being allowed onto the Paso del Norte International Bridge.

The huge military presence is something that has never been seen before in Juárez. But, it appears to be working.

“The presence of the military and the federal police is having a calming effect,” said Tony Payan, a UTEP political science professor who specializes in Latin American studies. “Not only is the organized crime down, but so are the petty and opportunistic crimes that were taking place before.”

Since March 1 when the new soldiers arrived, the number of daily homicides has dropped. Where there were seven to 10 killings a day before, now there are one or two, and some of those are stabbings or bar fights, not ambushes ordered by drug traffickers. Last week, the city went three days without a reported murder—something that didn’t happen at all in 2008.

“The soldiers treat you nice once they know who you are, where you work and what you are doing,” said Isela Solis Mares, a Juárez native. “I cross the bridge at night just about every day and they know me by now. They have made it safer to walk back home.”

Juárez is not the only border city where the violence seems to have ebbed.

Luna County Sheriff Raymond Cobos said that in the past couple of months the violence in Palomas, Mexico, which is just across the border from Columbus, N.M., has tempered. Columbus is about 100 miles west of El Paso and sits on the U.S.-Mexico border in Luna County, south of Deming.

“The Mexican authorities, by whatever means they used, have established effective control in Palomas,” Cobos said. “Is there still violence in Palomas? Yes, but we don’t see the bullets flying and bodies dropping anymore.”

“What hasn’t stopped is the drug smuggling,” he said. “They are still trying to cross drugs every day through the desert, on backpacks. That is still keeping everyone over here busy.”

U.S. Sen. Jeff Bingaman, D-N.M., said he is glad to see that other U.S. senators are now getting to see what life along the U.S.-Mexico border is like.

“Those of us representing border states have seen the violence along the border escalate and over the years have pushed for increased funding and resources to help address the problem,” Bingaman said. “I am glad Washington is now giving it the attention it deserves and is making it a priority.”

Bingaman recently helped secure \$15 million in funding that will be used to disrupt illegal arms trafficking from the United States into Mexico.

Texas’ two Republican U.S. senators, John Cornyn and Kay Bailey Hutchison, also said they have made securing the border a priority.

“More must be done, including additional Border Patrol agents and equipment, to ensure that we can fight the drug cartels and do away with the human trafficking and violence along our border,” Hutchison said.

Among those scheduled to testify before the senators is El Paso District Attorney Jaime Esparza.

“While the violence in Mexico is bad and tragic, the violence remains a cartel to cartel issue, and a cartel versus the Mexican government fight,” he said. “The violence has not spilled over in El Paso and Texas.”

But we do need to be realistic and see that nothing is happening on this side. In El Paso in 2006 there were 17 homicides. In 2007 and 2008, there were 20 homicides each year. And so far in 2009 there has been only one homicide in El Paso.

“There are a lot of people who are not from the border saying the violence has spilled over,” Esparza said. “There are thousands being killed in Mexico, but not in El Paso. We need to be realistic and see that nothing is happening on this side.”

Senator WICKER. Mr. Barcamontes quotes a resident of Juarez named Raul Martinez Soto as saying this. “Things are improving here on a daily basis and thanks for the help, Soto said. Business is improving as tourists are slowly coming back. All of the initiatives by the officials are working. There is hope now that things will get back to normal.”

Well, if that is true, then the military and the American and Mexican officials who have been involved so far are to be commended, and to that, I say hurrah.

This is a fact-finding hearing. We come here with our own philosophies and we do not check them at the door, but I hope we do not come here with preconceived notions as to what the solution actually should be. That is why we are having the hearing. Those



who have a preconceived notion that we need to put the National Guard at the border may come away from the hearing saying that is what we need. Those who would like to expand our gun control laws in the United States might see an opportunity in this crisis for more gun control. Those who advocate a change in our immigration policy, either in one way or the other—the completion of the border fence—might see this drug violence crisis as an opportunity to advance that preconceived agenda.

I am interested in learning whether the ratification of the CIFTA treaty, a treaty to which we are already a signatory, but not a ratifying partner, would do any good at all in this regard. Of course, people who would advocate for changes in the criminal drug laws in the United States may see this as an opportunity to advance their preconceived agenda.

I will simply say this. I am here to listen. I do not know what the facts are. I am looking to our distinguished panels for suggestions, and I hope to come away from this hearing better able to take a message back to the U.S. Congress about what, if anything, in addition we might need to do to address this situation.

And thank you, Mr. Chairman, for your indulgence.

The CHAIRMAN. Thank you very much, Senator Wicker. We appreciate that.

Our first panel is Mr. Joseph Arabit, who is the DEA special agent in charge here in El Paso; Mr. William McMahon, the Deputy Assistant Director of the Bureau of Alcohol, Tobacco, Firearms, and Explosives based in Washington; and Mr. Jaime Esparza, district attorney of the 34th Judicial District in El Paso County. So thank you, each of you gentlemen, for appearing before us today.

We want to try to maximize the time for some dialogue and questions, so we would request you keep your prepared comments to about 7 minutes. And your full statements will be placed in the record, as if stated in full.

And I would like to ask you, Mr. Esparza, if you would go first.

**STATEMENT OF JAIME ESPARZA, DISTRICT ATTORNEY,  
THIRTY-FOURTH JUDICIAL DISTRICT, EL PASO, CULBERT-  
SON AND HUDSPETH COUNTIES, TX**

Mr. ESPARZA. Good morning. Senator Kerry, members of the Senate Foreign Relations Committee, Congressman Reyes, it is a privilege and an honor to be here to address the distinguished panel on a very important topic that is of concern not just to border cities throughout Texas, but to our country as well.

I have been the district attorney for the 34th Judicial District for 16 years. My jurisdiction includes El Paso, Hudspeth, and Culbertson Counties.

Juarez, Chihuahua, Mexico, has long been referred to as our sister city. Five international bridges connect us to our neighbors to the south. Daily, approximately 24,000 pedestrians, 44,000 privately owned vehicles, and 2,200 trucks cross into El Paso from Juarez.

Unfortunately, drug violence is not new to the city of Juarez. Drug-related killings have occurred for years, but the violence has increased. In 2008, the violence increased to levels never seen

before and alarmed not just the citizens of Juarez, but also the citizens of El Paso.

The recent response by the Mexican Government to send military troops to the state of Chihuahua has had an enormous impact in decreasing the violence in the city.

Of course, given our proximity of our two countries and the level of violence in Juarez, there was bound to be concern about the possibility that some of that violence would spill over into our streets. Fortunately, none of that has occurred. Yet, speculation about spillover violence persists and at times is exaggerated.

In spite of the disturbing events in Juarez, much like our other United States cities along the Texas-Mexico border and elsewhere, El Paso has not experienced spillover violence. For example, in 2007, there were 17 murders in El Paso, and in 2008, there were 18 murders in El Paso. In Washington, DC, in 2007, there were 181 murders, and in 2008, there were 186. El Paso is safe, and I attribute that to the excellent work of the combined efforts of local, State, and Federal law enforcement agencies.

I believe that these law enforcement agencies send a strong signal to the cartel members that their conduct will not be tolerated in this country. I also believe that these cartels dare not risk spilling their violence into our streets and thereby risk arrest and prosecution in our country.

In spite of these encouraging statistics, however, it is imperative that we remain alert and vigilant. The fact that we have thus far been unaffected by these events south of us does not mean that we should become complacent. We should respect Mexico's sovereignty and work with Mexico to resolve this problem which is of mutual interest to both our countries. The reality is that the Juarez area is one of the fastest growing areas in Mexico, both in population and in economic growth. In 2008, trade between El Paso and Juarez exceeded \$51 billion.

We should also assume our responsibility in the war on drugs and recognize that without a consumer market, the profits of the cartels would suffer considerably.

Contrary to news reports, I do not believe that Mexico is teetering on becoming a failed state. Mexico is a strong democratic country determined to defeat the drug cartels that plague its states.

As the district attorney of a border city, I am faced with the additional problem of fugitives fleeing into Mexico to avoid prosecutions for crimes they have committed in our country. With the cooperation of the Mexican Attorney General's Office, which has an office here in El Paso, we not only pursue fugitives through the formal extradition process with the assistance of the Department of Justice, Office of International Affairs, we also request Mexico arrest and prosecute the fugitives found in their country pursuant to article 4 of the Mexican Federal Penal Code.

As a result of this excellent relationship with Mexico, and in the mutual interests of our two countries in capturing and prosecuting fugitives, my office, in collaboration with the Mexican Attorney General's Office has published a manual entitled "Extraditions from Mexico and Article 4 Prosecution: A Manual for Prosecutors and Law Enforcement." This book sets out procedures for filing

extradition and article 4 prosecutions that have been adopted and endorsed by the Mexican Government.

The task of locating and arresting fugitives in Mexico could not occur without this type of cooperation from Mexico. And in spite of the problems in the country, Mexican officials have continued to support our efforts in extraditing fugitives. For example, on March 25, 2009, a man who had committed a 1992 homicide in El Paso was finally located and arrested in the State of Guanajuato, Mexico, by the Mexican Federal authorities. We expect that he will be extradited in less than a year.

In conclusion, I would reiterate that while no violence has spilled over into the streets of El Paso from Juarez, we should remain vigilant and alert. In the end, Mexico will continue to be our neighbor to the south with whom we share not just family and culture, but also trade and business interests.

Thank you.

[The prepared statement of Mr. Esparza follows:]

PREPARED STATEMENT OF JAIME ESPARZA, DISTRICT ATTORNEY, EL PASO, TX

Senator Kerry, members of the Senate Foreign Relations Committee, Congressman Reyes, it is a privilege and honor to be here and address this distinguished panel on a very important topic that is of concern not just to border cities throughout Texas but to our country as well.

My name is Jaime Esparza. I have been the District Attorney for the 34th Judicial District of Texas for 16 years. My jurisdiction includes El Paso County, Hudspeth County and Culberson County.

Juarez, Chihuahua, Mexico, has long been referred to as “our sister city.” Five international bridges connect us to our neighbors in the south. the daily northbound crossings on these bridges are as follows: Privately owned vehicles, 44,481; trucks, 2,293; and pedestrians, 23,878. Drug violence is not new to the city of Juarez. Drug-related killings have occurred for years. But as violence increased in 2008 to levels never seen before and the streets became a war zone it alarmed not just the citizens of Juarez but the citizens of El Paso as well. The recent response by the Mexican Government to send military troops to the state of Chihuahua has had an enormous impact in decreasing the violence in the city. Although the homicide rate was over 1,600 by the end of 2008, the current presence of over 7,000 troops in Juarez has virtually stopped the daily multiple killings that had occurred in 2008.

Of course, given the proximity of our two countries and the level of violence in Juarez, there was bound to be concern about the possibility that some of that violence would spill over into our streets. Fortunately, none of that has occurred. Yet, speculation about spillover violence persists and is at times exaggerated, in some instances, to benefit other agendas.

We should focus on the real issues that have resulted from this situation and not speculate on what might or might not occur. In spite of the disturbing events in Juarez, much like other U.S. cities along the Texas-Mexico border and elsewhere, El Paso has not experienced spillover violence. For example, the crime rate in our city and in other Texas cities did not fluctuate in accordance with what was happening in Mexico. The statistics below attest to this fact.

|                      | Population<br>2008 | 2007 | 2008 |
|----------------------|--------------------|------|------|
| <b>Murder:</b>       |                    |      |      |
| El Paso .....        | 755,157            | 17   | 18   |
| Laredo .....         | 250,144            | 10   | 11   |
| Brownville .....     | 401,862            | 5    | 3    |
| McAllen .....        | 749,265            | 6    | 9    |
| Austin .....         | 1,568,653          | 31   | 23   |
| Washington, DC ..... | 591,833            | 181  | 186  |
| <b>Robbery:</b>      |                    |      |      |
| El Paso .....        |                    | 472  | 473  |
| Laredo .....         |                    | 325  | 311  |
| Brownville .....     |                    | 207  | 173  |

|                      | Population<br>2008 | 2007  | 2008  |
|----------------------|--------------------|-------|-------|
| McAllen .....        |                    | 114   | 135   |
| Austin .....         |                    | 1,543 | 1,403 |
| Washington, DC ..... |                    | 4,261 | 4,343 |
| Aggravated Assault:  |                    |       |       |
| El Paso .....        |                    | 1,827 | 2,666 |
| Laredo .....         |                    | 865   | 956   |
| Brownville .....     |                    | 647   | 431   |
| McAllen .....        |                    | 225   | 209   |
| Austin .....         |                    | 1,795 | 1,953 |
| Washington, DC ..... |                    | 3,686 | 2835  |

Our city is safe, and I attribute that to the excellent work of the combined efforts of our law enforcement agencies, including the El Paso Police Department, the El Paso Sheriff's Office, the work of ATP, DEA, ICE, the FBI, the U.S. Marshal Service, the West Texas Region of the Southwest Border High Intensity Drug Areas Program (HIDTA) and, of course, the work of EPIC.

I believe that the combined efforts of these law enforcement agencies send a strong signal to cartel members that their conduct will not be tolerated in the country. I also believe that these cartels dare not risk spilling their violence into our streets and thereby risk arrest and prosecution in our country.

In spite of these encouraging statistics, however, it is imperative that we remain alert and vigilant. The fact that we have thus far been unaffected by the events south of us does not mean that we should become complacent. We should respect Mexico's sovereignty and work with Mexico to solve this problem which is of mutual interest to both our countries. The reality is that the Juarez area is one of the fastest growing areas in Mexico both in population and economic growth. In 2008, trade between El Paso and Juarez exceeded \$51 billion. The trade between Mexico and Texas reached the amount of \$211 billion, which accounts for 76 percent of the trade between Mexico and the United States. Nevertheless, preventive measures must continue in order to address the violence problems in Mexico. Our law enforcement agencies must continue to closely monitor events with Mexico and meet with their counterparts when possible. We should also assume our responsibility in the war on drugs and recognize that without a consumers market the profits of the cartels would suffer considerably. To this end we should increase our drug treatment programs. We should recognize that by treating addiction and discouraging the consumption and purchase of illegal drugs the illegal drug market will also suffer.

Contrary to news reports, I do not believe that Mexico is teetering on becoming a failed state. Mexico is a strong democratic country determined to defeat the drug cartels that plague its states. The escalation of violence in 2008 can also be attributed to the Mexican Government's unwillingness to succumb to the threats of the cartels and to its intensified efforts in subduing these cartels. Even though the conflict continues, Mexican Government offices and agencies continue to operate as usual, and this has been very important to my office.

As the District Attorney I am charged by my duty to work with all law enforcement agencies to prosecute state crimes. As the District Attorney of a border city I am faced with the additional problem of fugitives fleeing into Mexico to avoid prosecution for crimes they have committed in our country. I highlight this issue because it is a good example of the cooperation that has resulted between my office and Mexico. To address the problem of these fugitives, I created a Foreign Prosecution Unit with the assigned task of extraditing fugitives from Mexico. Because we have received nothing but cooperation from the Mexican Attorney General's Office, which has an office here in El Paso, we not only pursue fugitives through a formal extradition with the assistance of the Department of Justice, Office of International Affairs, we also, in limited circumstances, request that Mexico arrest and prosecute U.S. fugitives found in their country pursuant to Article 4 of the Mexican Federal Penal Code.

As a result of this excellent relationship with Mexico, and in the mutual interests of our two countries in capturing and prosecuting fugitives, my office organized three International Extradition and Article 4 Conferences. These conferences included the participation of the Department of Justice in Washington, DC, the United States Marshal Service, the Office of the Secretary of Ministry of Mexico, the Mexican Attorney General's Office (PRG) and Mexican Federal Judiciary. Another example of the excellent relationship that resulted with Mexico is the publication of "Extraditions From Mexico and Article 4 Prosecution: A Manual for Prosecutors and Law Enforcement" that was endorsed by Mexico. The book sets out pro-

cedures for filing extraditions and Article 4 prosecutions that have been adopted by the Mexican Government. This demonstrates how well our relationship with Mexico continues to develop.

The task of locating and arresting fugitives in Mexico could not occur without this type of cooperation from Mexico and, in spite of the problems in the country, Mexican officials have continued to support our efforts in extraditing fugitives. For example, on March 25, 2009, a man who committed a 1992 homicide in El Paso was finally located and arrested in the state of Guanajato, Mexico, by the Mexican Federal authorities. We expect that he will be extradited in less than a year.

In conclusion, I would reiterate that while no violence has spilled into the streets of El Paso from Mexico, we should remain vigilant and alert but optimistic that Mexico, with our assistance, will defeat this problem. In the end, Mexico will continue to be our neighbor to the south with whom we share not just family and culture but also trade and business interests. We will continue to work with Mexico in resolving these issues and problems, and I am confident that we will continue to enjoy Mexico's full cooperation and support in the coming years.

The CHAIRMAN. Thank you, Mr. District Attorney. We appreciate it.

Mr. McMahon, thank you for being with us today and for the job you do.

**STATEMENT OF WILLIAM McMAHON, DEPUTY ASSISTANT DIRECTOR, BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES, U.S. DEPARTMENT OF JUSTICE, WASHINGTON, DC**

Mr. McMAHON. Mr. Chairman Kerry, Senators Barrasso, Wicker, and Congressman Reyes, I am William McMahon, Deputy Assistant Director of Field Operations for the Bureau of Alcohol, Tobacco, Firearms and Explosives. I am honored to appear before you today to discuss ATF's ongoing role in preventing firearms from being illegally trafficked from the United States into Mexico and working to reduce the associated violence along the border.

For over 30 years, ATF has been protecting our citizens and communities from violent criminals and criminal organizations by safeguarding them from the illegal use of firearms and explosives. We are responsible for both regulating the firearms and explosives industry and enforcing criminal laws relating to those commodities. ATF has experience, expertise, tools, and the commitment to investigate and disrupt groups and individuals who obtain guns in the United States and illegally traffic them to Mexico. The combination of ATF's crime-fighting expertise, specific statutory and regulatory authority, analytical capability, and strategic partnerships is used to combat firearms trafficking both along the U.S. borders and throughout the Nation.

For instance, from fiscal year 2004 through this month, Project Gunrunner, ATF's strategy to disrupt the flow of firearms to Mexico, has referred for prosecution 795 cases involving 1,658 defendants. Those cases include 382 firearms trafficking cases involving 1,035 defendants and an estimated 12,835 firearms.

For an example, an 11-month investigation of a Phoenix area gun dealer revealed a trafficking scheme involving at least 650 firearms, including 250 AK-47-type semiautomatic rifles, that were trafficked to Mexican drug cartels. One of the pistols from this gun dealer was recovered on the person of an alleged cartel boss. The investigation, which is pending prosecution, resulted in the arrest of 13 defendants and the seizure of over 2,200 firearms.

While the greatest proportion of firearms trafficked to Mexico originate out of the United States along the Southwest border, ATF trace data has established the drug traffickers also acquiring firearms from other States as far east as Florida and as far north and west as Washington State. A case from April 2008 involving a violent shootout that resulted in 13 deaths illustrates this point. ATF assisted Mexican authorities in tracing 60 firearms recovered in a crime scene in Tijuana. As a result, leads have been forwarded to ATF field divisions in Houston, TX; Phoenix, AZ; Los Angeles and San Francisco, CA; Denver, CO; Seattle, WA; and Philadelphia, PA.

Additionally, drug traffickers are known to supplement their firearms caches with explosives. Our expertise with explosives has proven to be another valuable tool to use in the fight against drug cartels. In fact, in the past 6 months, we have noted a troubling increase in the number of grenades seized from or used by drug traffickers. We are also concerned about the possibility of explosives-related violence materializing in border cities.

We have had at least one such instance in San Juan, TX, where a hand grenade was thrown into a crowd of 20 patrons at a bar. Thankfully, this live grenade did not detonate. ATF was able to identify the grenade and believe it was linked to a drug cartel. Moreover, we believe this device was from the same source as those used in the attack on the U.S. Consulate in Monterrey, Mexico, in October 2008.

Along the Southwest border, ATF's Project Gunrunner includes 148 special agents dedicated to investigating firearms trafficking on a full-time basis and 59 industry operation investigators responsible for conducting regulatory inspections of licensed gun dealers, known as Federal firearms licensees, or FFLs, along the Southwest border. As the sole agency that regulates FFLs, roughly 6,700 of which are along the Southwest border, ATF has the statutory authority to inspect and examine the records and inventories of licensees for firearms trafficking trends and patterns and revoke the license of those who are complicit in firearms trafficking.

For instance, ATF used its regulatory authority to review the records of an FFL right here in El Paso, TX, to identify a firearms trafficker who purchased 75 firearms that were trafficked to Mexico. Our investigation led to the arrest of 12 individuals in November 2007, and sentences for these defendants ranged from 2 to 3 years.

An essential component of ATF's strategy to curtail firearms trafficking to Mexico is the tracing of firearms seized in both countries. Using this information, ATF can establish the identity of the first retail purchaser of the firearm and possibly learn pertinent information, such as how the gun came to be used in furtherance of the crime or how it came to be located in Mexico.

Furthermore, analysis of aggregated trace data can reveal trafficking trends and networks showing where the guns are being purchased, who is purchasing them, and how they crossed the border. Let me share an example of how trace data can identify a firearms trafficker.

ATF's analysis of trace data linked the man living in a United States border city to three guns recovered in different crimes in Mexico. Further investigation uncovered that he was the purchaser

of a fourth firearm that was used in yet another crime in Mexico and that he had purchased 111 AR-15-type receivers and 7 additional firearms within a short period of time using nine different FFLs as sources for his guns. In April 2008, ATF seized 80 firearms from this suspect and learned that he was manufacturing guns in his home. He sold over 100 firearms alone to an individual who is suspected of being linked to the cartel.

Last, I would like to briefly mention ATF's operational presence at the El Paso Intelligence Center, EPIC, right here in El Paso, TX. EPIC is most certainly one of the most valuable tools for intelligence-sharing and coordination in multiagency efforts to curb violence and firearms trafficking activities along the Southwest border. Our main presence at EPIC currently exists in the form of what is known as the ATF Gun Desk. The mission of the Gun Desk is to identify and analyze all firearms- and explosives-related data acquired and collected from all law enforcement and open sources to include Mexican military, Mexican law enforcement, intelligence entities, as well as United States law enforcement assets operating across the border and within Mexico. The information gathered by the ATF Gun Desk is continually evaluated and vetted to determine if violations of the Federal firearms or explosives laws have occurred. The Gun Desk also generates investigative referrals for ATF field agents usually in coordination with the agency that brought the information to EPIC. The information is not, however, necessarily limited to the Southwest border.

I want to thank you and your staff for the support of our critical work, and with the backing of this committee, ATF can continue to build on our accomplishments of making our Nation even more secure. And I welcome your questions.

The CHAIRMAN. Thank you so much, Mr. McMahan. We appreciate it.

Mr. Arabit.

**STATEMENT OF JOSEPH M. ARABIT, SPECIAL AGENT IN CHARGE, EL PASO DIVISION, DRUG ENFORCEMENT AGENCY, U.S. DEPARTMENT OF JUSTICE, EL PASO, TX**

Mr. ARABIT. Thank you, Mr. Chairman. Chairman Kerry, Senators Barrasso, Wicker, and Congressman Reyes, on behalf of the Drug Enforcement Administration, Acting Administrator Michele Leonhart, I appreciate your invitation to testify today regarding violence along the Southwest border. DEA thanks members of the committee for your continued support of the Drug Enforcement Administration.

Also on behalf of DEA, I would like to express our condolences to the U.S. Marshals Service and the family of Deputy U.S. Marshal Vicente Bustamante who was recently murdered in Ciudad Juarez.

I come here today as the special agent in charge of DEA's El Paso Division, one of DEA's five Southwest border field divisions. Prior to becoming the special agent in charge here, I was stationed in Houston and also in San Antonio. I also spent approximately 5 years working on the ground for DEA in Mexico, including 2½ years in Mexico City and 2½ years in Mazatlan, Sinaloa. These experiences allow me to offer a unique perspective here today.

The Southwest border and the security threat posed by drug trafficking along the border is not a new issue for DEA. As the lead U.S. law enforcement agency responsible for enforcing the drug laws of the United States, DEA's special agents have been on the front lines of both sides of the Southwest border for decades gathering intelligence and conducting enforcement operations to dismantle the most powerful and ruthless drug trafficking organizations.

The operations of these organizations have destabilizing effects not only in the border region, but throughout Mexico. The Southwest border is the principal arrival zone for most illicit drugs smuggled into the United States, as well as being the predominant staging area for drugs' subsequent distribution throughout the country. This area is particularly vulnerable to drug smuggling because of the enormous volume of people and legitimate goods crossing the border between the two countries each day. Disrupted supply routes along the southwest border translate into intense competition manifested in violence between the drug trafficking organizations.

The drug trade in Mexico has been rife with violence for decades. Incidents of violence and murder, much of which is drug-related, have remained at elevated levels in Mexico for 3 years since the Calderon administration initiated a comprehensive program to break the power and impunity of the drug cartels.

The violence in Mexico can be organized into three broad categories: Intracartel violence that occurs among and between members of the same criminal syndicate; intercartel violence among and between rival cartels; and cartel versus government violence.

It is significant to note that intra and intercartel violence have always been associated with the Mexican drug trade. Cities like Ciudad Juarez and Tijuana in particular have witnessed escalating violence since 2006. In 2007, the number of drug-related killings in Mexico doubled that from the previous year. Of the estimated 2,471 drug-related murders, approximately 10 percent were Mexican military and law enforcement officials. In 2008, estimates increase to approximately 6,263 drug-related killings, with 8 percent of those being Mexican military and law enforcement.

DEA estimates——

The CHAIRMAN. What percent?

Mr. ARABIT. 8 percent, sir.

DEA estimates that approximately 95 percent of the officials killed in both 2007 and 2008 were corrupt officials who either failed to do the bidding of their controlling cartel or who were targeted for assassinations by a competing cartel. Around 1,000 people have died this year in Mexico, about 10 percent of whom are public officials.

In the past year, United States intelligence and law enforcement agencies have worked diligently to reach a consensus view on spillover violence and United States vulnerability to the Mexican cartels' violent tactics. The interagency has defined spillover violence to entail deliberate, planned attacks by the cartels on U.S. assets, including civilian, military, or law enforcement officials, innocent U.S. citizens, or physical institutions such as government buildings, consulates, or businesses. We assess with medium confidence



that in the short term there will be no significant increase in spill-over violence as the Mexican trafficking organizations understand that intentional targeting of United States persons or interests unrelated to the drug trade would likely undermine their own business interests.

In response, the DEA continues to work vigorously in cooperation with its Federal, State, local, and foreign counterparts to address the violence through the sharing of intelligence and joint investigations. DEA has the largest United States drug law enforcement presence in Mexico and is primed to mount and attack these drug trafficking organizations at all levels with the Calderon administration. The disruption and dismantlement of these organizations, the denial of proceeds, and the seizure of assets significantly impacts the drug trafficking organizations' ability to exercise influence and further destabilize the region. Project Reckoning and Operation Xcellerator are recent examples of this United States-Mexico collaboration. While these collaborative operations are intended to break the power and impunity of the cartels, in the short term they also exacerbate the violence in Mexico.

In short, guided by intelligence, DEA is working diligently on both sides of the border to stem the flow of illicit drugs and assist our Mexican counterparts in curbing the violence associated with the drug trade. DEA recognizes that interagency and international collaboration and coordination is fundamental to our success. DEA will continue to closely monitor the security situation in Mexico and ensure that rampant violence does not spill over our border by continuing to lend assistance and support to the Calderon administration.

Chairman Kerry and members of the committee, Congressman Reyes, I thank you again for the opportunity to testify and I will be happy to address any questions you may have.

[The joint prepared statement of Mr. McMahon and Mr. Arabit follows:]

JOINT PREPARED STATEMENT OF JOSEPH M. ARABIT, SPECIAL AGENT IN CHARGE, EL PASO DIVISION, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE, EL PASO, TX, AND WILLIAM MCMAHON, DEPUTY ASSISTANT DIRECTOR, FIELD OPERATIONS, BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES, U.S. DEPARTMENT OF JUSTICE, WASHINGTON, DC

Chairman Kerry, Senator Lugar, and members of the committee, we appreciate the opportunity to appear before you today to discuss the Department of Justice's (the Department) role in addressing the alarming rise of violence perpetrated by warring Mexican drug trafficking organizations in Mexico and the effects of that violence on the United States, particularly along our Southwest border. We want to share with you the Department's strategy systematically to dismantle the Mexican drug cartels, which currently threaten the national security of our Mexican neighbors, pose an organized crime threat to the United States, and are responsible for the scourge of illicit drugs and accompanying violence in both countries.

#### OVERVIEW OF DEPARTMENT OF JUSTICE'S MEXICO AND BORDER STRATEGY

The explosion of violence along the Southwest border is being caused by a limited number of large, sophisticated, and vicious criminal organizations, not by individual drug traffickers acting in isolation. Indeed, the Department's National Drug Intelligence Center has identified the Mexican drug trafficking organizations (DTOs) as the greatest organized crime threat facing the United States today. That insight drives our response. There is much to do and much to improve upon. But the Department's strategy—built on its proven track record in dismantling transnational organized criminal groups, such as the mafia in the 1980s and 1990s—con-

fronts the Mexican cartels as criminal organizations, rather than simply responding to individual acts of criminal violence. Pursued vigorously, and in coordination with the efforts of other U.S. Government agencies like the Departments of State and Homeland Security and with the full cooperation of the Government of Mexico, this strategy can and will neutralize the organizations causing the violence.

The Department's strategy to identify, disrupt, and dismantle the Mexican drug cartels has five key elements. First, the strategy employs extensive and coordinated intelligence capabilities. The Department pools information generated by our law enforcement agencies and Federal, State, and local government partners, and then uses the product systematically to direct operations in the United States and assist the efforts of the Mexican authorities to attack the cartels and the corruption that facilitates their operations. Second, led by experienced prosecutors, the Department focuses its efforts on investigation, extradition, prosecution, and punishment of key cartel leaders. As the Department has demonstrated in attacking other major criminal enterprises, destroying the leadership and financial assets of the cartels will undermine the entire organizations. Third, the Department pursues investigations and prosecutions related to the smuggling of guns, cash, and contraband for drugmaking facilities from the United States into Mexico. The violence and corruption in Mexico are fueled by these resources that come from our side of the border. Fourth, the Department uses traditional law enforcement approaches to address spillover effects of cartel violence in the United States. These effects include the widespread distribution of drugs on our streets and in our neighborhoods, battles between members of rival cartels on American soil, and violence directed against U.S. citizens and government interests. Fifth, the Department prosecutes criminals responsible for the smuggling, kidnapping, and violence in Federal court. The ultimate goals of these operations are to neutralize the cartels and bring the criminals to justice.

Attorney General Holder is committed to taking advantage of all available Department resources to target, disrupt, and dismantle the Mexican cartels. Last month, the Attorney General announced the arrest of more than 750 individuals on narcotics-related charges under Operation Xcellerator, a multiagency, multinational effort that began in May 2007 and targeted the Mexican drug trafficking organization known as the Sinaloa Cartel. This cartel is responsible for bringing tons of cocaine into the United States through an extensive network of distribution cells in the United States and Canada. Through Operation Xcellerator, Federal law enforcement agencies—along with law enforcement officials from the Governments of Mexico and Canada and State and local authorities in the United States—delivered a significant blow to the Sinaloa Cartel. In addition to the arrests, authorities seized over \$59 million in U.S. currency, more than 12,000 kilograms of cocaine, more than 1,200 pounds of methamphetamine, approximately 1.3 million Ecstasy pills, and other illegal drugs. Also significant was the seizure of 169 weapons, 3 aircraft, and 3 maritime vessels.

Similarly, the Department's Project Reckoning, announced in September 2008, was a 15-month operation that severely damaged the Gulf Cartel. It was one of the largest and most successful joint law enforcement efforts between the United States and Mexico. Project Reckoning resulted in over 600 arrests in the U.S. and Mexico, plus the seizure of nearly 20,000 kilos of cocaine, tens of thousands of pounds of marijuana, thousands of pounds of methamphetamine, hundreds of weapons and \$71 million in currency. Perhaps most importantly, Project Reckoning led to the indictment against a triumvirate of Gulf Cartel leaders.

Operation Xcellerator and Project Reckoning were tremendous successes in the U.S. Government's battle against the Mexican cartels and illustrate the strengths of the Department's strategy. These operations applied the classic law enforcement tools that the Department has successfully wielded against other large and sophisticated criminal enterprises to target the largest threats from the cartels. Neither would have been possible without the development and effective sharing of tactical and strategic intelligence between and among Federal agency partners and the Government of Mexico and its law enforcement and special military components. They reflected multiagency, multinational efforts. Although both were led by the Drug Enforcement Administration (DEA), the Department worked closely with the Department of Homeland Security and included the active participation of the Federal Bureau of Investigation (FBI), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the U.S. Marshals Service (USMS), Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection (CBP), and the Internal Revenue Service (IRS). In all, more than 200 Federal, State, local, and foreign law enforcement agencies contributed to the success of Operation Xcellerator and Project Reckoning. And these multiyear investigations will result in Federal prosecutions in numerous States by various U.S. attorneys' offices and the Criminal Division's Narcotics and Dangerous Drug Section.

We believe that we have the right strategy for stopping the violence spawned by the cartels. But despite recent successes, we also recognize that we have much more work to do to implement it effectively. The cartels remain too powerful and able to move too many drugs into the United States. Too many guns and too much cash are moving south across the border into Mexico, where they fuel the cycle of violence. As a result, the Attorney General is working to allocate additional resources to address this threat.

#### THE DIMENSIONS OF THE CURRENT THREAT

The Mexican drug cartels pose a national security threat to Mexico and an organized crime threat to the United States. Drug-related violence, including kidnappings and increasingly gruesome murders, has skyrocketed in recent years in Mexico, particularly along the border with the United States. Drug-related murders in Mexico doubled from 2006 to 2007, and more than doubled again in 2008 to 6,200 murders. Almost 10 percent of the murders in 2008 involved law enforcement officers or military personnel. Mexican drug traffickers and their enforcers are also engaging in other violent crimes, including kidnappings and home invasion robberies—primarily in Mexico but increasingly in U.S. communities as well. Although violence in Mexico has existed over the years, the bloodshed has escalated in recent months to unprecedented levels as the cartels use violence as a tool to undermine public support for the government's vigorous counterdrug efforts. Traffickers have made a concerted effort to send a public message through their bloody campaign of violence by leaving the bodies of their tortured victims out for public display to intimidate government officials and the public alike.

A significant portion of this increase in violence actually reflects progress by the Governments of Mexico and the United States in disrupting the activities of the drug cartels. After President Felipe Calderon and Attorney General Eduardo Medina-Mora took office in 2006, and with support from the United States, the Government of Mexico undertook a comprehensive program to break the power of the narcotraffickers, making record seizures of drugs, clandestine laboratories, and cash. Mexican law enforcement agencies have arrested many high level drug cartel members who are then being extradited to face prosecution in the United States in record numbers. This unprecedented pressure from the Government of Mexico has led to the increased violence directed at Mexican law enforcement and the Mexican Government as a whole. As the Department and our Federal agency partners have worked with Mexican authorities to disrupt and dismantle successive iterations of the most powerful cartels, their successors have escalated the fighting among themselves for control of the lucrative smuggling corridors along the Southwest border.

The violence in Mexico has direct and serious effects in the United States. According to the "2009 National Drug Threat Assessment (NDTA)" by the Department's National Drug Intelligence Center, Mexican drug trafficking organizations represent the "greatest organized crime threat to the United States," with cocaine being the leading drug threat. Mexican and Colombian drug trafficking organizations generate and launder between \$18 billion and \$39 billion in wholesale drug proceeds in the United States annually, a large portion of which is believed to be smuggled in bulk across the border back into Mexico; this cash further fuels the drug trade and its attendant violence. Similarly, firearms trafficking from the United States to Mexico contributes to escalating levels of violence on both sides of the border, as groups armed with military weapons and U.S.-based gangs serve as enforcement arms of the Mexican drug cartels. According to ATF's Tracing Center, 90 percent of the firearms about which ATF receives information are traceable to the United States.

#### INTELLIGENCE-BASED TARGETING IS THE FOUNDATION FOR A SUCCESSFUL RESPONSE

For more than a quarter-century, the principal law enforcement agencies in the United States have recognized that the best way to fight the most sophisticated and powerful criminal organizations is through intelligence-based, prosecutor-led task forces that leverage the strength, resources, and expertise of the complete spectrum of Federal, State, local, and international investigative and prosecutorial agencies. It was this approach, for example, that fueled the ground-breaking Mafia prosecutions in the United States and Italy in the late 1980s and 1990s. The Department is applying these same intelligence-driven tactics that broke the back of the Mob to fighting the Mexican drug cartels.

The Department works through several programs to develop a full range of strategic, operational, and tactical intelligence against the Mexican cartels.

First, since 2003, the Department has worked with the drug enforcement community to develop the Attorney General's Consolidated Priority Organization Target (CPOT) list of international "Most Wanted" drug kingpins. Of the approximately 50

worldwide cartels currently on the list, 19 of them are Mexican enterprises. This list helps the Department and our Federal agency partners focus critical resources on the greatest threats.

Second, the Department leads two multiagency intelligence centers and an operational center that provide tactical and operational support in targeting the largest and most dangerous Mexican cartels and focusing law enforcement resources. The El Paso Intelligence Center (EPIC) is led by the DEA with participation of more than 20 agencies. It provides critical, case-specific tactical intelligence. For example, if a highway patrol officer stops a vehicle in the middle of the night, EPIC may have information about the vehicle, driver, or passengers that can be provided in real time. EPIC focuses specifically on the Southwest border but tracks broader tactical data. The ATF's "Gun Desk" at EPIC serves as a central repository for all intelligence related to firearms along the Southwest border. The FBI will shortly join the facility through a Southwest Intelligence Group (SWIG), which will be used to coordinate information and intelligence relating to the Southwest border and to better disrupt and dismantle the ongoing violent criminal activity.

The Special Operations Division (SOD) is a DEA-led multiagency operational center, but its functions go beyond the gathering and processing of intelligence. The SOD provides strategic support and coordination for long-term, multiagency investigations. It passes leads that have been developed from intelligence sources to field investigators and coordinates the resulting investigations. It targets the command and control communications of major drug trafficking and narcoterrorism organizations. Special emphasis is placed on those major drug trafficking and narcoterrorism organizations that operate across jurisdictional boundaries on a regional, national, and international level. Operation Xcellerator was initiated as a SOD investigation. The transnational nature of narcotics trafficking results in numerous agencies from Federal, State and local departments involved in the fight to stop the flow of narcotics into our communities. Working through the Organized Crime Drug Enforcement Task Force Fusion Center, SOD serves a critical role in the deconfliction of investigative efforts to prevent the occurrence of law enforcement from targeting one another.

The Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, an intelligence center colocated with SOD, is a comprehensive data center containing drug and related financial data from DEA, ATF, FBI, IRS, the USMS, the U.S. Coast Guard, National Drug Intelligence Center (NDIC), EPIC, the Financial Crimes Enforcement Network (FinCEN), the Department of State's Bureau of Consular Affairs, and other key players in the international drug enforcement world. Like the SOD, it provides critical support for long-term and large-scale investigations. It conducts cross-agency and cross-jurisdictional integration and analysis of drug-related data to create comprehensive pictures of targeted organizations. The Fusion Center passes actionable leads to field investigative units.

#### FOCUSED LAW ENFORCEMENT INITIATIVES

The Department's efforts are focused on three underlying aspects of the problem: Drugs, guns, and cash; and are part of an integrated and coordinated operational response from Department law enforcement components in coordination with one another and Federal agency counterparts.

##### *1. Movement of Drugs*

DEA has the largest U.S. drug enforcement presence in Mexico with 11 offices in that country. DEA Mexico primarily focuses its resources at the command and control infrastructure of the Mexican cartel leaders with the goal of removing the top layers of cartel leadership, who are essential to the operation of these criminal enterprises. To achieve this goal, DEA Mexico supports and/or facilitates operations by both the Mexican Federal Police and Military Special Forces to locate and capture cartel leaders and their associates. Project Reckoning and Operation Xcellerator are recent examples of this successful partnership. DEA also sponsors the Sensitive Investigative Units (SIU), elite vetted units of Mexican law enforcement and military which undergo robust background investigations and polygraph examinations, resulting in trusted counterparts throughout Mexico.

DEA also targets the cartels through its "Drug Flow Attack Strategy" (DFAS), an innovative, multiagency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between the source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructure of major drug trafficking organizations. DFAS calls for aggressive, well-planned and coordinated enforcement operations in cooperation with host-nation counterparts in global source and transit zones around the world.

Department law enforcement components cooperate with the Department of Homeland Security and other Federal agencies on EPIC's "Gatekeeper Initiative." A "Gatekeeper" is a person or group whose role is "to facilitate the taxation and protection of contraband loads (including illegal aliens) and to enforce the will of the cartel through bribery, intimidation, extortion, beatings, and murder." These Gatekeepers control territory along the border and are key to cartel smuggling operations in both directions. The Gatekeeper Initiative, combines the statutory expertise and authorities of its multiagency members—DEA, FBI, the U.S. Marshals, IRS, ICE, ATF, and CBP to: (1) Establish multidistrict investigations of the Gatekeepers and their organizations operating along the Southwest border, including the identification and investigation of corrupt law enforcement officials on both sides of the border; (2) identify additional activities of the Gatekeepers in other regions and pass investigative leads to those jurisdictions; (3) disrupt drug trafficking patterns along the Southwest border by attacking the smuggling of major cartels; and (4) target the illegal purchase and distribution of firearms by Gatekeepers.

Within the United States, DEA has worked with the Department of Homeland Security to implement its "License Plate Reader Initiative" in the Southwest border region to gather intelligence, particularly on movements of weapons and cash into Mexico. The system uses optical character recognition technology to read license plates on vehicles in the United States traveling southbound toward the border. The system also takes photographs of drivers and records statistical information such as the date, time, and traffic lane of the record. This information is then compared with DEA and CBP databases to help identify and interdict vehicles that are carrying large quantities of cash, weapons, and other illegal contraband toward Mexico.

### *2. Trafficking of Guns*

Given its statutory mission and authority, ATF is principally responsible for stopping the flow of weapons from the United States south to the cartels. Merely seizing firearms through interdiction will not, by itself, stop firearms trafficking to Mexico. ATF, in collaboration with other law enforcement entities, seeks to identify, investigate, and eliminate the sources of illegally trafficked firearms and the networks for transporting them.

Since 2006, Project Gunrunner has been ATF's comprehensive strategy to combat firearms-related violence by the cartels along the Southwest border. It includes special agents dedicated to investigating firearms trafficking on a full-time basis and industry operations investigators (IOIs) responsible for conducting regulatory inspections of Federal Firearms Licensees (FFLs) along the Southwest border. Since 2007, ATF has inspected approximately 95 percent of the FFLs in the region.

Congress has recently allocated an additional \$15 million in support of Project Gunrunner. These funds will allow ATF to open five new field offices staffed with Special Agents and IOIs. With these additional resources, ATF can identify and prioritize for inspection those FFLs with a history of noncompliance that represents a risk to public safety, as well as focus on primary retailers and pawnbrokers who sell the weapons of choice for drug cartels. In addition, the funds will be used to send additional Special Agents to consulates in Mexico.

The tracing of firearms seized in Mexico and the United States is an essential component of the strategy to curtail firearms trafficking along the Southwest border. When a firearm is traced, specific identifying information—including the make, model, and serial number—is entered in the ATF Firearms Tracing System (e-Trace), which is the only Federal firearms tracing system. Using this information, ATF can establish the identity of the first retail purchaser of the firearm and then investigate how the gun came to be used in a crime or how it came to be located in Mexico. Furthermore, analyses of aggregate trace data can reveal trafficking trends and networks, showing where the guns are being purchased, who is purchasing them, and how they flow across the border. Without tracing data, Federal officials would be forced to rely solely on interdiction efforts to gain investigative leads, an often ineffective use of Federal resources. As part of the Merida Initiative, discussed below, ATF received \$4.5 million to initiate a Spanish version of ATF's e-Trace to Mexico. ATF is working with Mexican officials to increase their current usage of the gun-tracing system, with deployment to nine U.S. consulates in Mexico set for December of this year.

### *3. Bulk Currency Shipments and Money Laundering*

The spike in violence in Mexico among the cartels stems from fights over market share and profits as the Mexican and U.S. Governments have, by working together, succeeded in applying greater pressure against them. In addition to removing, the leadership ranks of the cartels, the Department is waging a war to take their assets too. Again, as with any other criminal enterprise, the Department places a high pri-

ority on attacking and dismantling the financial infrastructure of the Mexican drug trafficking organizations.

For example, the Department has established a “Bulk Currency Money Laundering Initiative,” which investigates bulk currency movement along transportation routes in the Southwest. Although we do not know the exact amount of bulk cash flowing back across the U.S. border to the Mexican DTOs, the National Drug Intelligence Center estimates that Mexican DTOs generate approximately \$17–\$38 billion annually in gross wholesale proceeds from their distribution of illicit drugs in the United States. State and local agencies, which encounter the vast majority of currency seizures on the highways, often lack the resources necessary to conduct followup investigations that will lead to the identification and prosecution of the major drug organizations that own the smuggled cash. Again we have worked in partnership with the Department of Homeland Security, the component agencies of which have primary responsibility for securing the U.S. border. This Strategic Initiative is designed to enhance all the Federal, State, and local agencies’ efforts through coordination and cooperative investigation. Federal agencies currently participating in this initiative include ATF, DEA, FBI, ICE, IRS, the USMS, and the U.S. attorneys’ offices.

Between 2007 and 2008, \$2.9 billion were forfeited under the Department of Justice Asset Forfeiture program. Under the National Asset Forfeiture Strategic Plan, asset forfeiture is integrated into every appropriate investigation and prosecution, recognizing that asset forfeiture is a powerful law enforcement tool that strips criminals of their illicit wealth.

Finally, under the Merida Initiative, discussed below, the Department is sharing its expertise with Mexican investigators and prosecutors to strengthen Mexico’s own asset forfeiture laws and authority.

#### FEDERAL PROSECUTION ALONG THE BORDER

The U.S. attorneys have over 540 prosecutors in the five Southwest border districts, handling national and district-level priorities involving narcotics trafficking, gun-smuggling, violent crimes, and immigration offenses. Each of the Southwest border U.S. attorneys’ offices works closely with Federal, State, and local investigative agencies on the initiatives described above. The U.S. attorneys’ offices are on the front lines of the national effort to prosecute both large-scale criminal enterprise cases involving significant trafficking organizations as well as other criminal offenses arising at the border with Mexico. The U.S. attorneys also coordinate with Mexican prosecutors to share evidence in appropriate cases to ensure that justice is achieved either in U.S. or Mexican courts.

During the past 3 years, U.S. attorneys’ offices and the Department’s Criminal Division have seen a significant increase in the number of international fugitives returned to face justice in the United States through international extradition. Colombia and Mexico have extradited fugitives to the United States during this time in unprecedented numbers. Some of those extradited were significant cartel leaders, including major figures of the Tijuana and Gulf Cartels. For example, Osiel Cardenas Guillen, leader of the Gulf Cartel, was extradited in January 2007. Last December, Mexico extradited Juan Diego Espinosa Ramirez, “El Tigre,” a Colombian associate of the Sinaloa Cartel wanted by the DEA. Last month Mexico extradited Miguel Caro-Quintero to the United States to face Federal narcotics trafficking and racketeering charges brought by the Department; Caro-Quintero is the former head of the now-defunct Sonora Cartel and was responsible for trafficking thousands of metric tons of cocaine and marijuana to the U.S. in the 1980s and 1990s. (Caro-Quintero is also the younger brother of Rafael Caro-Quintero who was the mastermind behind the kidnapping, torture, and murder of DEA Special Agent Enrique “Kiki” Camarena in 1985.) Just last week, the Mexican Government announced the arrest of Vincente Zambada, a top Sinaloa Cartel leader, who has been indicted on Federal narcotics charges in the United States.

To build on these successes, and to handle the growing number of cases involving international extraditions and foreign evidence more effectively, the Department is in the process of establishing an OCDETF International Unit within the Criminal Divisions Office of International Affairs (OIA), which will focus on mutual legal assistance to other countries. The Unit will expand the current level of cooperation with our foreign counterparts in the arrest, extradition, and successful prosecution of cartel leaders and their subordinates.

#### RESPONDING TO THE THREAT WITH ADDITIONAL RESOURCES

Although the elements of the Department’s proven prosecutor-led, intelligence-based strategy are in place, we have much work to do to implement it effectively

to combat the Mexican cartels. The Department has taken the following steps to buttress our law enforcement resources along the Southwest border.

- *Increased DEA presence on the border.* DEA is forming four additional Mobile Enforcement Teams (METs) to specifically target Mexican methamphetamine trafficking operations and associated violence, and anticipates placing 16 new positions in its Southwest border field divisions. Twenty-nine percent (1,171) of the DEA's domestic agent positions are now allocated to the DEA's Southwest border field divisions.
- *Reallocation of 100 ATF personnel to Southwest border within the next 45 days.* ATF is redeploying 100 employees, including 72 agents, under Project Gunrunner, primarily to Houston and south Texas based on ATF intelligence on drug trafficking patterns. The FY 2009 budget and Recovery Act include additional new funding for Project Gunrunner as well. In particular, \$10 million in American Recovery and Reinvestment Act funding is being used to hire 37 ATF employees to open, staff, equip, and operate new Project Gunrunner criminal enforcement teams (in McAllen, TX; El Centro, CA; and Las Cruces, NM), and to assign two special agents to each of the U.S. consulates in Juarez and Tijuana to provide direct support to Mexican officials on firearms-trafficking-related issues. ATF will also open new Gunrunner field offices in Phoenix, AZ, and Houston, TX, under the FY 2009 budget and will add 30 additional ATF personnel in those areas.
- *OCDETF is adding to its Strike Force capacity along the Southwest border.* OCDETF is expanding the staffing of its joint interagency Strike Forces along the Southwest border (in San Diego and Houston); within the last year, OCDETF has also established two new Strike Forces, one in Phoenix and one in El Paso. In addition, OCDETF is adding one full-time financial analyst contractor for each of the Strike Forces and placing an intelligence analyst team from the National Drug Intelligence Center with each Strike Force, following a model currently in place with the Houston Strike Force. The Department intends to roll out additional teams across the Southwest border.
- *Increased FBI focus.* The FBI is enhancing its efforts to disrupt drug activity and to dismantle gangs that may have connections to the violent Mexican drug cartels by participating on Organized Crime and Drug Enforcement Task Forces. In addition, to address the surge in kidnappings, the FBI is working closely with Mexican police officials on a Bilateral Kidnapping Task Force. This task force investigates cases along the border towns of Laredo, TX, and Nuevo Laredo, Mexico. Aside from operational task forces, each of our border offices has Border Liaison Officers who travel to Mexico on a weekly basis to liaison and coordinate with law enforcement partners. These tools provide local law enforcement on both sides of the border with a rapid response force to immediately pursue, locate, and apprehend violent crime fugitives who commit their crimes and flee across the international border to elude capture.
- *Increased funding to combat criminal narcotics activity stemming from the southern border.* The American Recovery and Reinvestment Act includes \$30 million, to be administered by the Department's Office of Justice Programs, to assist with State and local law enforcement to combat narcotics activity along the southern border and in High Intensity Drug Trafficking Areas, including the \$10 million that is required by statute to be allocated to Project Gunrunner.
- *Public relations campaign.* ATF is doing a public education campaign in Houston and San Antonio, TX, this summer on illegal straw purchasing. This will include press conferences, radio, TV, billboards, and seminars with people who have Federal licenses to sell firearms.

#### THE MERIDA INITIATIVE

Let me conclude with a brief mention of the Merida Initiative. The Department strongly supports the Merida Initiative, which provides an unprecedented opportunity for a highly coordinated, effective bilateral response to criminal activity on our Southwest border. The Department has been and continues to be actively involved in the Merida Initiative planning and implementation both on an interagency and bilateral basis. One of the first Merida Initiative programs in Mexico is a ministerial-level Strategy Session on Arms Trafficking, funded by the Government of Mexico and the U.S. State Department, and developed and designed by the Department in conjunction with DHS and the U.S. Embassy in Mexico City, to be held in Mexico on April 1 and 2. Attorney General Holder and Secretary Napolitano are scheduled to attend, joining their Mexican counterparts for the second day of the conference.

The Department's Criminal Division and law enforcement agencies already are working with our Mexican counterparts to enhance and strengthen Mexico's operational capacities to effectively combat narco trafficking, firearms trafficking, and other organized criminal enterprises, including trafficking in persons. The Merida Initiative provides increased support for our joint efforts with Mexico in these and other areas of mutual concern. These efforts have focused on the development of intelligence-based targeting and prosecutor-led multiagency task forces, collection of evidence, and extradition. The Department has been and continues to be an active participant and partner in the Merida Initiative interagency planning and implementation both in Washington, DC, and as an integral member of the country team at Embassy Mexico City.

#### CONCLUSION

Thank you for your interest in the Department's efforts to combat the alarming rise of violence in Mexico along the Southwest border, as well as our views about the most effective ways to address the current threat. In order to attack the full spectrum of the drug cartels' operations—drug trafficking, kidnapping, bribery, extortion, money laundering and smuggling of profits, and trafficking and use of dangerous weapons—we must employ the full spectrum of our law enforcement agencies' resources, expertise, and statutory authorities. By continuing to work together, building on what we have done well so far and developing new ideas to refresh our strategies, we can rise to the current challenge. Again, thank you for your recognition of this important issue and the opportunity to testify here today. We will be happy to answer any questions you may have.

The CHAIRMAN. Thank you very much, Mr. Arabit. We, indeed, will have a lot of questions of all of you. We want to get right at it.

Mr. Esparza, as the district attorney—and you have been there now 16 years?

Mr. ESPARZA. Yes, sir.

The CHAIRMAN. This is a problem that has been ongoing. How would you describe it today relative to where it was 5 years ago, 10 years ago, and when you began?

Mr. ESPARZA. Well, it is night and day. It has never been like this before. I think the reality of the drug trade is that there is violence, and we have seen that in the past and we have seen that not just in Mexico but also in the United States. But what has happened recently is extraordinary. The number of deaths and murders in Juarez is extremely high.

The CHAIRMAN. And what is it that has suddenly prompted this in your judgment? Is this just intercartel, intracartel warfare, or is it more than that?

Mr. ESPARZA. Well, I do think that it probably started as the result of the efforts of President Calderon to push the cartels, but now we see violence within the cartels and cartel to cartel, and now we see cartel versus the government. And that whole triangle is a result of the increase in violence.

I am very happy to tell you, as I told you in my opening statement, that the violence has not spilled over, but I do not see—at least at the moment, we see a decrease. But I have to wonder, as a State official on this side, how long will it last. We are in the early phases of this. It is good news that the violence has decreased, but will it stay at this level?

The CHAIRMAN. Well, let me ask you and any of the witnesses on this panel. Is this increase in violence the result of the trade becoming so much more lucrative because the demand is so much higher and therefore they are willing to go all out, or is it because it has diminished and they are fighting for a smaller pot? What is



the reason that all of a sudden the cartels are going at each other with such ferocity?

Mr. ARABIT. Thank you for the question, Mr. Chairman.

DEA believes that the reason that the cartels are fighting the way that they are is that they are vying lucrative corridors. The Mexican Government has done a phenomenal job of shutting down some of the corridors on the Mexican side and putting pressure on the cartels. Therefore, the existing corridors are what is being contested.

All the while, we still have the intracartel violence, and the intracartel violence is being caused by some of the upper echelon members of these organizations getting arrested and extradited.

Aside from that, we have got the pressure on the U.S. side. U.S. law enforcement is doing a very, very good job of containing these drug cartels and affecting their trade on the U.S. side.

So when you have all these forces simultaneously occurring, it makes for a very volatile situation.

The CHAIRMAN. To what degree—when you pointed out, I think, some 6,000—we went from 2,400 to 6,200-plus murders last year. Is that correct?

Mr. ARABIT. Yes, sir. That is correct.

The CHAIRMAN. What percentage of those were innocent civilians caught in either a cross-fire and/or targeted?

Mr. ARABIT. Sir, I do not have that number. I think it is safe to say that it is a very small percentage.

The CHAIRMAN. So most of the people who were victims were themselves involved in the trafficking. Is that what you are saying?

Mr. ARABIT. Yes, sir. That is correct. Many of these killings are targeted killings. They are very well planned out, very well executed killings.

The CHAIRMAN. If they are fighting that hard over the corridors and they are fighting that hard in Juarez, it seems to suggest that more is getting through and this is more worthwhile to them and worth fighting for.

Mr. ARABIT. Well, what is worthwhile to them, sir, is the actual corridors. They want the corridor. That is exactly what they are fighting for.

The CHAIRMAN. I understand that, but what I am saying is it seems to suggest that that is mighty worth the fight. Therefore, they know that that is valuable because a high level of drugs are coming through.

Mr. ARABIT. That could be one way of looking at it, sir.

The CHAIRMAN. The other way is to suggest that less is getting through and therefore it is worth fighting for? I mean, what is the—

Mr. ARABIT. Well, sir, I can tell you that we are in a 24-month sustained period of higher prices and lower purity on cocaine, and so that is encouraging. That means that there is a limited amount of cocaine actually hitting the streets of the United States.

The other point I would like to make is that 90 percent of the cocaine that comes out of Colombia to the United States in the past has passed through Mexico. Within the last year, 47 percent of that 90 percent is actually stopping in Central America, and what that

indicates to me and to DEA is that the Calderon administration is truly having an impact.

The CHAIRMAN. From the law enforcement perspective, after a while, if your intel is good enough and your groundwork is good enough, you get a pretty good bead on who the bad guys are. And mounting the proper kind of law enforcement effort—we have the tools today to really go after them. Does this absence of a targeted prosecution effort and capture effort by the government indicate that there is a gap in their intelligence or simply difficulties and/or inability to go after them after this period of time? As you said, you have been at it for 2 decades. I think you said that, Mr. McMahon.

Mr. MCMAHON. Yes, sir.

The CHAIRMAN. So I mean, after 2 decades, you ought to have a pretty good bead on who they are.

Mr. ARABIT. Yes, sir. I believe it is safe to say we have a good bead on who they are.

The CHAIRMAN. So what is the restraint on appropriately being able to go after them and make life pretty miserable?

Mr. ARABIT. Mr. Chairman, I believe that in collaboration with the Mexican Government, we are, in fact, going after them. DEA currently has 100 employees in Mexico, 62 of whom are special agents. We have 11 offices in Mexico. We work hand in hand day by day, oftentimes hour by hour, with the Mexican Government in order to go after these major drug trafficking organizations.

Mr. ESPARZA. I would add that the infrastructure—I do not hear this very often in the public discussion, but the infrastructure along the southern border—and I know that Congressman Reyes is very aware of this—is very well developed over the years. I mean, we have a high-intensity drug trafficking area which is all the southern border of the country, and there are five parts to it. You sit in the west-Texas high-intensity drug trafficking area. It was one of the first HIDTAs that was funded by the Federal Government quite a few years ago. And that infrastructure allows for Federal, local, and State officials to work together.

In order to continue to protect us, I think you have to be smart about how you use your resources, and that HIDTA effort, which not only gathers operational intelligence, also works so that the agencies work together as they protect us along the southern border.

HIDTA is not usually a term that I hear very often in the national discussion, but the Federal Government has invested lots of money in order to ensure that Federal, local, and State agencies work together to protect us. As DEA was saying, I mean, we are working hard to protect us on this side and chase them at the same time, and that infrastructure is here.

The CHAIRMAN. Well, our Latin American partners in these efforts sometimes ask us why we are able to show them charts about how these guys operate right under their noses, but we are not able to show them charts about how they are operating here in our country under our noses. What is the deal?

Mr. ARABIT. Mr. Chairman, thank you for the question.

What I would say to that, sir, is the two most recent examples of how we are able to demonstrate how these vast networks operate

in the United States are Project Reckoning—along with our Mexican counterparts, the DEA and the interagency made over 600 arrests. That was back in September. And then more recently under Operation Xcellerator, there were about 700 arrests and millions upon millions of dollars seized. Most of the people that were arrested in both of those operations were the domestic networks of the Mexican drug trafficking organizations.

Now, there were some folks arrested in Mexico as well as a result of the extensive collaboration with the Mexican Government, but we are able to demonstrate how the Mexican cartels are operating in Mexico and then how their distribution networks are operating in the United States. Again, I would submit that Operation Xcellerator and Project Reckoning were two perfect examples of how we were able to disrupt and dismantle Mexican drug trafficking organizations on both sides of the border.

The CHAIRMAN. I am going to turn to Senator Barrasso, but what is your greatest frustration now? You are a law enforcement officer. You are struggling to make this work. What do you say when you wake up in the morning? God, I wish we could do this or I wish we had more of this or this is frustrating me because we actually get in our own way. What are the things we have to do to make this work more effectively so citizens on both sides of the border can feel more confident that we are on top of it?

Mr. ARABIT. Sir, I think the first thing we have to do is that we have to manage our expectations with respect to Mexico. Mexico right now is in a national security crisis, and they are in the process of trying to take that crisis and transform it, if you will, into a traditional law enforcement situation where law enforcement can deal with it. So I think that we have to be patient with the Mexican Government. I think that we have to stand by them as they make this transformation.

With respect to what we can use more of, obviously, vetted units and better trained Mexican police would be something that would certainly enhance how we do our jobs. And I know that the Merida Initiative addresses those particular points.

The CHAIRMAN. I will come back to that. I want to follow up on that in a minute.

Mr. Esparza.

Mr. ESPARZA. I do not get that question asked very often, and I am very glad that you asked me that.

I can tell you that on this side of the border, obviously, as a State official, my jurisdiction ends at the river. But one of the busiest Federal courthouses in the country is in this city. You have four Federal judges, but it has three additional judges just recently. Forever, you had one Federal judge here handling the volume of work, and we have a judge now taking senior status. So hopefully, that position will be filled soon.

I can tell you that we have a very good partnership between the Federal prosecutors and my office. The problem is that that responsibility on the border is a Federal responsibility, and we are glad to be partners in that effort. We gladly take cases that the Federal prosecutors are unable to handle due to volume or because the threshold level is low, and thus we take those cases.

Congressman Reyes has been extremely helpful and Senator Hutchison was extremely helpful in gaining money so that we could keep that partnership, that relationship going. I think that needs to be relooked at because the amount of money—the fund, I believe, is at \$30 million, which frankly is, I think, a drop in the bucket. But that allows Federal prosecutors to send State prosecutor cases that are lower, not as serious, and allow the Federal prosecutors to handle really the more complex cases. And I am hoping that you take a look at that initiative, which allows us to keep that partnership going because the Federal prosecutors ought to be handling those complex cases.

The CHAIRMAN. Well, I can promise you we will do that, and it is important. But certainly, part of my reaction to that is, that is shutting the door after the horses are out. It is good to prosecute and I think it is very important for the system. I believe this as a former prosecutor and lawyer. You have got to have deterrence and that comes by enforcing the law. And people have to know there is a consequence. So it is very important.

But we need to do a better job on the upfront, earlier law enforcement pieces of this with both the interdiction and the prevention of it flowing and reduction in the cartels' ability to traffic. And we need to talk about that a little more.

Senator Barrasso.

Senator BARRASSO. Thank you.

Following to the district attorney, 16 years you said. You have obviously done a great job keeping this community and El Paso safe. You know district attorneys around the State from your friendship over the years. You go to meetings around the State and around the country. What about spillover violence in other communities that are not right on the border? If you talk to your colleagues from other communities, what are they seeing related to this, as you hear about this cartel and this network and this pipeline that is now spreading out all across the Nation?

Mr. ESPARZA. Senator, I am the former president of the statewide Association of Prosecutors, and I know my border colleagues from Brownsville to El Paso very well. I recently was in Austin with them and others. We are not seeing the violence increase that, frankly, I hear on the national TV. What I reported to you on El Paso I believe the prosecutor in Laredo would say the same thing and in Brownsville would say the same thing. And when you look further up in Austin, Houston, and Dallas, I do not hear their numbers increasing at a rate that you would say is comparable to what is happening in Mexico in Juarez.

Senator BARRASSO. I do not think you are going to see anything comparable to what is happening in Mexico. I just wondered, are they seeing their numbers up, though, as you look at—

Mr. ESPARZA. They are not seeing their numbers up, which is only several weeks ago when we met as a group and this topic came up. Their numbers are not going up.

Senator BARRASSO. Mr. McMahon, you talked about the Project Gunrunner and the 12,000 firearms. You also talked about trace data. Is Mexico sharing with you the information that you need on trace data to help give you additional information? Are you getting everything you need there?

Mr. MCMAHON. Well, that is something we are definitely working on. We know we are not getting access to all of the firearms that are recovered down there, and we know it is important. Gunrunner is an intelligence-driven investigative tool. Tracing is a big part of that. We had a big seizure in Reynosa recently where we had access within a couple of days, and we were able to put leads together of guns that were within a month being purchased in the United States and then being recovered in Reynosa. So the quicker we have access to the recoveries in Mexico, the quicker we can put investigations together here in the United States.

Senator BARRASSO. What suggestions would you have in terms of the border heading south with the guns? Obviously, people trying to traffic these are sophisticated. You come up with a technique to detect, and then they can come up with a technique to try to circumvent, whether it is an extra gas tank under the truck which is loaded with 40 or 50 firearms. What recommendations do you have for us when we try to look at ways to police the border heading south?

Mr. MCMAHON. Obviously, more southbound inspections will help a great deal. What we are seeing is you do not see large shipments of firearms being secreted in a tractor-trailer, let us say. You are seeing what we call in-trafficking where you might have one or two individuals with one or two firearms on them sneaking across the border that way. But I think southbound inspections would help a great deal.

Senator BARRASSO. It seems, at least from what I have been able to see, that the movement of the drugs and individuals is coming up not through the border checks but cross-country, whereas the movement of money and drugs heading south is going right across through the regular highways. Is that your impression?

Mr. MCMAHON. That is what we are seeing. That is exactly what we are seeing.

Senator BARRASSO. So if they did more to slow things down at the border crossings, that may just move that problem more to the open fields, but it is a smaller number of weapons and bundled cash that would move.

Mr. MCMAHON. Yes, it could. I know ATF's focus is more—we try to make our case before they even get to the border, but we have been pretty successful. But yes, I think the tighter you put on the roads, yes, it could spread out to other parts because, obviously, it is a large border.

Senator BARRASSO. From the DEA standpoint, you talked about the violence within a cartel, as you said, as arrests are being made. So has it been a struggle or a fight within the cartel for leadership of that cartel and for the profits? That is No. 1?

Mr. ARABIT. Yes, sir. That is correct.

Senator BARRASSO. And then cartel versus cartel, looking to control some of the pathways, if you will, or the ways that people who move the drugs into this country, so you have fights there. And then the cartels versus the country of Mexico.

Mr. ARABIT. Yes, sir. That is correct.

Senator BARRASSO. How large are the troops? I mean, I heard numbers yesterday going as high as cartels having 50,000 armed soldiers working for the cartel. Is that a real number? Is there

some kind of a number that you would put on it? How big is the army, if you will, of the cartel that is fighting the Mexican Army—the major cartels?

Mr. ARABIT. The numbers are in the thousands, sir. It would be very, very difficult to say whether it is 10,000, 20,000, or 30,000, but I think it is safe to say the numbers are in the thousands.

Senator BARRASSO. And they are well-armed with things that you do not necessarily just find. I mean, we hear these numbers of the number of guns coming from the United States into Mexico, but from what I have been reading of some of the things they are armed with, those are things you get from an international arms dealer maybe coming from Korea, coming from Israel, Russia, wherever that are not things that are necessarily going across from the United States. Are you seeing some of that in the interactions in the cartel versus the country of Mexico military violence?

Mr. ARABIT. Yes, sir. We are seeing that they are using military-grade weapons.

Senator BARRASSO. And then that is made possible by the money heading south?

Mr. ARABIT. Yes, sir. We believe so.

Senator BARRASSO. The Governor of Texas has asked for 1,000 troops to be sent in terms of the National Guard. Is that the right number or is it the wrong number? How do you determine what kind of additional help you need to be able to continue with the success that you have been able to generate over the last 2 years?

Because it seems that you need to actually interrupt the drug trafficking organization. If you cannot take down the network, if they are not moving drugs which, as you said, are now less pure and higher money, which shows that you are interrupting that flow, are those same kind of bad guys not heading into the kidnaping, holding people for ransom, extortion of businesses in Mexico, holding up those folks because they are going to go to try to get money illegally. If they cannot do it in drugs, they are going to try for something else.

Mr. ARABIT. Well, many of these armed gangs—they are very opportunistic. If they see an opportunity to kidnap someone, rob someone, they will do that. That is a small percentage of the havoc that they wreak in Mexico, but they do that because they are very opportunistic.

Senator BARRASSO. And then what about the total number of additional—the manpower that the Governor has asked about?

Mr. ARABIT. Sir, I do not know that we are there yet at this point. I can tell you that in El Paso the numbers are very telling. There has been approximately 413 murders in Juarez for this year, and there have been 2 in El Paso. And so I think it is safe to say that right now the violence has not spilled over.

Senator BARRASSO. Do either of you want to comment on any of those?

Mr. ESPARZA. I actually agree. I do not believe we have reached the point where the National Guard is necessary.

I frankly think that the smart approach is that we have a coordinated response like we have had over the years. We have been fighting this drug battle for many years. HIDTA is a well-developed, coordinated system so that we can attack the drugs and

interdict the drugs coming into the country. And I would make sure, with the use of EPIC, the intelligence that we get from EPIC, and the operational intelligence that we gather from HIDTA, and the coordinated efforts of the Federal, local, and State agencies, I think that effort has had a real effect in keeping the violence from spilling over. And I would continue to fund that effort before we got to the extreme measure of bringing the military to the border.

Senator BARRASSO. Mr. McMahon, anything else to add on that?

Mr. MCMAHON. No, sir.

Senator BARRASSO. Mr. Chairman, I would just ask unanimous consent that statements both from Senator Cornyn, as well as from Sheriff West, be included in the record.

The CHAIRMAN. Absolutely. Without objection, they will be.

[EDITOR'S NOTE.—The statements for the record of Senator Cornyn and Sheriff West were never submitted to the committee and therefore could not be included in this printed hearing.]

The CHAIRMAN. Senator Wicker.

Senator WICKER. Thank you and thanks to all three of you.

First to Mr. Esparza, you have been district attorney for how long?

Mr. ESPARZA. I am in my 17th year.

Senator WICKER. Great. OK.

And I think your testimony, if I could summarize, is that there has always been drug-related violence across the border in Mexico.

Mr. ESPARZA. I believe that to be true, yes, Senator.

Senator WICKER. And that you have never seen it as bad as you did in 2008.

Mr. ESPARZA. That is true.

Senator WICKER. But that it has gotten a little better recently. Is that also your testimony?

Mr. ESPARZA. That is true.

Senator WICKER. Could you sort of explain what you mean there? When did you notice that it was better?

Mr. ESPARZA. Well, just within the month. When the troops came in, when President Calderon sent the troops to Juarez, and the number of troops that came—I am certainly not privy to the effort that they have ongoing in Juarez, but I can tell you, just if you look at the numbers, the number of killings has dropped dramatically. And so as a result, we now see some progress in trying to reduce the violence in Juarez.

Senator WICKER. So the article that I quoted from, “Hopes Rise as Violence Recedes”—the quote from Mr. Raul Martinez Soto is relatively accurate in your opinion.

Mr. ESPARZA. I think it is accurate. I think the caption is more accurate. I think hopes do rise, but I think the long-term effect of the decrease in violence is a story still to be told.

Senator WICKER. Right, and that is where we hope to help.

And then also, with regard to spillover violence, we have not seen it in El Paso, and from your conversations and the statistics that you have seen from your colleagues in Texas, there has not been one bit of increase of spillover violence anywhere in Texas.

Mr. ESPARZA. I can tell you that along the southern border, Brownsville to El Paso, we have not seen the spillover violence.

And that was a really good question. I do not, from my colleagues around the State, see any indication that the violence has increased as a result of the violence between the cartels.

Senator WICKER. And your principal request of us, from the Congress, at this point is that there is a partnership program which Senator Hutchison and Mr. Reyes have helped fund, and you believe some additional funds for that partnership program would be your No. 1 request of this panel today.

Mr. ESPARZA. Actually, I have two requests. I think that the coordinated effort that happens through HIDTAs—there are many HIDTAs throughout the country. There is one in Houston. There is the Southwest border HIDTA which El Paso belongs to. The effort along the southern border—that effort I think is a well-coordinated effort. It has history. It has discipline. There are protocols on how we spend money, making sure it is budgeted and people are accountable for what they do. And I think that program should be looked at as one way to continue the fight and to protect us.

And I also think there should be—my other request is the initiative that allows Federal prosecutors really to work on those crimes that require long-term investigations. As State prosecutors, we do not really have the tools available to us to do that. And I think a better partnership would allow them to do more in that area.

Senator WICKER. What do you say to people who are looking to visit Ciudad Juarez? What do you say to potential tourists?

Mr. ESPARZA. Unfortunately, today I would say you need to be careful. We see our tourist dollars here in El Paso dropping as a result of the violence. I also think the rhetoric has been escalated and exaggerated to the point that it is not really true. I mean, I can tell you, as you sit here, you are safe. If you go to visit Juarez this afternoon, I think you should be careful. Violence has occurred. I think you have to be smart about where you go and what you choose to do. But we are safe here in El Paso. It is a safe city, and we are hoping Juarez will get back to that.

Senator WICKER. And you are not asking that the U.S. Congress act to bring the National Guard into this area of Texas.

Mr. ESPARZA. I do not think that bringing the military to the border is actually the solution at this time. Maybe if things were to break down and we see a radical change, I would tell you differently, but based on our history, based on our numbers, knowing the violence that occurs on this side versus in Juarez, I think bringing the military one, would be unsafe. What a soldier does is different than what a police officer does or a Federal agent does, and I think bringing that combination to the border I think would actually make things more dangerous at this time.

Senator WICKER. It would make it more dangerous.

And I have not heard you advocate additional gun control laws in the United States. Do you have an opinion about that?

Mr. ESPARZA. Well, I think that the inspections of vehicles going south into Mexico—that is an effort that I think we should proceed on. We need to actually expand that effort and make sure that we do our part because we see not only weapons going south, we also see money going south. And checkpoints—if we were to stop the traffic going south, if we were to examine that, I think that would help Mexico's effort in their fight against the drug cartels.



Senator WICKER. OK, inspections at the border. But I do not hear you advocating additional gun control laws on U.S. citizens inside the United States.

Mr. ESPARZA. You do not.

Senator WICKER. The other two witnesses can jump in if they would like, but let me ask Mr. Arabit and Mr. McMahon. The chairman has mentioned this treaty and the ranking member in his prepared statement, which was not read in its entirety, also shares that opinion. Mr. Lugar says we should consider ratifying during this Congress the Inter-American Convention Against Illegal Manufacturing and Trafficking of Firearms, Ammunition, Explosives, and Other Related Material, which is a mighty long name for a treaty. They are calling it the CIFTA Treaty.

The chairman and the ranking member have considered this for years. People will tell you that the NRA was at the table when this treaty was negotiated and signed by the United States. That is, the officials of the National Rifle Association. And yet, for whatever reason, we have not ratified this.

You may not be here able to advocate. I do not mind if you do. But we are a signatory to this treaty already. Would there be any practical effect for how you two gentlemen do your job if we went ahead and ratified this treaty, or are we already abiding by the terms as a signatory? Either one of you can jump in there.

Mr. MCMAHON. Well, ATF has worked very closely with the State Department on this treaty. We are already in compliance with it. We mark our firearms and that helps us trace firearms. Obviously, if other countries were to mark their firearms the same way, it would help us to trace them even better.

Senator WICKER. But what you do would not change in any respect.

Mr. MCMAHON. No, it would not, sir.

Senator WICKER. Mr. Arabit, is that correct?

Mr. ARABIT. Sir, I do not know much about the treaty, so I just would not be qualified to answer that.

Senator WICKER. OK. Mr. Arabit, let me ask you what you are qualified to tell me then. You say there is less illicit drug volume overall in the United States today. Is that correct?

Mr. ARABIT. Yes, sir. What I said, sir, is that the price of cocaine is up and the purity is down, and that is—

Senator WICKER. When the price is up, it is harder for Americans to buy it and fewer purchase it. Is that correct?

Mr. ARABIT. That is correct, sir.

Senator WICKER. And what is the effect of the purity being down?

Mr. ARABIT. What the purity being down signals is just the cocaine's availability on the streets of the United States, and to some degree in Mexico. For example, a couple weeks ago, there was a search warrant executed in Ciudad Juarez where the police found—I do not want to call it a laboratory, but they found a room where cocaine was being repackaged. It was being diluted with some vitamins in order to repackage it and resell it. And that is an indicator of the availability being down, and I think it is real important to note that, along with the price increase and the purity reduction.

Senator WICKER. That is in Juarez itself.

But the reason I am asking about availability inside the United States, as a whole is there this sort of feeling among many Americans that, OK, we may stop it in Colombia or we may stop it from Mexico, but it is going to come in from somewhere, and so we just should throw our arms up in resignation. But what I am hearing you say is that from all sources inside the United States, drug volume is down. Therefore, the price is up. Therefore, it is harder to get, and the quality is not as good. Therefore, it is not as desirable for Americans who might want to experiment with this to do so. Is that your testimony?

Mr. ARABIT. Yes, sir. That is accurate.

Senator WICKER. And so we must be doing something right in our overall international drug control policy, and to that extent, the Federal officials such as you and Mr. McMahon should be commended for that.

Is it fair to say that there are fewer drug users in the United States today than in recent years?

Mr. ARABIT. I believe in certain categories, sir, in certain drugs, that would be accurate. But I do not have that specific data in front of me now, but I could certainly provide that for the record.

Senator WICKER. OK, please do that.

And then finally, any of the three of you, why have there been no massive refugee flows, and because there have not been, can we feel relatively confident that there is unlikely to be huge refugee flows because of the drug violence situation across the border?

Mr. ESPARZA. I do not really know the answer to that, but I am glad you asked the question because, as I monitor what the national news is saying—and we recently had a visit from an expert who said that the Mexican Government was a failed government and that soon there would be mass emigration. We have not seen that. Now, that probably has to do a lot with the economics and the stability of Mexico, and it may have something to do with what we do in protecting the southern border. But the reality is that—I am certainly not the person smart enough to tell you that answer other than we are not seeing it.

Senator WICKER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator.

Let me follow up a little bit on a couple of those tracks, if I can, because I think it is important to try to clarify the record a little bit.

Mr. Arabit, I trust you are qualified as DEA Chief down here to have a sense of the trend patterns. But it is my understanding, having followed this, as I said, since the 1970s when I started a task force and used to prosecute it, that we have seen fluctuations in price. Sometimes it is up; sometimes it is down. But as a general rule, over the last 35 years, we have seen a continued flow of demand and a continued flow of narcotics coming into the country. Is that accurate?

Mr. ARABIT. That is accurate, yes, sir.

The CHAIRMAN. And the price may be down a little bit right now because there is a small interruption, et cetera, but they have usually found a way to meet the demand at some point.

Mr. ARABIT. That is accurate, yes, sir.

The CHAIRMAN. Furthermore, the supply of heroin is at an all-time high on the streets of the United States, and it is very cheap. Is it not?

Mr. ARABIT. That is correct, sir.

The CHAIRMAN. Methamphetamine usage among our young people is at record-high levels, and meth labs across many parts of our country are still being uncovered, discovered, and prosecuted.

Mr. ARABIT. Meth use is high, sir. Meth labs are being discovered, but there is a lot less meth labs being discovered today than there were, say, 2 years ago.

The CHAIRMAN. Agreed. And that is partly because other drugs have been available and people are moving into various usages, including marijuana. I mean, there are various things available.

Mr. ARABIT. Yes, sir.

The CHAIRMAN. I think the DEA would say at a national level that drug use as a whole in the United States has not abated in any kind of significant manner. In fact, it is up because the population is higher.

Mr. ARABIT. That is correct, sir.

The CHAIRMAN. So here we are at 30 years later, 35 years later after we are all sort of struggling with this issue—and I am asking this—again, I have always been troubled that we have had the rhetoric of the war on drugs and we have not really had the resources and commitment to a, “comprehensive, legitimate war on drugs.”

I mean, just last year I tried to add an additional 1,000 border agents here. For various reasons, that particular legislation was blocked. But I think most of us know we do not have enough people on the border. Is that not accurate? Do you want to speak to that, both of you?

Mr. ARABIT. Yes, sir. That is accurate.

Mr. MCMAHON. Yes, sir.

The CHAIRMAN. So we have got a problem, but we are not addressing it fully. We are doing it sort of piecemeal, a little bit here, a little bit there. But if this is a war and if it has all the implications that we say it does, it seems to me we have never stepped up, either party, either administration, no matter who it is. This is not partisan. We just, as a country, never made a full commitment.

Do you want to speak to that? I mean, you must have some resource frustrations in your jobs.

Mr. MCMAHON. Sir, for ATF, I know for 10 years, we have been the same size as we are now. Over the past 3 years, we have doubled our agent population and tripled our investigator population along the border out of our own budget. It is a flat-line budget.

The CHAIRMAN. So what has suffered to do that?

Mr. MCMAHON. Well, obviously, we are pulling resources from other parts of the country that, obviously, are in need of them as well.

This year is the first time that we have actually gotten some direct funding for our Gunrunner initiative. We received \$10 million in the stimulus money to open up three new offices along the border, plus four new positions in Mexico, and then we also

received another \$5 million in our 2009 budget for two additional groups, one in Phoenix and one in Houston, to focus on gun-running.

The CHAIRMAN. Mr. Arabit.

Mr. ARABIT. Sir, with respect to DEA's situation, in the 2009 budget, we received four mobile enforcement teams comprised of eight agents per team. We are going to place those teams in El Paso, in Phoenix, in Chicago, and in Atlanta; Chicago and Atlanta because they have such a connection to drug trafficking organizations in Mexico.

We also have an additional 16 positions that are under consideration right now in terms of where they are going to be placed along the Southwest border, but they will be placed along the Southwest border.

So we are getting a plus-up on resources. We will be looking to do the same thing in 2010 with your support.

The CHAIRMAN. Well, if I were in the business of trying to move that stuff from another country, I would sort of be laughing at our efforts, to some degree, because they have got to know that they can find the weapons, they can terrorize people. They are moving with a relative level of impunity, and it is worth the price. Some of the lower levels get caught, you know, the mules, the folks that they hire to do the border crossing and so forth. They do not care about them. And then they find five other ways to bring the load in. Is that not the way it works?

Mr. ARABIT. Yes, sir, to some degree, it does work that way.

The CHAIRMAN. So in your judgment, Mr. District Attorney and Mr. Arabit, what would make you feel like, wow, we are really going at this?

Now, it seems to me we have got to do more on the Mexican side, and not just Mexico, Central America, Colombia. Plan Colombia is doing pretty well. President Uribe has also been very courageous, and Colombia has taken them head on and I think we have made a little progress there. But we still have a distance to go.

Do we need to do more intertraining? Do we need to do more joint operations? Do we need to do better intelligence-sharing? It seems to me there is a lot of buildup here yet to be done.

Mr. ESPARZA. Well, Senator, I do think you are right that the effort requires many more resources and it takes a coordinated effort. I also think that when you send Federal agents down to the southern border, you need to send the full complement, which means an agent comes with whatever staff it requires for them to completely do their job and not just Federal agents.

I also think that if we are—as you say, the challenge and the struggle has been ongoing for many years and as a result, we have to continue the education and we have to be smart about whether or not we are going to spend money in the drug treatment area, an area that I think is lacking when the Federal Government decides to spend money on the drug war.

I mean, for instance, you have a real success in those drug courts. We have a drug court here in El Paso in the State court. Those drug courts are an excellent program. The Federal Government has done—I can tell you the one in El Paso has been well trained, and their success is documented. And somebody watches

exactly what that judge does and what that team does in order to make sure we have some success in the drug treatment area. And I think we are going to have to spend more in that area.

The CHAIRMAN. I appreciate that.

Congressman, you wanted to just make a comment?

Mr. REYES. Yes, Mr. Chairman. Again, thank you for bringing this hearing here because you get an opportunity to hear from the experts here, and I think you know that before coming to Congress, I spent 26½ years on border enforcement in the Border Patrol.

The comment I wanted to make was it is important to separate facts from fiction. Over the course of my tenure as the chairman of the Intelligence Committee, we have investigated a number of reports that have been debunked, that there were al-Qaeda training camps in the northern part of Mexico. That was debunked. That there were military groups that were actively smuggling north into our country. That was also debunked.

I think when we hear figures like the drug cartels have armies of 50,000, that to me is an incredible statement to make and one that I think will be easily refuted.

When we talk about Mexico being potentially a failed state, that has huge implications not just as a trade partner, but for the rest of the world as well.

When we are talking about the interdictions and the price of narcotics on the street, there are a couple of things that we have to remember. One, President Uribe from Colombia has done a great job in taking on the FARC and putting pressure there, and second, President Calderon with his efforts against the cartels.

The Governor of Texas asked for 1,000 troops. We met with him in Washington, DC, and I asked him, What are you going to do with those thousand troops? He did not know. He just wanted to have a request out there for 1,000 troops. First of all, troops are very expensive. Second, they bring along consequences because they are trained for combat, not for law-enforcement-type duty. And we should not put them in that position.

Finally, when we hear the experts here, which they have been asked repeatedly about not only troops on the border, but what is the ultimate solution, we need to remember that to be successful, not only do we need to focus on resources, which we have not—and you are right—anybody that is in that business looking at us with the capability to spend almost \$700 billion in Iraq and Afghanistan and helping Mexico with \$1.4 billion—that sends a very bad message about our seriousness to help our second market and third trade partner.

So the solution is to look at it as a three-legged stool. Do enforcement, which we all agree we need to focus on. Education and treatment. And that is why you bringing this hearing here to El Paso is so valuable. So thank you once again.

The CHAIRMAN. Thank you very much, Congressman.

We are going to wrap up this panel and move to the next panel in a minute. But I am going to come back to a couple more questions from colleagues and just finish up one thing.

What kind of guns are you tracking and finding that have been illegally taken over to Mexico?

Mr. MCMAHON. Sure, Senator. The weapons of choice that we are finding for the drug traffickers are your high-caliber, high-capacity rifles, semiautomatic rifles, as well as your high-caliber, high-capacity handguns, your AK-47 variants, your AR-15 variant rifle.

The CHAIRMAN. Those are what we call assault weapons. Are they not military weapons basically?

Mr. MCMAHON. They are semiautomatic rifles that resemble the AK-47 and the M-16, yes, as well as your high-capacity handguns, the 5.7 millimeter, the .40 caliber to .45 caliber.

The CHAIRMAN. And they are being sold by—are they sold under the table or by dealers?

Mr. MCMAHON. We are seeing a variety. Obviously, we have almost 60,000 Federal firearms licensees across the country. The majority of the guns that were being trafficked into Mexico are by straw purchasers, individuals with a clean record that will walk into a—

The CHAIRMAN. You are not seeing bulk? You do not see bulk transfers?

Mr. MCMAHON. No. Our investigations reveal, as I said in my testimony, that over a period of time, an individual will maybe buy 50, 60, maybe up to 100 firearms, get them across the border.

The CHAIRMAN. One individual.

Mr. MCMAHON. One individual.

Obviously, if we uncover a corrupt dealer which, as I said, in Phoenix—they have access to a large number of firearms, and they can put a lot of guns on the street in a very short time. But we are seeing, as I said, straw purchasers come in buying two or three guns at a time, maybe three or four of those, and then trafficking them that way.

The CHAIRMAN. Senator Wicker.

Senator WICKER. Well, I am just not sure, Mr. Chairman, if Mr. Arabit and Mr. McMahon had a chance to answer a very important question that you asked at the very end of your followup, and that is this, that the chairman suggested that maybe the people were fighting in these cartels or sort of laughing at us because we are not serious. And as I understood the question, what—and I know you cannot speak for the Department. So I think we are asking you yourselves—and you might want to think about this and put it on the record.

But what Federal action by the House and Senate would make you say now they are getting it right this time? They really are serious. Wow, they are giving us what we need.

Mr. MCMAHON. As I said earlier, we did recently receive some funds this year for the first time in quite a long time directly at our Gunrunner initiative. That is key.

As I said earlier, we doubled our agent population and tripled our IOI population along the border over 3 years, but we are still talking 148 agents and 59 IOIs.

The CHAIRMAN. What does the agency demand? What has been asked for? Have you gotten what has been asked for?

Mr. MCMAHON. I know in different hearings they have asked for an additional 1,000 agents and additional 400 IOIs.

The CHAIRMAN. And that has not come through.

Mr. MCMAHON. Not yet, sir, no.

Mr. ARABIT. Sir, simply stated, with additional resources, we can all do more. That is the bottom line with respect to that.

One thing that I would stress just to sort of follow up on what Mr. Esparza said is just the coordination. Gosh, we can get so much done if there is interagency and international coordination. And as Mr. Esparza pointed out, we have the high-intensity drug trafficking area task forces based throughout the country, and that is an outstanding venue for coordination. We also have the organized crime drug enforcement task force strike forces, and we have one here in El Paso. And that is also a perfect venue for coordination. We have got the entire interagency participating in that.

With respect to our coordination with our Mexican counterparts, as I mentioned earlier, DEA has 100 people on the ground in Mexico. So we have been coordinating with the Mexican Government for decades. I would ask that the Merida Initiative be fully supported and that we get the money and the endgame tools that they need to them as quickly as possible. And specifically what I am referring to with regard to the endgame tools are the helicopters, the x-ray machines, you know, the pieces of equipment that are truly going to make a difference. The institution-building, the training for the police and the judicial reform and the training for the prosecutors. That is all in the works right now.

So I think a couple years from now, we are going to see a totally different Mexico in terms of their judicial reform and their police agencies and services than we see today. And I would just ask the committee to continue to support that effort.

The CHAIRMAN. Well, I am sure we will, and I appreciate your candor. I think it has been very helpful to have you sort of lay out what is real here and what we need to do.

Just one final question. On the corruption issue within Mexico that we read about and hear about, are there specific things that we could do to help them with respect to that?

Mr. ARABIT. Sir, I think that Plan Merida specifically addresses that. As soon as President Calderon took over, he initiated a program called "operacion limpieza," which translates into Operation Clean Sweep, and he went in and started doing a number of things to address corruption.

The CHAIRMAN. He has changed a lot of personnel, has he not?

Mr. ARABIT. He absolutely has.

The CHAIRMAN. He has moved a lot of people in and out.

Mr. ARABIT. He absolutely has, sir, and he has taken a very proactive approach in order to root out the corruption himself within his own government.

The CHAIRMAN. Well, once again, I want to emphasize our respect for the efforts that President Calderon and others are undertaking. I know personally in Colombia, for instance, how really difficult it was for a government to stand up at the height of the power of the drug dealers and to take on FARC and the drug dealers simultaneously. It took a lot of courage. This is a place where one day, I think about nine or a significant number of members of their Supreme Court were all assassinated in one fell swoop. They have had unbelievable attacks on the institutions of government.

So we need to stand with Mexico. We do stand with Mexico. There is more that we can do, and that is one of the reasons why

we have come down here is to hear your firsthand testimony as to what would make a real difference.

And we respect what you are doing in the field. We want to thank you and your officers, the people in the district attorney's office, the folks at ATF, and the folks at the DEA, particularly some of those agents who are working in cooperation in Mexico. That can be very, very dangerous duty, and we have great respect for their efforts. So thank you for being here today.

And we will move, hopefully seamlessly, into the next panel, if the next panel could come forward. We are going to have an opportunity now to hear about the convention from one of the people who negotiated it, Hattie Babbitt, and other experts. We look forward to their testimony.

While they come up, let me introduce them. Ambassador Hattie Babbitt was the U.S. Ambassador to the Organization of American States from 1993 to 1997, and she was our lead negotiator on the Inter-American Convention Against Illicit Arms Trafficking. And she and former OAS Assistant Secretary Luigi Einaudi organized an unprecedented bipartisan letter urging ratification of the convention, and we will put that letter in the record.

The CHAIRMAN. Ricardo Garcia Carriles is a corporate security expert who served as head of the Public Security Secretariat in Juarez in 2005, and he also served as Internal Affairs Director for the city from 2001 and 2002 and then 2004–05.

Dr. Howard Campbell is an anthropology professor at UT here in El Paso who has done groundbreaking research into the impact of violence in Mexican cities.

So we request again that you keep your opening comments, as the first panel did, to the time limit of 7 minutes, and then we will have a chance to ask some questions.

Thank you very much for being here. Ambassador Babbitt, if you would lead off. Thank you so much.

**STATEMENT OF HON. HARRIET BABBITT, FORMER AMBASSADOR TO ORGANIZATION OF AMERICAN STATES, WASHINGTON, DC**

Ambassador BABBITT. Thank you very much, Chairman Kerry, Senator Barrasso, Senator Wicker, Congressman Reyes. I am very pleased to have been asked today to testify about this treaty, and I welcome the opportunity for various reasons.

I grew up on this border in Brownsville, TX. I went to college in Mexico, and I lived for 25 years in the border State of Arizona. As a teenager growing up in Brownsville, TX, guns to me meant the 20-gauge shotgun I used to go white-wing dove hunting with my father. It had none of the meanings of these high-caliber rifles and high-caliber arms that the preceding witnesses testified about, which are used by drug cartels to kill each other and terrorize border communities.

My engagement with Mexico has continued all of my adult life. I serve as the special adviser to the United States-Mexico Bar Association, and until recently I chaired the American Bar Association Rule of Law Committee with regard to Latin America and the Caribbean.



Both the United States and Mexico are in need of enhanced mechanisms with which to face unprecedented levels of violence perpetrated with illegally obtained arms in the hands of organized criminal gangs. I am here today to urge the ratification of an important tool in our common fight. Senator Wicker is right. It has a very long title, and that is why we refer to it, as I will today, with the Spanish acronym of CIFTA.

It was during the time that I was privileged to serve as the United States Ambassador to the Organization of American States that this treaty was negotiated and signed. The treaty was signed by 33 countries in the hemisphere and ratified by 29. The United States was one of the original signers in 1997.

In the mid-1990s, the member countries of the OAS developed a consensus about the need for additional hemispheric tools to combat crime, corruption, narcotrafficking, and the illicit trafficking of firearms. Following a conversation between the then-President Zedillo of Mexico and President Clinton, the United States and Mexico together entered into a multilateral negotiation which resulted in the treaty that we now know as CIFTA.

There were three major principles advocated by the United States negotiating team in the course of the negotiations which became embodied in CIFTA.

The first principle was that every country should mark for identification all weapons at the time of manufacture and at the time of import from another country.

The second principle was that every exported weapon had to be legal in the place of origin, legal in the places of transit, and legal in the recipient country to lawfully cross borders.

And the third principle was that every country had a responsibility to help other cooperating countries in investigating the violations of firearms laws of those countries.

The United States had long had in place systems under our national law which embodied each of these three principles.

The U.S. negotiating team stood firmly for the principle that each country has the sovereign right to enact its own domestic laws and regulations, but that every country should help others in enforcing the laws against criminals who violate their laws. What CIFTA did was to bring on board the other countries in the hemisphere to the same approach, making possible a new level of cooperation.

When we entered into these negotiations, we understood that the convention would affect a broad range of interests in the United States, and accordingly we put together an interagency negotiating team which included the Department of Justice, including the FBI and the DEA, representatives of Treasury, including the Secret Service and ATF—the ATF witness just testified about the impact at a certain level of this—which included U.S. intelligence and national security agencies and included diplomats and lawyers of the Department of State.

The administration also understood that this treaty would be of interest to various domestic interests, and we were instructed to consult widely with affected domestic interests. We had consultations with Congress and outreach was undertaken with the National Rifle Association.

The NRA had very strong views on the negotiation of the convention and took the position that no international instrument should require the United States to change its laws regarding the ownership or sale of firearms. And this is a sentence I would like to underscore here. U.S. officials involved in the negotiations strongly agreed.

In the course of the negotiations, representatives of the NRA were repeatedly consulted and repeatedly confirmed that CIFTA commitments did not violate any of the NRA's own core principles.

As Senator Kerry has pointed out, there is a consensus among those involved with both diplomacy and with regard to security in the hemisphere that this is a very important time for the ratification of CIFTA. CIFTA sets consistent standards for the hemisphere—those are U.S. standards that it sets—the implementation of which will be extremely helpful in tracking weapons and illicitly diverted shipments. Greater cooperation in the hemisphere is something which is sorely needed and is the bottom line, in effect, of CIFTA.

The convention is a convention, but it will complement the very important commitment and resources approved by Congress last year under the Merida Initiative.

Just 2 weeks ago, a letter with 27 signatures urging ratification of CIFTA was delivered to you, Senator Kerry, and to Senator Lugar. With the exception of one Assistant Secretary currently back in Government service, the signatories include all former Assistant Secretaries of State for the Western Hemisphere since 1976, nearly all the Ambassadors to the OAS since 1989, all Chairmen of the Inter-American Defense Board since 1989, and two-thirds of the commanders of SOUTHCOM, the U.S. Southern Command, since 1983. Mr. Chairman, it is not a common occurrence to have such letters signed by so many civilian and military officials with such an extraordinary depth of experience.

Ratification now will signal to President Calderon and to the Mexican people that this new Congress and this new President are committed to cooperating with the fight against organized crime and the related violence in a very concrete way. It would also enable both countries to send an important message of this commitment at various upcoming hemispheric meetings.

I thank you for inviting me to be part of this hearing today, and I would be pleased to respond to any questions that you have.

[The prepared statement of Ambassador Babbitt follows:]

PREPARED STATEMENT OF HON. HARRIET C. BABBITT, FORMER AMBASSADOR TO  
ORGANIZATION OF AMERICAN STATES, WASHINGTON, DC

Chairman Kerry, Senator Corker, members of the committee, Congressman Reyes, I am pleased to have been asked to testify today on the Inter-American Convention on the Illicit Trafficking in Firearms. I welcome the opportunity for various reasons.

I grew up on the border in Brownsville, Texas; I went to college in Mexico; and lived for 25 years in the border State of Arizona. As a teenager growing up in Brownsville, "guns" meant the 20-gauge shotgun I used to hunt white wing doves with my father, not the massive arsenals of illegal heavy weapons used by drug cartels to kill each other and terrorize communities all along the border.

My engagement with Mexico has continued throughout my adult life: I have traveled regularly to Mexico professionally, both as a diplomat during my time at the Department of State and at USAID, and more recently in a nongovernmental capacity.

I currently serve as a special advisor to the United States-Mexico Bar Association and until recently chaired the American Bar Association's Latin America rule of law program.

Both the United States and Mexico are in need of enhanced mechanisms with which to face unprecedented levels of violence perpetrated with illegally obtained arms in the hands of Mexican drug cartels and organized criminal gangs.

I am here today to urge ratification by the Senate of what can be an important tool in our common fight, the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials. This convention is commonly referred to by its Spanish acronym, CIFTA, and I will refer to it as CIFTA today.

It was during the time that I was privileged to serve as the United States Ambassador to the Organization of American States that CIFTA was conceived, negotiated, and signed. The Convention has been signed by 33 countries in the hemisphere and ratified by 29. The United States was one of the original signers in 1997.

In the mid-1990s, member countries of the OAS developed a consensus about the need for new hemispheric tools to combat crime, corruption, narcotrafficking and the illicit trafficking of arms. Following a conversation between President Clinton and Mexico's President Zedillo, the U.S. and Mexico entered into the multilateral negotiations which lead to the agreement now known as CIFTA. Three major principles advocated by the United States interagency team charged with the negotiation became embodied in CIFTA.

#### THE THREE MAJOR PRINCIPLES OF CIFTA

First, the principle that every country should mark for identification all weapons at the time of manufacture and at the time of export to another country.

Second, the principle that every country put into place a system to ensure that no weapons be exported, transited, or imported to that country if such export, transit, or import is in violation of any the laws of the countries involved. A weapon had to be legal in its place of origin, legal in the transit countries, and legal in the recipient country to lawfully cross those borders. Thus, each country signing onto the Convention would be helping itself and helping the other countries enforce its own laws first, and other countries' laws in the process.

Third, the principle that every country should help others in investigating violations of firearms laws of the other countries. Like the first two principles, this third principle was designed to help each country better enforce its own laws through processes of reciprocal, mutual cooperation when laws involving firearms are broken.

#### CIFTA'S RESPECT FOR AND SUPPORT OF U.S. LAW

The United States has long had a system in place under our national law embodying each of these three principles. The U.S. negotiating team stood firmly for the principle that each country has the sovereign right to enact its own domestic gun laws and regulations, but that every country should help other cooperating countries in enforcing laws against criminals who violate their laws.

The U.S. already required the marking of firearms at manufacture and at export. The U.S. already prohibited exports of weapons to other countries in violation of their laws. And the U.S. already had in place mutual legal assistance agreements allowing for bilateral cooperation to make cases against criminals. What CIFTA did for the first time was to bring on board the other countries in the hemisphere to this same approach, making possible a new level of cooperation against criminals involved in firearms trafficking. CIFTA united countries in protecting one another's sovereignty, and also provided new practical tools to combat such threats as cross-border weapons shipments to terrorist groups in countries such as Colombia and Peru.

#### AN OPEN, TRANSPARENT, AND CONSULTATIVE PROCESS

When the Clinton administration worked at the OAS to develop an agreement embodying the three principles, it recognized that such a convention could affect a broad range of interests in the U.S. Accordingly, an interagency negotiating team was put together which included representatives of the Justice Department, Federal Bureau of Investigation, and Drug Enforcement Administration, of the Treasury Department, including the Secret Service and the Bureau of Alcohol, Firearms and Tobacco, consultants with U.S. intelligence and national security agencies, and diplomats and lawyers from the State Department.

The Clinton administration instructed this team to consult widely with affected domestic interests. Consultations were carried out with Congress, and outreach was

undertaken to the largest domestic association representing firearms owners, the National Rifle Association (NRA).

#### PARTICIPATION OF THE NATIONAL RIFLE ASSOCIATION

The NRA had strong views on the negotiation of the Convention and took the position that no international instrument should require the U.S. to change its laws regarding firearms. Officials involved in the negotiation on behalf of the United States agreed with the NRA's position and took steps to ensure throughout the negotiating process that no convention would emerge that compromised in any way the ability of the U.S. to decide for itself how to treat domestic ownership and sale of firearms.

In the course of the negotiations, representatives of the NRA were repeatedly consulted, and expressed appreciation to the U.S. negotiating team for taking NRA concerns into account in designing the three principles. Throughout the process, the NRA repeatedly affirmed that CIFTA commitments did not violate any of its own core principles.

#### IMPACT OF RATIFICATION NOW

Ratification will bring diplomatic benefits with genuine practical consequences.

CIFTA sets a consistent standard for the hemisphere in marking weapons—the U.S. standard—the implementation of which will be extremely helpful in tracking weapons and illicitly diverted shipments. It is the cross-border violations of our law pertaining to the shipment and tracking of weapons that is exacerbating this most serious situation, here in El Paso and all along the border. Greater cooperation is what is sorely needed, and is the bottom line of CIFTA.

The Convention will amplify current methods of cooperation to combat gun-related violence along the United States-Mexican border and will compliment the important commitment and resources approved by Congress last year under the Merida Initiative.

Just 2 weeks ago, a letter with 27 signatories urging ratification of CIFTA was delivered to you, Chairman Kerry, and to Senator Lugar. With the exception of one currently in government service, the signatories include all Assistant Secretaries of State for the Western Hemisphere since 1976, nearly all Ambassadors to the OAS since 1989, all Chairmen of the Inter-American Defense Board since 1989, and two thirds of the Commanders of U.S. Southern Command since 1983. Mr. Chairman, it is not a common occurrence to have one letter signed by civilian and military officials who served over 30 years.

There are many reasons why those officials most directly responsible for our diplomatic and security relationship with the hemisphere believe ratification will enhance our national security and that of our neighbors:

Mexico and almost every other nation in Latin America and the Caribbean have repeatedly asked us to ratify, both bilaterally and at the related OAS meetings. Once our neighbors see that we are prepared to join them in CIFTA, it makes clear that cooperation against illegal trafficking in firearms is not a favor to the U.S. or to any one country, but a common international commitment to the rule of law.

The U.S. will have added standing to challenge parties to implement enforcement measures in the Convention. Many have signed and ratified but are not yet implementing the measures as effectively as they could.

Extradition is one of the most effective tools we have in the battle to control illicit arms trafficking. CIFTA extradition provisions will bolster old list extradition treaties.

Many countries in the region need significant legal assistance to comply with CIFTA. The Mutual Legal Assistance (MLA) provisions may provide for MLA where none now exists.

Ratification now will signal to President Calderon and the Mexican people that this new Congress and this new President are committed to cooperating in the fight against organized crime and related violence in a very concrete way. It would enable both countries to send an important signal of that enhanced security cooperation at a series of upcoming hemispheric meetings.

Thank you again for inviting me to be part of this hearing. I would be pleased to respond to any questions you may have.

The CHAIRMAN. We look forward to that. I know there will be some.

Mr. Carriles, can you go next, and then I would like you to wrap up, Mr. Campbell. Thanks. Thank you for being with us, Mr. Carriles. We appreciate it.

**STATEMENT OF RICARDO GARCIA CARRILES, FORMER  
POLICE CHIEF OF CIUDAD JUAREZ, EL PASO, TX**

Mr. GARCIA. Mr. Chairman, distinguished Senators and Congressman, El Pasoans, Juarenses, Juarez used to be a port through which an important quantity of drugs were introduced to the U.S. market. Local drug consumption was fairly incipient. A little more than a decade, Juarez became a big consumer of drugs. There are more than 1,500 local drug points of sale at this point, besides X number of pushers in every manufacturing and assembly plant, city streets, and bars.

Violence had not really been a big issue in Juarez, even counting drug-related violence. There used to be no more violence than there is in any city around the world that happens to have a half-million-plus population.

Extreme violence started a little more than a year ago when compromised policemen and gangs, guardians for cartel territories who started taking over local drug points of sale suddenly found themselves being part of the different crime organizations, now at odds with each other. The war started with the armies used before as guards for their turfs and later joined by gunmen brought in from outside Juarez.

For the first 11 months, the joint efforts at the three levels of government, which started last March 27, 2008, failed terribly. In complete contrast, after 12 months of public security department strong and determined corrupt police weed-out operation, solicited by Juarez mayor which, by the way, is not completely over, was greatly fortified this February 2009 by the deployment of 5,000 more Mexican Army troops added to the 2,000 existing soldiers already patrolling Juarez.

Violence has been reduced dramatically, and judging from the polls, fear has all but left the city for now. The remaining fear is what is going to happen when the soldiers leave.

In my opinion, troops should be reduced gradually according to results of a well thought-out short-, medium-, and long-range plan to fight corruption, drugs, arms, and ammunition traffic, crime, as well as the violence that derives from them.

Also in my opinion, a plan that can accomplish the desired needs besides the sufficient funding, its accountability, and its proper surveillance. It needs the funding to acquire adequate high-tech communication interception devices; drug and money, weapons, ammunition and explosive devices detection equipment; and dogs that can perform the same such tasks; personal protective armor equipment and vehicles; sophisticated means available in order to deplete the remaining corruption at local, State, and Federal police departments, as well as the corruption that exists in certain judiciary areas. Immunity is at 90 percent at this point.

The means to perform through background check and training of every element that will replace those weeded out will also be needed.

All the aforementioned is without any doubt indispensable to acquire success, but not more important nor by itself the integral solution needed for a long-range successful outcome.

The budget should also contemplate the expenditure for an external, functional, and strict performance accountability based not on the number of arrests in each policeman's individual areas of responsibility, his patrol zone, but instead on the number of criminal citizen complaints filed: Stolen car dismantling outfits, ammunition and drug warehouses, and points of sale, stolen goods dealers, as well as people smuggling and kidnapping safe houses in the individual officer's area of responsibility. As an example, there should be two policemen per each hour-shift on each of the 156-plus patrol zones which would be the minimum police patrol force needed.

Check and balances should also be done for each sergeant in charge of X number of patrol zones. For each area, it should contain Y number of quadrants, one lieutenant per shift per area, for each police station coordinator and his two relief coordinators, and finally for the chief of police and his superior, the secretary of public safety.

Changes should be proposed by the city council and approved by the state congress in the existing public security department's regulations in the sense that any policemen, regardless of rank, can not only be suspended and demoted, but also fired from the force based on the performance in his individual area of responsibility, patrol zone, quadrant, area, station, whatever, as well as cannot be promoted only because of his service longevity and recertification courses. Nevertheless, they should not be put aside but should be established also that an indispensable decision factor also be having a good performance in his present and past individual areas of responsibility.

Records should be kept not only in the police department but also stored by the external intelligence network. Records have been known to get lost.

And finally, said budget should contemplate a very strong, well-trained and funded external human high-tech intelligence network to assure a trustworthy check and balances evaluation. Check and balances evaluation, internal check and balances evaluation, have been shown to be lost.

To obtain thorough periodic background checks of existing and prospective individuals who are and will be in any area of public security or judiciary branches responsible for keeping law and order and administering justice so that the dangerous criminals—also the intel network—so that the dangerous criminals and other situations can be geographically located and pointed out to specialized riot and/or assault teams with the proper sophisticated training and arms and protective devices who can many times act without having to risk less-equipped and capable policemen and because, by being smaller groups, will require less volume of specialized weapon and protective equipment for such difficult situations. And a more thorough video and audio monitoring of each individual can be done to be sure in each operation of his noncompromised actions.

Each operation strategy should be made known to members of said groups only on their way to the side in question and then an

armored vehicle also blocked to any kind of outside communication. Most of the time when the operations get there, when the groups get there, they will not find either the criminals nor the drugs.

Other. No communication other than strictly necessary to the central operations centers in order to avoid leaks. In said central operations center bunker, there should be an anonymous judge on duty full 24 hours, same who would pass sentence on a flagrant situation after having viewed all actions performed in the case in question through the closed circuit TV system and for better judgment having received the arresting policemen reports. This way we will let regular police take care of regular police work and crimes to avoid them becoming victim or, even worse, compromised and protectors of organized crime business, be it because of fear or greed.

Permanent external parallel police emergency phones and street surveillance cameras monitoring and recording should be implemented. And I will repeat, external surveillance. Since many calls have been purposely lost and none of the criminal acts committed where cameras exist have been detected, nor recorded. Every time cameras were supposedly not working or pointing in the wrong direction.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Garcia. I appreciate it.

Dr. Campbell.

**STATEMENT OF DR. HOWARD CAMPBELL, PROFESSOR OF ANTHROPOLOGY, UNIVERSITY OF TEXAS, EL PASO, TX**

Dr. CAMPBELL. I have a statement about the impact of drug violence on Mexican border communities. I would like to read this statement about the impact of drug violence on Mexican border communities.

First, I thank the committee for inviting me to testify on these important issues. I speak as an American who loves both the United States and Mexico.

A cooperative, binational approach is the only way to deal with the complex drug problem.

That said, clearly Mexico has suffered the worst consequences of the illegal drug trade. More than 1,600 people died in Juarez drug violence in 2008. The violence continued at this pace until the recent Mexican military surge.

These homicides, the result of a power struggle between the Juarez and Sinaloa cartels, have occurred in broad daylight. They included acts of horrific torture, decapitation, and mutilation. Policemen, laborers, lawyers, college students, journalists, housewives, and children are among the victims. Massacres have taken place on main streets, in bars and restaurants, and close to the international bridges between El Paso and Juarez. Dozens of El Pasoans, that is, American citizens, have died or disappeared as a result of the drug war.

The damage to Mexican society is profound. The cultural trauma is equivalent to that experienced by residents of war zones in Iraq or Afghanistan.

Day after day, average Juarenses have been exposed to shoot-outs, piles of bodies and severed heads left on street corners, and cadavers hanging from bridges.

The drug war completely disrupted law and order. Cartel criminals and other organized crime groups exploited the situation by:

Kidnapping hundreds of people, including even working-class border residents. Large ransoms were paid and some victims were tortured or killed.

Extorting large and medium-sized businesses and medical doctors.

Torching night clubs and other businesses of those who would not pay extortion money, and threatening or attacking schools, international factories known as maquilas, and drug rehab centers. Moreover, armed commandos robbed and kidnapped people in the streets and even made off with ATM machines.

Call centers of crime emerged, and this is a real innovation. Thousands of people received phone calls from criminals claiming to be Zetas, a ruthless hit squad linked with the Gulf Cartel, who threatened kidnappings and demanded money.

The Juarez economy suffered terribly. Maquilas laid off thousands of workers. Hundreds of businesses closed. Others fired staff and shortened working hours. Juarez streets were empty after dark. People stayed home. Tourism died. Restaurants, bars, and hotels were empty. Shopping centers withered.

As the bodies accumulated in the Juarez morgue, thousands of Mexicans fled to the United States.

The impact on the psychology of border people witnessing daily violence, threats, and terror is a kind of collective post-traumatic stress disorder.

In addition to the actual violence, the warring cartels have waged a propaganda battle—again, there is a certain innovation to this—involving threats to the mayor, governor, and police force and the placement of intimidating signs and banners along major streets, also the wide distribution of graphic, threatening YouTube videos, narcoblogs, and procartel musical ballads. It is important to note that for the cartels, this is not only a kind of violent struggle for control of drug markets, but it is a struggle to control the hearts and minds of people. So it is a kind of intellectual, ideological campaign that is waged especially through YouTube videos. In this aggressive media campaign, the cartels claim to be the legitimate rulers of Juarez.

This is the bloody context in which the Mexican Government sent 9,000 troops to the city. Previously, 3,000 soldiers did little to quell the violence. So far, the current surge has dramatically lessened the homicide and general crime rate.

But the military takeover of Juarez, though the lesser of two evils, has brought its own share of problems such as, one, human rights violations. Hundred, if not thousands, of people have been picked up apparently by the military and interrogated. Some claim to have been tortured; some have disappeared.

Two, there are numerous reports of soldiers stealing from local residents or bullying them.



Three, there have been a few cases of the military killing individuals that they wrongfully suspected of being drug traffickers or other types of criminals.

The military has taken control of the Juarez police department and will eventually run the local prisons and enforcement of traffic laws.

The growing power of the military in Mexican society, though reducing drug homicides, is harmful to Mexican democracy. Military control of border cities like Juarez is not a long-term solution to the United States-Mexico drug trade. When the military leaves Juarez, what will stop the cartels from returning to business as usual?

The most effective ways the United States can help Mexico with the drug problem are by, first of all, cutting our demand for illegal drugs; second, slowing the flow of guns from the United States to Mexico; third, fighting drug organizations within the United States; and fourth, we can also make it easier for poor Mexicans to work legally in the United States and thus help them avoid the Faustian bargain of working for drug cartels.

Fifth, I would also like to add that we need to consider ending prohibition of marijuana. At this university, we are trying to organize a conference for September of this year to discuss the 40 years of the war on drugs' policies and discuss the successes and failures of those policies and specifically try to open up new terrain for new policies that may be more effective.

I just want to add to end my testimony by saying that the Mexican Government faces major challenges. They can best attack their drug problem and our drug problem by, one, strengthening the formal economy; two, reducing corruption in the political system; three, furthering the reform of law enforcement and the judicial system; and four, cutting the growing drug consumption in Mexican cities.

Thank you very much.

[The prepared statement of Dr. Campbell follows:]

PREPARED STATEMENT OF DR. HOWARD CAMPBELL, PROFESSOR, UNIVERSITY OF TEXAS AT EL PASO, EL PASO, TX

First, I thank the committee for inviting me to testify on these important issues. I speak as an American who loves both the U.S. and Mexico. A cooperative, binational approach is the only way to deal with the complex drug problem.

That said, clearly Mexico has suffered the worst consequences of the illegal drug trade. More than 1,600 people died in Juarez drug violence in 2008. The violence continued at this pace until the recent Mexican military surge.

These homicides—the result of a power struggle between the Juarez and Sinaloa Cartels—have occurred in broad daylight. They included acts of horrific torture, decapitation, and mutilation. Policemen, laborers, lawyers, college students, journalists, housewives and children are among the victims. Massacres have taken place on main streets, in bars and restaurants, and close to the international bridges between El Paso and Juarez. Dozens of El Pasoans, i.e., American citizens, have died or disappeared as a result of the drug war.

The damage to Mexican society is profound. The cultural trauma is equivalent to that experienced by residents of war zones in Iraq or Afghanistan. Day after day, average Juarenses have been exposed to shoot-outs, piles of bodies left on street corners, and cadavers hanging from bridges.

The drug war completely disrupted law and order. Cartel criminals and other organized crime groups exploited the situation by kidnapping hundreds of people including even working-class residents of the border (huge ransoms were paid and some victims were tortured or killed); extorting large and medium-sized businesses and medical doctors; torching bars and restaurants of those who would not pay ex-

tortion; schools, international factories (known as maquilas), and drug rehab centers were all threatened or attacked.

Virtual Call Centers of copycat crime emerged. Thousands of people received phone calls from criminals claiming to be Zetas (a ruthless hit squad linked with the Gulf Cartel) who threatened kidnappings and demanded money.

The Juarez economy suffered terribly. Maquilas laid off thousands of workers. Hundreds of businesses closed. Others fired staff and shortened working hours. Juarez streets were empty after dark. Tourism died. Shopping centers withered and thousands of Mexicans fled to the U.S.

The impact on the psychology of border people witnessing daily violence, threats and terror is a kind of collective post-traumatic stress disorder.

In addition to the actual violence, the warring cartels have waged a propaganda battle involving threats to the mayor, governor, police force and the placement of intimidating signs and banners near body dumps and along major streets; burned, beheaded and otherwise mutilated cadavers left in public plazas and roads; the wide distribution of graphic, threatening YouTube videos, narcoblogs and musical ballads.

In this aggressive media campaign, the cartels proclaimed themselves the legitimate rulers of Juarez. This is the bloody context in which the Mexican Government sent 9,000 troops to Juarez. Previously, the arrival of 3,000 soldiers did little to quell the violence. So far the current surge has dramatically lessened the homicide and general crime rate.

But the military takeover of Juarez—though the lesser of two evils—has brought its own share of problems, namely: (1) Human rights violations—hundreds if not thousands of Juarez residents have been picked up (apparently) by the military and interrogated (some claim to have been tortured, some have disappeared); (2) there are numerous reports of soldiers stealing from local residents or bullying them; (3) there have been a few cases of the military killing individuals that they (wrongfully) suspected of being drug traffickers or other types of criminals.

The military has taken control of the Juarez police department and will eventually control the local prisons and enforcement of traffic laws. The growing power of the military in Mexican society, though reducing drug homicides, is harmful to Mexican democracy. Military control of border cities like Juarez is not a long-term solution to the United States-Mexico drug trade. When the military leaves Juarez, what will stop the cartels from returning to business as usual?

The most effective ways the U.S. can help Mexico with the drug problem is by cutting our demand for drugs, slowing the flow of guns from the U.S. to Mexico, and fighting drug trafficking organizations within the U.S.

The CHAIRMAN. Well, thank you for that crisp clarity.

[Applause.]

The CHAIRMAN. Let me pick up, if I can, with your testimony, which is very important in a lot of regards.

First of all, you seem to describe a very different Juarez from the one that was in the newspaper or even that we were led in the first panel to sort of an assumption that it is quieting down a bit. What you describe is a Juarez that is under siege. I want to try to understand that a little bit better, if we can. Is that Juarez you described several months ago presurge or is this battle with the cartels themselves and that kind of violence still as ongoing? It may have been reduced somewhat, but is it ongoing?

Dr. CAMPBELL. It is presurge, but I believe it is ongoing in the sense that the cartels have pulled out of Juarez essentially. They are waiting. They are watching the Calderon administration. They are watching the Obama administration. They are waiting to see what happens next, but the business itself has continued essentially unabated. I think that in the long term the cartels will continue to be strong, and that is why we need to seek long-term solutions.

The temporary solution of sending the military has worked in this month that 9,000 soldiers have been in Juarez, but the problem with that is the Mexican Government does not have the resources to do that in every hot drug point such as Sinaloa, such as

Nuevo Laredo, such as Michoacan. There are just so many places in which the cartels are strong. We need to think about a long-term solution to these problems. The short-term military solution looks good, and there is a lull in the action, but I do not think the drug war is over.

The CHAIRMAN. Well, nobody does but you have to first gain control, if you will. I mean, you cannot allow—the lawlessness that you described earlier was a campaign of terror, and left to its own devices, that would have been a city in total ruin. So I think sending the military in in order to stop the carnage and begin to rebuild is critical.

The rebuilding is now the challenge. Would you agree with that? It seemed to me that you were a little light on the Mexican side of what might be done to try to rebuild here because the key is not only that you build an institutional capacity in Juarez to prevent that from resurging, but also that you build—or that we help Mexico to be able to deal with these cartels that you say are just in waiting.

Dr. CAMPBELL. Right, and I think that is the problem. If essentially the drug war is not over, the cartels are still very strong, sending the military is a very short-term temporary solution. So clearly, the long-term solution involves lowering drug consumption in both countries. As one of the previous speakers mentioned, Juarez has as many as perhaps 1,500 tienditas, drug-selling spots. Every major Mexican city has those as well. That has not changed. The cartels' capacity to bring drugs to the United States has not changed. So what Mexico needs to do is continue to reform its institutions and try to weed out corruption, but also think about the source of the problem, which is drug demand in the United States and Mexico. So we need to work on those problems and we need to think about is it possible to change the laws to, for example, legalize or decriminalize marijuana and try to take the organized crime elements out of this business.

So I agree with your point that, yes, the military has been successful, there has been some progress. And you made comments earlier about how for 35 years we have been doing this, but we do not see much change in the supply or demand. And that is why I really think we need to study this and think about, to some extent, radical changes in current policy and not think that these little increments, such as what happened right now in Juarez, are basically in some ways the definitive action.

The CHAIRMAN. Well, I agree.

[Applause.]

The CHAIRMAN. Folks, if we could ask everybody not to be demonstrative at the end of questions. We want to just kind of probe the facts here.

There are about four or five major issues that are laid on the table, one of which would consume the rest of the day if we began to sort of really debate it or explore it here.

But part of addressing that debate, which I have been involved in for all of the time I have been in Congress, goes to this question of the seriousness of purpose. We have changed behavior dramatically in the United States with respect to smoking. Smoking is an addiction. And we got serious about it because we did a cause and

effect. We connected the dots and we did a major effort at education and the law and so forth.

We have also changed behavior with respect to drinking. Drinking habits have changed dramatically in the United States. Drinking is a drug and it is addictive.

So the question remains, Why have we not succeeded in perhaps changing behavior with respect to other addictive possibilities in life? And I am not going to take us down that journey right now because it is not where we want to spend all our time, but many people believe it is the lack of concentrated effort in a comprehensive way on the demand side, on the treatment side, as well as on the enforcement side that has precluded us from reducing it to the kind of effort that does not tear your fabric of society apart the way it is in Mexico and in some other places.

That said, let us come back for a moment. The reducing of consumption is a longer term effort. It seems to me the more immediate steps that we can and should think about which would have a dramatic impact are going after folks, as well as dealing with enforcement with borders and with transit routes, et cetera. Those can have perhaps the most immediate significant return, as you resolve those other issues.

We once had organized crime running crazy in parts of America, and it was not until law enforcement and the FBI and others stepped up and we began to weed out corruption—and we had corrupt police officers and we had corrupt law enforcement people and we had politicians on the payroll too. This is not new to a lot of countries. But they fought back and they changed the structure.

And the question here for me, to get the fastest return on investment is, What can we do in your judgment to empower the Mexican Government to be able to go after the known leaders of these entities and the cartels themselves, as well as to continue weeding out the corruption, while we strengthen our side of the affairs, which are the transit of weapons and the borders themselves. Is that a fair bargain, do you think?

Dr. CAMPBELL. I think as you have laid out the situation, it is extremely complex. I would just advocate that we support democratic elements in Mexico that are trying to strengthen the economy and weed out the systemic corruption.

I do not think that in the long term we are ever going to stop drug cartels exactly. That is, you knock off Chapo Guzman or some other top leader and someone else will take his place. I think in Colombia what happened was they knocked off Pablo Escobar and other big people and then the drug business diversified. I would expect something like that to happen in Mexico.

That is why I think, yes, we need to go after the top drug cartel leaders, but the larger problem is fixing the corruption and the problems in the Mexican law enforcement system and strengthening the economy such that people have options to not go into cartels.

The CHAIRMAN. But the difference is that it is not running rampant and as wildly loose and as forcefully as it was previously. It has, as you said, diversified. But so is gambling in America. So is prostitution. So are a lot of other crimes. We have not been able to, “stamp them out,” but we reduced the balance in our society to

a point where they are not tearing at the fabric of it and the spill-over violence is not ripping apart lives. The question is whether or not you can at least move to get to that place and then you can resolve some of these other questions.

Dr. CAMPBELL. Yes, and I think it is terribly complicated and there has to be a compromised solution going after the key cartel leaders, but not assuming that you are going to wipe out the drug trafficking business. So the longer term focus needs to be on strengthening the formal economy, lowering consumption of drugs in Mexico, and trying to attack this endemic problem of corruption in the very weak law enforcement authorities that they have.

The CHAIRMAN. Mr. Garcia, you have laid out some very specific ways. And we appreciate the detail, and those are very solid recommendations, which we are certainly going to forward to our ATF and DEA folks and others as we think about the relationship with Mexico and how we talk about this.

But share with us on a personal level. You were the director of security there for a year, and you have been an internal affairs director for the city. So you have got a very good sense of the power of these cartels and their ability to move. Do you believe that if we have a cooperative effort in doing many of the things you recommended and more, can you make life very difficult for the ability of the cartels to have as direct a negative impact as they have?

Mr. GARCIA. I believe you can, sir.

The CHAIRMAN. And the key to that is?

Mr. GARCIA. I believe you can because the greatest part of the armies that the cartels are using are the policemen. In this case, 700 policemen have been weeded out. It is about half the force of Juarez, and it is still not finished.

The CHAIRMAN. How do you stop the next policeman from being corrupted? There is a lot of money on the table.

Mr. GARCIA. Well, as I said in my presentation, what you need to do is have external check-and-balances evaluation of each and every individual.

When I started for a very short time as a chief of policemen, the first thing we did is say, OK, which one of the stations did not go down in crime this month. So of the five stations there were, one of them had gone up 10 percent and the others had gone down 2, 3, 4 percent. So what we did, we brought down the chief of that station, which really made a big scandal out of it. But that was only in a way to show his lieutenants, his captains, his sergeants, and his agents that everybody was going to go. Everybody was going to be measured and not on the number of arrests that they made because, anyway, most of them are let go.

The CHAIRMAN. Why were you only the chief for the 1 year?

Mr. GARCIA. That is a very hard question to answer publicly, sir.

The CHAIRMAN. OK, fair enough. I can understand that.

Ambassador, could you share with us—and this will be my last question. Then I will turn to Senator Barrasso. What is the value added—I saw you writing a note when the issue was being asked by one of the Senators about we are following this routine now, why would we have to do the—is there a difference with the ratification. And I wondered if you could speak to that.

Ambassador BABBITT. I would be happy to. I do not know that I can speak for all 27 signatories on this letter because they include, of course, commanders from SOUTHCOM and people involved directly from various levels of various agencies. But I can tell you that there are many reasons why the officials who have been most directly responsible for both the diplomatic and the security relationships with the hemisphere have joined in this effort.

Mexico and almost every other country in Latin America and the Caribbean have repeatedly asked us to ratify this convention. They have asked us in a bilateral context, and they have asked us in the ongoing OAS committee that deals with CIFTA.

Part of it simply is that our neighbors see our joining in ratifying CIFTA as meaning that the United States takes seriously its obligations in a hemispheric-wide context; that is, that the cooperation that we seek is not a favor to a certain nation, but that we are part of a common international commitment to the rule of law.

Another reason is that ratifying would give us standing to say to other countries—and this is a hemispheric convention. This is not just a Mexico convention. It gives us added standing to talk to other countries about their sometimes very ineffective ongoing commitment to implementing CIFTA.

The main element of CIFTA with respect to the issue with which we are dealing today is an enhancement of the marking for identification, that is, that every country will mark for identification all weapons at the time of manufacture and at the time of import. That is a very important tool. The identification of the arms is a very important tool, as we heard from the ATF colleague who testified earlier.

The CHAIRMAN. And that is not happening now?

Ambassador BABBITT. It is happening but it is not happening nearly broadly enough. And it is a key tool to managing the flow.

If I could interrupt here to say, again, from the policy standpoint, from the diplomacy standpoint, one of the points that caused us to enter into this negotiation in 1996 or 1997 was that the hemisphere said to us—we had a unilateral drug certification law in the United States. And the hemisphere came back and said to us, we understand your concern about the amount of drugs flowing into your country. You need to demonstrate to us that you understand our concern about the arms that are flowing into our countries and about the laundered money that is flowing back.

There are many more people more qualified to testify about the money with respect to both the bulk transfers that have been alluded to and with regard to the electronic transfers of money. But that money, of course, fuels—I mean, that is why the drug cartels are in this, is for the money. If the money did not flow back, the incentive to traffic the drugs would not be there.

CIFTA does not deal with money laundering, but it does deal with a very important issue to other countries in the hemisphere and that is illicitly trafficked arms. We have a very mature democracy with a very mature set of institutions that still struggle with dealing with the illegal sale of arms across borders. And certainly Mexico and also most of the countries in the hemisphere have many fewer institutions and many fewer mature institutions. And so they really said to us, we want to help you with regard to the

drugs flowing north, but you really need to help us more with arms flowing south.

Some of the signers, I think, feel that the extradition part of CIFTA—to continue with the signatories to the letter that you Senator Lugar recently received, some of the signers, I think, believe that our current, old-list extradition treaties would be bolstered by the extradition portion of CIFTA. Many countries—I would say all of the countries in the hemisphere, but certainly many need significant legal assistance to comply, and this would provide perhaps some mutual legal assistance in areas where it currently does not exist.

The CHAIRMAN. Thank you.

Senator BARRASSO.

Senator BARRASSO. Thank you, Mr. Chairman.

Just in following up, Ambassador Babbitt, if I could, in Wyoming, as well as in Texas—you talked about your time growing up going hunting with your dad. We have a lot of folks who do reloading of ammunition and have gone to the range picking up the shells afterward.

I had concerns with CIFTA, the Article 1, illicit manufacturing, the manufacture or assembly of firearms—ammunition is listed right there—without a license from the government. My reading of this says that for the people that reload at home without a license from a competent governmental authority, that that would then be illegal or a violation of CIFTA.

Ambassador BABBITT. My best answer to that—and I think, sir, it is a good answer—is that when we entered into these negotiations, we understood that the National Rifle Association was the largest and most influential representative of folks in the United States who cared particularly about the second amendment and their rights under the second amendment. So the range of consultations with the NRA was immediate and ongoing and repeated. The day-to-day negotiations consisted of consistent consultations with NRA representatives to make certain that the language that went into CIFTA was language that was consistent with their understanding of Americans' rights under the second amendment.

I am a lawyer, but I am not a second amendment lawyer and I am not the person who has the most credibility in terms of analyzing each section and the long history of interpretations of that constitutional amendment and those issues.

Senator BARRASSO. And I am just bringing it to you from the standpoint of what I am hearing at home and what I know local concerns are specifically of that part of this for lots of folks who are members of the NRA but focus on this as an issue, kind of how it affects the person back home in our State.

Ambassador BABBITT. Certainly.

The CHAIRMAN. Is there a way, just if I could interrupt, to get some clarification so that that is not—I mean, is there some way just to simply have an understanding or a formal legal opinion rendered so that we can eliminate that kind of a worry that some people may have?

Ambassador BABBITT. I think that would simplify everybody's life certainly and would bring some clarity to the situation. The representative of the NRA who was most involved with this and with

whom I have not spoken about this—and Senator Kerry’s idea is a good one, that it would be useful to have some kind of update, if you will—was a man named Tom Mason who was a longtime, very experienced representative of the National Rifle Association and who worked on a regular basis with the full negotiating team.

Senator BARRASSO. Thank you.

If I could go now to Professor Campbell. I was fascinated by your comments on the propaganda battle, the threats, the billboard, the YouTube, to control the hearts and the minds of the people. Could you talk a little bit more about that and then to what ends were they trying to control the hearts and the minds of the people? To get them to leave town? To sign up and become a member of a cartel? If you could kind of give just a bigger, broader picture of that if you would not mind.

Dr. CAMPBELL. There are some analysts that say as much as 8 to 10 percent of Mexican territory is more or less controlled by drug cartels. So I think we have to look at this not only as a business issue but one involving politics and power.

What I was trying to say about the narcovideos and so on is it is a battle to say we are the legitimate authorities in this region, this territory, and I think it is especially an appeal to youth because there is a kind of drug cartel culture that is disseminated through narcocorridos, which is a very popular genre of music. And these YouTube videos are striking, showing people being decapitated, murdered on camera. And then oftentimes these YouTube videos contain statements or manifestos by drug cartel leaders or members saying we are the ones in charge here. These other groups are illegitimate, including the politically elected authorities. In that way, I consider this a kind of civil war that involves violence, control of economic markets, but also this propaganda campaign to convince people that the drug cartels are OK. And that is something we should be very concerned about, is them having a growing power to influence people, young people especially, in Mexico and the United States, to say what they are doing is legitimate and OK.

Senator BARRASSO. I do not know if you were here for the entire testimony of the first panel. They talked about different kinds of terror and different kinds of warfare. One was within a cartel where somebody may have been arrested, and then there was kind of a power struggle within the cartel. A second is cartel against cartel, and then the third was cartel versus government.

Are cartels working together as part of this, or is it just one cartel that is against the government? I am trying to figure out where these lines are drawn and if there is a unified effort to say let us just fight the government now and then we will fight for our own power base and leadership later.

Dr. CAMPBELL. No, exactly. The reason why Mexico is not a failed state is because the cartels are primarily interested in fighting each other for control of these drug markets. So the cyber campaign of videos and blogs and all the rest are directed mainly by one cartel against a rival cartel.

But there is also some attacking of President Calderon and high government officials, but a lot of this has to do with the attempts



of one cartel to make inroads within the government and attack those that are opposing them within the government.

Senator BARRASSO. And if I could ask Mr. Carriles. Is this pretty much in keeping with your understanding of this and what you have seen and what you have lived? You have lived this life. Is what Professor Campbell is saying something that rings true to what you have been experiencing and seeing?

Mr. GARCIA. Some years ago, most cartels were not working together. They did work without bothering each other. They have got to a point where some cartels—

The CHAIRMAN. Could you get a mike over there?

Mr. GARCIA. Oh, sorry.

They have got to a point to where—

Senator BARRASSO. Could you start over with your answer just so people in the back of the room can better hearing?

Mr. GARCIA. Yes.

Some years ago, if cartels were not working together, they were working without bothering each other, without getting in each other's way. They more or less had their territories well designed.

They have got to a point to where two of the principal cartels started fighting each other. And I am sorry if I have to get specific or detailed, but it is happening almost in every city. I will put the example of Juarez because that is where I know the situation better than any other city.

The thing is that, as I said, a great part of the armies were the local policemen, city policemen, but the other part—they started recruiting gangs. And those gangs and the policemen were the ones that would keep their territories in the city safe from each other and without a lot of fights. There were certain deaths, but nothing as excessive or as scandalous as it is right now. Those cartels were using the same routes. They had no problem with it most of the time.

Now they are really fighting each other and they are using—until last February 25 in Juarez, they were using policemen and gang members in order to wage that war. At this point when the army came in, it is true, there are many complaints about the army, but mostly of the federales, the federal police, more than even the army. But if you ask people in Juarez, I would say that 80 percent agree that the soldiers should stay until something can be found in order to return Juarez at least to the position where it was.

Senator BARRASSO. So there are these threats and this battle for the minds and hearts of the people.

Mr. GARCIA. Yes, there is. There is a type of a Colombiazation. I remember going to Colombia in 1973 where a state representative told me, Ricardo, we have lost the last two generations. Kids turned to see doctors that have 2-year-old cars, and they turn to see the drug dealers that have a new Mercedes or even a Ferrari. And they say, why should I be a doctor? I would rather be a drug dealer.

Anyway, with the immunity, that is the same thing that is happening in Mexico. Nothing happens. I can have it and nothing will happen to me. This is what has been happening in many ways in

Mexico with the 97 percent immunity. People say, well, I only have a 3-percent chance of getting caught.

Senator BARRASSO. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. Good questions.

Senator Wicker.

Senator WICKER. Thank you.

Dr. Campbell, you are working on a book, I understand, concerning the war on drugs.

Dr. CAMPBELL. Yes, sir.

Senator WICKER. When is it due?

Dr. CAMPBELL. It is coming out in September, I hope, in the University of Texas Press.

Senator WICKER. What will the name of it be?

Dr. CAMPBELL. The name of the book is "Drug War Zone: Front Line Dispatches From the Streets of El Paso and Juarez."

Senator WICKER. I look forward to having a chance to look at that.

Do you agree with Mr. Carriles that 80 percent of the people in Juarez are glad the troops are there and support it at least for the time being?

Dr. CAMPBELL. Yes, I think that is right. I have spent quite a bit of time recently walking around the streets of Juarez trying to get a feel for what is going on, and I think most people in general are happy that the soldiers have come because they have stopped the rampant killing in the streets.

But there is a concern, though, about human rights violations of the soldiers exceeding their powers, especially when they grab people to interrogate them without warrants or anything like that and in the process steal everything in the house of the person that was being picked up, and then sometimes torture the person. And there have been people that have never come back. So there is a problem of human rights violations. The human rights officer for the state of Chihuahua, Gustavo de la Rosa, has statistics about this.

Senator WICKER. Well, you mentioned that in your testimony. It would be helpful if you would help the committee document that and those particular underlying citations would be helpful, if you would just submit them in the record.

It surprises me sometimes that polling is done on so many things in so many locations. Are you familiar with any polling that is being done in Juarez or nationwide in Mexico about the Merida Initiative? Have you seen any—

Dr. CAMPBELL. I have not seen any. I believe there certainly are polls about how the Mexican population feels about the Merida Initiative or Calderon's fight against the drug cartels. And I think if you looked at the Reforma newspaper or Proceso magazine in Mexico, they would have information about that.

Senator WICKER. OK. Well, how do you think the initiative is being received nationwide in Mexico?

Dr. CAMPBELL. Honestly, I do not have full knowledge of that. I believe it would be a mixed response. I think that there is always in Mexico a wariness about the power of the United States vis-a-vis Mexican sovereignty. So there are concerns about that. There

is also this tremendous worry about the drug cartels and the desire to end the killing and violence.

Senator WICKER. How is the President's popularity?

Dr. CAMPBELL. I do not know for a fact. I believe the popularity would be in the range of 60 percent.

Senator WICKER. President Calderon.

Dr. CAMPBELL. President Calderon.

Senator WICKER. To both Dr. Campbell and Mr. Carriles, will the July elections send any signal that we will be able to decipher about the Merida Initiative, or are there so many—such a multiplicity of issues that we will not be able to figure out where the population is going on that issue?

Mr. GARCIA. At this point, a dirty political war is on the rampage. Candidates and parties are looking for faults in candidates. That is what probably will decide elections, whatever people believe to be the truth.

Senator WICKER. Well, is there a perception that a vote for the PAN represents support for the Merida Initiative and that correspondingly, a vote for the PRI or either of the other two opposition parties is a protest vote? If we will not be able to get a signal there, tell me.

Mr. GARCIA. I believe that up here north, people do not think very much of the Merida situation. At first, it was said that it was not enough, one. Two, it was said that United States intervention was sought by the United States trying to get into Mexican sovereignty. Also, many of the southern States felt that way.

I believe that with some changes that have been made, the press has been a little bit more favorable to the Merida plan. I believe that with Calderon's efforts, it has been a little bit more accepted. But I do think that a better public relations program of the Merida program should be done.

Senator WICKER. Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Wicker.

Mr. Garcia, you have been very candid, and I salute you for that.

When you say a dirty political war is on the rampage, can you fill that out a little bit for us?

Mr. GARCIA. There is a PRI candidate for representative that is probably a future candidate for governor, and they are finding faults that he had during his administration as a mayor of Chihuahua of certain supposedly shady deals that went on. They have not been proven, but they are coming out.

The CHAIRMAN. So in other words, it is politics as usual.

Mr. GARCIA. Yes, sir. [Laughter.]

Mr. GARCIA. On the other side, for the PRI candidate also to a federal representative position as a candidate, they are trying to peg him with the situation that one of the cartels paid his campaign. So a dirty war, I think, is what is really taking hold of the decision that the Mexicans will be—

The CHAIRMAN. Now, I want both you and Dr. Campbell to try to—I just want to understand a little bit better the psychology of this war for the minds, so to speak, hanging people from lampposts and public executions, et cetera. Is that the dual purpose of trying to intimidate the other cartel as well as intimidate the public in

order to be supportive of all of them? Can you explain to us more the nature of taking this as public?

Because normally, these kinds of fights are better fought under the radar screen. But I assume that this is not because of the just abject lack of lawlessness. So they feel they can terrorize the whole community with impunity. Is that a fair statement?

Mr. GARCIA. Yes, I believe it is intimidate all, intimidate even the drug buyers. You are buying from this cartel, and you should be buying from me. So either you buy from me or you are dead. And the other one says, either you buy from me or you are dead. Intimidating policemen that will work with one cartel or the other, intimidating gangs that will work with one cartel or the other.

This is, I think, the most important point. Sending a message to the government, you are not going to have any more tourism. A lot of businesses, even small businesses—we do not care. They are going to shut down so you will not be able to get taxes. People with money are going to run and leave Mexico. Investments in business is going to go down. Your beaches are not going to be points of tourism. So your taxes will not be in your treasury, and you will have a very big problem. I think those are the messages that are being sent.

The CHAIRMAN. Well, that is well articulated.

Dr. Campbell.

Dr. CAMPBELL. I think he addressed most of the main points there. I think the statements made in these dramatic, horrific killings are to say that the people committing them are the real de facto powers in a particular plaza, particular drug market, and that anyone that interferes with them, whether it be policemen or rival cartels or politicians, will be murdered. So it is a kind of political statement saying they are the real powers.

The CHAIRMAN. Well, I want to thank you. What strikes me, in listening to this this morning, is that we have the Taliban in Afghanistan and we have various sectarian groups in Iraq and there are different struggles in different places on this planet, but our next door neighbor, it seems to me, is experiencing what is essentially a narcoinsurgency. And because of the implications for our own society, in terms of drug use—and you have talked about that, Dr. Campbell—but also because of the importance to all of us of stability and of having a strong neighbor that is able to enhance its democracy and enhance the rule of law, this important to us.

I speak for myself. I think the committee has learned a lot this morning. It has been very instructive. It certainly rings a number of alarm bells about resources and commitment, as well as some policy questions that we need to tackle. And so I am very, very grateful to all of you for being part of this morning.

Before I ask my colleagues if they have any wrap-up comments, which I will, let me ask our host, the Congressman, the distinguished chair, I might add, of the Intelligence Committee, if he wants to just make any last comment.

Mr. REYES. Well, only to express appreciation again to you and the members of the committee. I look forward to continuing to work with you and do some followup so that there is a clear understanding of both the situation and the implications of policy decisions that we might make at the Federal level. So thank you again.

The CHAIRMAN. We pledge to work with you, and we thank you for your leadership.

Senator BARRASSO.

Senator BARRASSO. Well, first, I want to thank you, Mr. Chairman, for your leadership in bringing us all together and bringing us to be here in El Paso to see firsthand the needs and to hear the stories of those who are living this life every day.

I want to, again, thank Sheriff West, thank the Texas National Guard for their efforts in helping with this education for me.

I want to thank our hosts at the University of Texas–El Paso for being such wonderful hosts, and thank you, Mr. Congressman, for being a perfect host to all of us here.

So thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator BARRASSO.

Senator WICKER.

Senator WICKER. Well, I will simply echo the other three and say thank you very much and we have, indeed, learned quite a lot. We appreciate it.

The CHAIRMAN. Again, we are very grateful to the University of Texas–El Paso and to El Paso. We are going out now. We are going to get a chance to view operations at the border itself and be able to ask some questions of some of our law enforcement folks. So we are not finished. We will do a little more on the field hearing.

But, Ambassador, thank you very, very much. Your testimony was very important. And I want to pursue this question with you. If we can get the clarification, I think it would be really helpful to people.

And we are grateful to everybody for taking time to help the committee. Thank you.

We stand adjourned.

[Whereupon, at 11:04 a.m., the hearing was adjourned.]

---

#### MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATOR FROM INDIANA

Mr. Chairman, thank you for chairing this important hearing on United States–Mexico border violence.

Since entering office in December 2006, Mexican President Felipe Calderon has moved to improve public security in his country and has recast United States–Mexico relations on the basis of equality and mutual respect. The Mexican Government has committed billions of dollars to combat drug trafficking, launched aggressive antidrug operations, replaced numerous high-ranking federal police officers in anticorruption campaigns, and created a unified national crime database.

In addition, the Calderon government has strengthened law enforcement cooperation with the United States, extradited drug suspects to the U.S. and made record seizures of cocaine, methamphetamine precursors, cash, and other assets.

The Merida Initiative signed into law by the administration of President George W. Bush is an attempt to seize the opportunity created by Mexico's invigorated anticrime campaign by funding key programs and building stronger cooperation between Mexico and the United States. It recognizes that 90 percent of the cocaine entering the United States transits Mexico and that our efforts to combat this drug flow and associated criminal activities depend on a partnership with the Mexican Government. In Mexico, President Calderon has laid the groundwork for the upcoming visit of President Barack Obama, on April 16–17, articulating a message that makes clear that coordination in sensitive areas will require more compromise, mutual trust, and respect for each nation's sovereignty. One area that requires more cooperation is arms trafficking.

As much as 90 percent of the assault weapons and other guns used by Mexican drug cartels are coming from the United States, fueling drug-related violence that is believed to have killed more than 7,000 people since January 2008, according to estimates by Mexican and U.S. law enforcement officials.

In the runup to the passage of the Merida Initiative last year, the Mexican Government officials I met with consistently relayed their concerns about the flow of guns and explosives from the United States into Mexico. American Embassy officials confirmed that the U.S. was a major source of weapons for Mexican gangs and drug runners, as well.

If we are going to effectively fight drug cartels and prevent violence from spilling into the United States, one very important element is to curb the flow of guns from the United States to Mexico. Last year, in an op-ed I coauthored with the Mexican Ambassador to the United States, Arturo Sarukhan, we highlight the importance of this issue [Politico, May 15, 2008]. In addition to supporting efforts to manage firearms under the Merida Initiative, we should consider ratifying, during this Congress, the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Material (CIFTA), which calls for cooperation among members of the Organization of American States (OAS) to control illegal weapons. CIFTA has been signed by 33 countries in the Western Hemisphere and ratified by 29. The U.S. was an original signer in 1997, but ratification is still pending.

I am encouraged by Secretary Clinton's pledge to seek \$80 million from Congress to provide Mexican authorities with three Black Hawk helicopters to help the police track drug runners and deploy 450 more law enforcement officers at the border. I am concerned, however, by statements made by Secretary Clinton regarding withholding funds for the Merida Initiative—conditions on the border and in Mexico demand that we put our best efforts forward to help fight drug cartels and prevent violence from spilling over into the United States. Funding the Merida Initiative at previously agreed levels strengthens the institutional framework for effective, long-term cooperation on safeguarding the security of both countries. I encourage Secretary Clinton to support funding the Merida Initiative at previously agreed levels.

The basis of United States-Mexico ties is a strategic relationship that goes far beyond the problems of drugs and violence. Our Nation is inextricably intertwined with Mexico historically, culturally, and commercially. The flow of goods and people across our borders helps drive our economy and strengthen our culture. But our land borders also serve as a conduit for illicit activity. This is a problem that bears shared responsibility and requires cooperative action. I am glad to see serious commitment from both governments to confront these difficult challenges.

I look forward to the insights of witnesses on these and other issues related to this initiative.

---

BIPARTISAN 27-SIGNATURE LETTER IN SUPPORT OF RATIFICATION OF CIFTA

Hon. JOHN F. KERRY,  
*Chairman, Senate Foreign Relations Committee,*  
*Washington, DC.*

DEAR CHAIRMAN KERRY: We—diplomats, military leaders, and senior officials who have been responsible for U.S. relations with Latin America and the Caribbean over the past 30 years—write to urge bipartisan support for Senate ratification of a treaty that creates a framework to combat illegal trafficking in the kinds of weapons used by the drug gangs and criminal enterprises in Mexico. Ninety percent of these weapons are illegally shipped into Mexico from the United States. This treaty creates a foundation for cooperation without requiring any changes to U.S. gun laws.

The Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (known as CIFTA from its Spanish acronym), calls for marking firearms, licensing gun exports, criminalizing illicit trafficking and strengthening international information exchange and law enforcement cooperation. Operating specifics are left up to individual countries to determine in accordance with their own laws, programs and sovereignty. The treaty makes clear that “enhancing international cooperation to eradicate illicit transnational trafficking in firearms is not intended to discourage or diminish lawful leisure or recreational activities such as travel or tourism for sport shooting, hunting, and other forms of lawful ownership and use.”

CIFTA has been signed by 33 countries and ratified by 29. The U.S. was an original signer in 1997, and although ratification is still pending, Executive Agencies make the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)'s E-Trace system available to Central America and Mexico, assist efforts to manage firearms

under the Merida Initiative, and provide some modest training for customs and border authorities through the Organization of American States (OAS), which staffs CIFTA's Consultative Committee.

With the recent spillovers of drug violence into the United States, our ratification of CIFTA is now urgently needed to help protect the domestic safety and security of the United States itself. Ratification would also respond to the security concerns of our Mexican and other hemispheric partners about the upsurge in violence and criminality caused by the transnational cartels that produce, ship, and sell illegal drugs in our neighborhoods.

The Summit of the Americas in April and the OAS General Assembly in June will be good opportunities to convey the clear and irrefutable message that, with CIFTA ratification, the United States is part of critical efforts to reduce the illegal flows of weapons that threaten hemispheric stability.

We appreciate your attention to this urgent issue.

Sincerely,

- Hon. Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, 1985–1989.
- Hon. Bernard Aronson, Assistant Secretary of State for Inter-American Affairs, 1989–1993.
- Hon. Harriet C. Babbitt, U.S. Ambassador to the OAS, 1993–1997.
- Hon. William G. Bowdler, Assistant Secretary of State for Inter-American Affairs, 1979–1981.
- Carl H. Freeman, Major General, U.S. Army (Ret.), Chairman, Inter-American Defense Board, 2000–2004.
- Hon. Luigi R. Einaudi, U.S. Ambassador to the OAS, 1989–1993; Assistant Secretary General, OAS, 2000–2005; Acting Secretary General, OAS, 2004–2005.
- John C. Ellerson, Major General, U.S. Army (Ret.), Chairman, Inter-American Defense Board, 1995–1996.
- John R. Galvin, General, U.S. Army (Ret.), Commander in Chief, U.S. Southern Command, 1985–1987.
- Paul F. Gorman, General, U.S. Army (Ret.), Commander in Chief, U.S. Southern Command, 1983–1985.
- James R. Harding, Major General, U.S. Army (Ret.), Chairman, Inter-American Defense Board, 1992–1995.
- James T. Hill, General, U.S. Army (Ret.), Combatant Commander, U.S. Southern Command, 2002–2004.
- Hon. Carla A. Hills, United States Trade Representative, 1989–1993.
- George A. Joulwan, General, U.S. Army (Ret.), Commander in Chief, U.S. Southern Command, 1990–1993.
- Bernard Loeffke, Major General, U.S. Army (Ret.), President, Inter-American Defense Board, 1989–1992.
- Hon. John F. Maisto, U.S. Ambassador to the OAS, 2003–2007.
- Hon. Victor Marrero, U.S. Ambassador to the OAS, 1997–1999.
- Barry R. McCaffrey, General, U.S. Army (Ret.), Commander in Chief, U.S. Southern Command, 1994–1996; Director, White House Office of National Drug Policy, 1996–2001.
- Hon. J. William Middendorf II, U.S. Ambassador to the OAS, 1981–1985.
- Hon. Langhorne A. Motley, Assistant Secretary of State for Inter-American Affairs, 1983–1985.
- Hon. Roger F. Noriega, U.S. Ambassador to the OAS, 2001–2003; Assistant Secretary of State for Western Hemisphere Affairs, 2003–2005.
- Hon. Otto J. Reich, Assistant Secretary of State for Western Hemisphere Affairs, 2002.
- Hon. Peter F. Romero, Assistant Secretary of State for Western Hemisphere Affairs, 1999–2001.
- Hon. Harry W. Shlaudeman, Assistant Secretary of State for Inter-American Affairs, 1976–1977.
- John Thompson, Major General, U.S. Army (Ret.), Chairman, Inter-American Defense Board, 1996–2000.
- Hon. Terence A. Todman, Assistant Secretary of State for Inter-American Affairs, 1977–1978.
- Hon. Viron P. Vaky, Assistant Secretary of State for Inter-American Affairs, 1978–1979.
- Hon. Alexander F. Watson, Assistant Secretary of State for Inter-American Affairs, 1993–1996.
- Fred F. Woerner, General, U.S. Army (Ret.), Commander in Chief, U.S. Southern Command, 1987–1989.
-

PREPARED STATEMENT OF D. RICK VAN SCHOIK, DIRECTOR, AND ERIK LEE, ASSOCIATE DIRECTOR, OF THE NORTH AMERICAN CENTER FOR TRANSBORDER STUDIES AT ARIZONA STATE UNIVERSITY, TEMPE, AZ

Esteemed members of the Senate Foreign Relations Committee, as the only multi-purpose, transdisciplinary North American research center in the United States, the North American Center for Transborder Studies (NACTS, headquartered at Arizona State University and including four top-ranked universities in Mexico and two in Canada) has the broad perspectives on security and borders to provide contemporary and balanced information, insights, and innovations to both the public and private sectors. NACTS applauds the committee's hearing on cross-border violence in the historic border city of El Paso, a strategic city for the United States economy, its security and its sustainable future with the Mexican Republic.

As a policy-focused, trilateral and university-based center looking at the United States management of its borders and its relationship with Mexico and Canada, we strongly believe that regional organizations are critical assets in building a relationship with our neighbors that is more secure and prosperous. Furthermore, we believe that when policy relating to Canada and Mexico are viewed from a multifunctional framework that looks at the highly interconnected issues of security, competitiveness, and sustainability in North America, citizens of all three countries will clearly be better off.

#### BACKGROUND ON THE NORTH AMERICAN CENTER FOR TRANSBORDER STUDIES

NACTS coordinates ASU's active participation in the U.S. Department of Homeland Security's University Center of Excellence based at the University of Arizona and the University of Texas at El Paso. NACTS also coordinates ASU's participation with the Southwest Consortium for Environmental Research and Policy, a binational, 10-university consortium that carries out applied research on United States-Mexico border environmental problems together with the U.S. Environmental Protection Agency. In addition, NACTS will soon begin working with the Border Legislative Conference/CSG-West on a United States and Mexican border state legislative analysis of binational issues. In June, NACTS will host a meeting of a border task force convened by the Mexican Council of Foreign Affairs and the Pacific Council of International Affairs and provide policy papers and expertise.

In February, NACTS released "North America Next: A Report to President Obama on Building Sustainable Security" at the National Press Club in Washington which we released at the National Press Club on February 10 of this year. The Governments of the United States, Canada, and Mexico each sent representatives to respond to the broad issues raised by our report. (Significantly, at the event the State Department declared unequivocally that Mexico is not a failed state.) This document (attached) serves as our principal framework for how we believe the United States should increase and enhance its overall engagement with Mexico and Canada.

Following the Press Club event, the North American Center for Transborder Studies organized an event, "Cross Talk II: Building Common Security in North America" in conjunction with the Mexico and Canada Institutes at the Woodrow Wilson International Center for Scholars in Washington, DC. Senior-level academics, government practitioners from the United States, Canadian, and Mexican Governments (including representatives from the U.S. Department of Homeland Security and the Department of State), representatives from local governments and NGOs attended Cross Talk II for two days of closed-door discussions on the impacts of border security in North America, local and regional solutions; implementing and measuring joint risk assessment and joint borders management in North America; and evaluating joint border management in North America. The draft findings of these discussions are attached, but what stood out most of all from the two days of discussion was the insistence on cleaning up our conceptual vocabulary on border security, specifically, "risk" does not equal "threat." We need better perspective and a better way to measure our efforts with Mexico and Canada in a way that the broader public can understand.

To round out this snapshot of our engagement on these issues, NACTS recently convened meeting of local experts on cross-border crime and related issues in Tempe for this committee in preparation for this meeting.

#### OUR TAKE

The North America Center for Transborder Studies does a lot of listening, thinking and acting on issues related to border security. In our intense engagement with the groups above and many other partners throughout North America, our thoughts



on the “new” issue of potential spillover of violence from key Mexican border cities into the United States can be summarized in the following bullet points:

- The issue is politicized to a degree that is quite unhelpful.
- As even many media reports have made plain, we have still not seen significant “spillover” of violence into the United States, and there are good reasons for this.
- Overall crime rates in U.S. cities such as San Diego, Phoenix, and El Paso are low and falling.
- Both the United States and Mexico need to continue to reinforce their efforts at interdicting southbound arms and cash. The United States has had minor southbound inspections in the past but they were discontinued post-9/11 as funds were shifted elsewhere. We need to commit to vigorous southbound inspection for the long term.
- There are significant differences and levels of success in how cross-border communities deal with cross-border crime and criminality.
- We need to avoid a fixed image of how drug trafficking works in the United States.
- The Mexicanization of narcotics trafficking in the United States is not a new phenomenon and indeed has been going on since the late 1980s with the successful closure by the United States of the Caribbean as a principal narcotics trafficking route.
- The criticism of the slow implementation of the Merida Initiative is warranted; essentially the United States is playing “catch up” against a decades-long process of underfunding of Mexican police forces, particularly at the local and state levels, and our Nation needs to move much more quickly to work with Mexico on bringing these local forces up to speed.
- We want to reiterate that Mexico is not a failed state nor will it become a failed state.
- The intensification of the drug and human smuggling business through the Arizona corridor is a result of Operations Gatekeeper and Hold the Line, which were implemented by the Clinton administration in San Diego and El Paso, respectively, in 1994.
- The wage differential between the United States and Mexico is still about 10:1.
- North American governments have NO overall human security framework with which to address this problem, which is, among other things, really a mental health problem in the United States and an issue of uneven development in Mexico.

These points—arrived at, again, through intense discussions and engagement with a wide variety of governmental and nongovernmental partners—are significant, because they are often directly at odds with the political discussion over perceived levels of spillover violence, the need for sending troops to the border, the need for the United States to pay as much attention to violence in Mexico as it does to Afghanistan, and so on.

As we have said before, although the uptick in violence in border cities in Mexico is alarming and requires our attention, the United States, Mexico, and Canada need to place our attention to the even more pressing long-term policy issues at hand:

- Deficits in United States-Mexico border infrastructure;
- Deficits in how the two countries jointly manage natural resource;
- Effectively managing the already felt human effects of climate change on Mexico and the United States, etc.
- Deficits in development policy in Mexico (and Central America); and
- Overall deficits in the United States policy framework(s), implementation and evaluation of efforts in working with Mexico.

We address all of these issues in the attached report to President Obama, the attached draft findings of “Cross Talk II: Building Common Security in North America,” and an article on Mexican development which myself and our center’s associate director, Erik Lee, wrote for Canada Watch and Foreign Affairs Latinoamerica.

We urge the Senate Foreign Relations Committee to take a leadership role in recognizing the drug violence in Mexico as a risk to border communities rather than as an existential threat to the United States essential security. In turn, we also hope the committee will urge the relevant Federal agencies to more fully and rapidly engage with colleagues in Mexico to engage the most pressing, and interrelated human security (not just law enforcement) issues which are at the essence of the United States and Mexico’s shared challenges.

[EDITORS NOTE.—The complete report “North America Next: A Report to President Obama” was too voluminous to include in this hearing. It will be maintained in the

permanent record of the committee. The other three above mentioned attachments follow.]

---

A REPORT TO PRESIDENT OBAMA ON BUILDING SUSTAINABLE SECURITY AND  
COMPETITIVENESS—EXECUTIVE SUMMARY

THE CHALLENGES ARE THE OPPORTUNITIES

A number of significant economic challenges for the United States have created unprecedented North American opportunities for enhancing our nation's—and our neighbors'—competitiveness, security and sustainability.

History has shown us that expanding our engagement with Canada and Mexico helps expand the U.S. economy. Almost 40 million jobs were created in Canada, the United States and Mexico between 1993 and 2007, and today, Canada and Mexico are the first- and third-ranked foreign suppliers of petroleum to the United States and our first- and third-most significant trading partners, respectively.

However, challenges remain, particularly at our extremely congested borders. This congestion, which is partly a consequence of a desire to thwart another major terrorist attack on the United States, has left us in many ways poorer, less secure, and with major environmental challenges at our borders. Yet smart infrastructure investments at our borders can simultaneously enhance U.S. and North American security, competitiveness and sustainability by creating jobs, enhancing outdated infrastructure, and facilitating faster and “greener” trade.

The North American Center for Transborder Studies—in a year-long effort with input from numerous key partners throughout North America—has developed a set of recommendations for the Obama Administration. The following eight top-level recommendations can be implemented in the near- and medium-term and will also encourage greater collaboration in a number of other areas.

KEY RECOMMENDATIONS

*1. Build upon and expand the Mérida Initiative in a way that maximizes bipartisan U.S. support and multi-partisan Mexican consensus and buy-in*

Mexico currently faces its most significant security challenges in decades. These shared challenges threaten to complicate efforts to build a new, more secure future for U.S.-Mexico border communities and North America more generally. The United States needs to expand its strategic and financial investment in the Mérida Initiative. Build on the foundation of current binational cooperation on security by implementing the recommendations of the 2008 Joint Declaration of the Border Governors' Conference on border security, particularly regarding improved cooperation on tracking the cross-border movement of firearms and enhancing binational exchange of information on criminal activity on both sides of the border.

*2. Energize and expand the North American Trilateral Leaders' Summit*

The Summit is the highest profile example of North American cooperation and should continue with greatly increased participation from a number of key stakeholders. Draw on the work of existing regional entities—governors, legislators, NGOs, academics, advocacy groups—for solutions to needs throughout North America. These include the private sector and public-private partnerships that would perhaps interact at pre-Summit meetings of NGOs, trade unions, academics, and think-tanks. Involving the three federal legislatures as well as state, county, tribal, and municipal governments within the Summit structure will deepen and strengthen collaboration among the United States, Mexico and Canada. Academic and public policy organizations could function at the center of a reinvigorated cross-border network.

*3. Designate a North America/Borders authority to coordinate sustainable security*

A senior deputy at the National Security Council should be appointed to deal with and to resolve the competing, complementary, and overlapping border management, national security, law enforcement, commerce, transportation, environment, water, regional development, and other infrastructure and political issues that comprise today's border area realities. A singular focus on traditional security does not address all of the critical functions of our borders.

*4. Expand joint risk assessment and preparedness with Canada and Mexico*

Much of the security effort in North America is focused on the prevention of another major terrorist attack. But this effort can be bolstered by more effectively engaging our North American neighbors as collaborators through enhanced joint

defense of North America to minimize, mitigate, and manage natural and human-caused catastrophes in North America.

*5. Create an effective North American trade and transportation plan with Canada and Mexico*

Common transportation infrastructure challenges in all three countries—congestion, bottlenecks, infrastructure deficits—are an opportunity for concerted investment that will bring concrete, highly visible improvements to the trinational public. Build upon examples such as the existing Arizona-Sonora infrastructure plan and California's unique new port of entry at Otay Mesa. Economic stimulus packages going forward should include funds for bolstering border-region infrastructure.

*6. Create a joint, revolving fund for infrastructure investments in North America*

Infrastructure in the United States, Canada and Mexico is rapidly deteriorating and in urgent need of broad and deep investment. By pooling resources, the three countries can maximize the competitive benefit vis-a-vis Asia and Europe and jumpstart our collective economic engine.

*7. Implement a North American Greenhouse Gas Exchange Strategy*

A North American Greenhouse Gas Exchange Strategy (NAGES, modeled on the Clean Development Mechanism to create a North American clean energy fund) could ensure the United States continues to have priority access to Canada's wealth of hydro-electricity, natural gas, light petroleum and uranium in exchange for offsets for the greenhouse gases created by their development. Mexico, as the seller of the offsets, could then develop the infrastructure to clean its energy, transportation, housing, and industrial sectors. This arrangement would improve U.S. energy interdependence and continental climate security.

*8. Establish joint and practical assessments of North American policy effectiveness*

We are in great need of practical and meaningful ways to guide and track progress on a number of key North American issues. Such an effort should include tools such as a Cross-Border Collaboration Scorecard and an annual State of North America Report (SoNAR) to be developed by North American academic and public policy organizations. The scorecard and report would inform the annual Trilateral Leaders' Summit.

PARTNERING ON A ROAD MAP FOR THE FUTURE

The Obama Administration has a unique opportunity to focus not only on trinational challenges in continental relations but also internal challenges with a public that is highly skeptical about competitiveness and security issues. In the current media environment, clearly the more daunting task is establishing a frank and productive conversation with relevant public and private institutions and the U.S. public on complex issues of regional competitiveness and security. North America's universities are particularly well-positioned and have an obligation to address these issues with their specialized expertise; a long-term perspective; increasingly more holistic and sophisticated approaches to solving complex problems; and a long history of productive cross-border collaboration.

The North American Center for Transborder Studies urges the new Administration to adopt these recommendations at this critical though opportune moment for the nation.

CROSS TALK II: BUILDING COMMON SECURITY IN NORTH AMERICA, FEBRUARY 10–11, 2009, WASHINGTON, DC—DRAFT FINDINGS

BACKGROUND

The objective of Cross Talk II was to take North American border realities—information, insights and innovations—inside the Beltway in order to engage public and private sector officials and key policy networks in Canada, the United States and Mexico. This diverse group of experts was asked to discuss and then develop policy options and, ultimately, recommendations toward building more sustainable security in North America. One of the particular objectives of the event was to enhance our appreciation for the local impacts, implications and unintended consequences of security policy.

The broader context of the event comprised several key events:

- Former Arizona Governor Janet Napolitano became President Obama's Secretary of Homeland Security on January 20 and promptly requested a number of reviews of key DHS activities initiated by the previous administration;

- The developing global recession continued to affect cross-border flows and interactions of all kinds;
- A surge in violence associated with organized crime groups continued across northern Mexico and caused growing unease in U.S. policy networks, the news media and the public discussion more broadly; and
- NACTS released “North America Next: A Report to President Obama on Building Sustainable Security and Competitiveness.”

The terrorist attacks of September 11, 2001, brought about an unprecedented administrative consolidation in the United States with the creation of the Department of Homeland Security, a collection of 22 different and often divergent U.S. Federal Government agencies. In addition, 9/11 served to accelerate the “thickening” of the border; strongly impacted governmental agencies that work in the border regions; and failed to significantly advance cross-border risk assessment in the face of a number of additional potential threats, such as pandemics and intensifying effects of climate change.

However, the North American security panorama has shifted radically, particularly in the past 12–18 months. Specifically, the rapidly evolving U.S. strategic concern with worsening drug-related violence in Mexican border cities is driven by three principal causes: (a) Persistent demand for illegal substances in the United States, (b) chronic southward flows of cash and arms from the United States to Mexican organized crime groups; and (c) the potential for violence associated with the Mexican federal government’s continuing pressure on organized crime groups along with increasingly violent competition between these groups in Mexico to spill over to the United States.

#### KEY FINDINGS OF CROSS TALK II

Senior-level academics, government practitioners from the United States, Canadian, and Mexican governments, representatives from local governments and NGOs attended Cross Talk II for two days of closed-door discussions on the impacts of border security in North America, local and regional solutions, and implementing and measuring joint risk assessment and joint borders management in North America, and evaluating joint border management in North America. The key findings of these discussions are summarized below.

#### *Illuminating the Impacts of Border Security in North America*

1. The United States can take positive steps on common security and joint border management with a clear vision of the myriad and strategic roles of its over 7,000 miles of shared borders with Canada and Mexico, namely, security, competitiveness, energy supply, and sustainability.

2. Challenges to broader cooperation on security were enumerated by the panelists and included the following:

- A complex political context that made serious debate on shared security interests difficult;
- Significant challenges understanding common interests and a collaborative approach;
- The concept of security itself, which has varying definitions and connotations in English, Spanish and French;
- Problems with articulating different aspects of security: “The government lacks messaging capabilities to better communicate different definitions of security.”

3. North American cooperative entities do exist (IJC, CEC, etc.) but are generally quite small and built to address narrow concerns rather than being set up in a broader, multifunctional fashion to tackle interrelated phenomena.

4. Canada needs to find ways to engage more robustly with Mexico to advance the Canadian agenda in D.C. The broader North American agenda would benefit from a closer Canada-Mexico engagement.

5. U.S. security concerns can and often do create acute, unintended consequences, particularly for Mexico. U.S. drug interdiction efforts have combined with what one panelist termed “disaffected youth [in Mexico] with an identity crisis” and even an “environmental refugees” crisis to produce the proverbial “perfect storm” for Mexican border communities. In the context of such visible signs of societal breakdown, “At what point do we start talking seriously about decriminalization?” Another panelist emphasized the need for a new paradigm because of the “unevenness of the NAFTA process.” He cited statistics that 40 percent of adolescents in Ciudad Juarez were neither in school nor working.

6. Implementation of technological fixes to complex, interrelated problems at the border need to be thought through even more carefully. “We need to work on a number of issues before addressing other issues like RFID and smart technologies.”

*Local/Regional Solutions and Sharing Risks*

7. Local and regional entities need a more active role in border and security issues in order for a common security to actually develop. “Local knowledge is often where the rubber hits the road,” and though federal governments see international relations as a key prerogative, from a local standpoint, “Key regional organizations are actually conducting international relations.” Another panelist emphasized that “The people that live there [the border region] know how to solve the problem . . . The sense of urgency is not here [Washington, DC].” Understanding the border regions as strategic zones for issues other than security was emphasized “Joint production process are happening but not yet recognized,” and “We need to reach beyond NAFTA for a new paradigm.”

8. We need to stop confusing border dynamics with terrorism.

9. We need to find the political will to address border and security issues more collaboratively. There has been a lack of leadership and a need to boost North American dialogue. At the end of the day we are talking about cooperation, not integration. The three governments have recently “marched off in three different directions,” and as a result, “we have ‘political’ rather than ‘real’ security,” and “we have moved from ‘just in time’ to ‘just in case’ production.”

*Implementing Joint Border Management in North America*

10. We need to clean up our conceptual vocabulary; risk does not equal threat. We should be thinking of borders as “membranes,” rather than walls.

11. For the U.S. to effectively coordinate its part in shared border management, the key institution is the National Security Council, as suggested by the second main recommendation in NACTS’ Report to President Obama.

*Evaluating Joint Border Management in North America*

12. It is essential that borders be transparent and accountable. As noted in the North America Next Report to President Obama, “The guidelines for the most effective indicators are those that are derived from readily and permanently available data, are easily understood by the public, and measure progress of the government program as well as the fundamental, broader value: Human security.” While it is vital for government agencies and government oversight mechanisms to develop meaningful evaluation(s) of how effectively we manage our borders, and as one U.S. Government practitioner noted, “No single perfect performance measurement exists,” the importance of independent assessments cannot be underestimated.

13. We need to develop ways to measure what is not always easy to measure, such as interaction and cooperation as well as joint border management best practices and models. This is challenging, because as one panelist noted, “The grand vision and goal of North America is still undefined.” But this is a doable task, because as another panelist noted with respect to the United States-Mexico relationship, “We have made a lot of progress from certification to Merida.”

14. Going forward, one key performance measurement should be, Are we getting more security for less cost?

15. Additional performance measures should place North American assessment into its global context. “Illegal markets behave like real markets” and we need to expand our vision to see global drug flows, as one panelist insisted. And in protecting the public’s right to know about border management and its broader effects on citizens, much work needs to be done to protect news media that report on this story.

## CONCLUSION

To create true and effective sustainable security, the three governments need to collaboratively reinvigorate existing institutions and also to develop smarter, more multifunctional institutions to handle multifaceted risk. The U.S. needs leadership from Congress and the private sector. Mexico and Canada (and particularly groups along the northern and southern borders) need to seek common ground and articulate for the United States what its shared interests are. For example, Canadian energy resources can be a key part of the U.S. sustainable security going forward. On a continental level, we need to clean up our conceptual vocabulary: Risk is not the same as threat, and as one panelist insisted, “We need to stop ‘securitizing risk.’” Instead we need to think more holistically about multifaceted security. In particular, the development agenda in Mexico is key and needs champions.

Numerous, interrelated phenomena need to be assessed and included as part of a sustainable security framework. A unifying and coherent concept of the borders as a “system of systems” is missing and frustrates effective implementation of more effective and collaborative plans, infrastructure and activities that flow from it. Without such a vision and follow-on efficiencies the border will continue to be

blamed for many ills even those unassociated with the border. And a unilateral imposition of a narrow definition of security (a fence, a wall, and a virtual fence attempt or a restricted immigrant visa policy as examples) will remain as the “standard” that our neighbors to the north and south must react to (for the time being, at least).

On the other hand, a progressive and responsive border policy development would include full implementation of opportunities enabled by past legislation and accords and expand existing multifunctional government entities (and create new ones where necessary) that would be better able to manage risk to our collective security, competitiveness and sustainability.

---

#### NORTH AMERICA’S FORGOTTEN AGENDA: GETTING DEVELOPMENT BACK ON TRACK

##### NORTH AMERICA’S POVERTY ISSUE

If one remembers, or is told for the first time, that 40 million Mexicans’ income falls below the poverty level, it might sound as if Mexico has a significant poverty issue. Seen another way, it is actually North America that has a significant poverty issue—one out of ten North Americans are poor.

North America can scarcely rise with the “tide” if Mexico remains impoverished. And in light of climate change and its tendency to affect the global South more directly than industrialized nations, we may have indeed been somewhat “lucky” that only a half million Mexicans immigrate without correct documentation to the United States annually.

What happened to the conversation about developing the poorest parts of Mexico (the central and southern states)? Where is the policy discussion, or the public debate, and how do the two overlap and interact? During the next U.S. Presidential administration, how might these two discussions come together in positive ways to jump-start the productive intersection of competitiveness and quality of life in North America?

##### NAFTA’S PROMISE VS. THE REALITY

NAFTA, while a limited document, seemed to promise or hold the hope of much more than mere tariff removal. Some claim a modest success. For example, as recently as January 2008 the Economist stated: “Since 1994 Mexico’s nonoil exports have grown fourfold while the stock of foreign direct investment has expanded by 14 times. Even the country’s farm exports to its NAFTA partners have risen threefold.”

Others might argue that the industrialized north and other maquiladora sectors paid the price of the development by creating jobs and employing some skilled labor but the return revenues generated that flowed to the federal coffers back to local development lagged. Many on the border cite the negative cost of NAFTA traffic, congested ports of entry, and their associated air and water pollution loads.

The wide and still diverging wage differential, rather than unemployment, is the force that continues to drive Mexican immigration to the United States. Mexico continues to have one of the most unequal distributions of wealth within Latin America, wage convergence has not occurred and so tax coffers do not have the funds necessary to finance many of the basic infrastructure needs. Those who track progress on meta-indicators such as Kuznet’s curve and the General Inequality Index (GINI) state a lack of progress over the decade and a half since NAFTA took effect.

The reality is even worse for other measures. NAFTA was passed on the swing votes of a handful of Texas legislators who were promised a North American Development Bank (NADBank) and the loans and grants necessary to finance it. The U.S. committed to a Border Environmental Infrastructure Investment Fund (BEIF) of \$100M per year. Funding for the BEIF has declined steadily since its initial promise under NAFTA and dropped precipitously under the Bush administration. This is converse to what many expected when the Texas Governor with good relations with Mexico became President.

The impact of not funding Mexico’s needed development is significant. A recent report by the Border Environment Cooperation Commission identifies funding inadequate to address even 5 percent of the documented infrastructure deficit in the border region.

While infrastructure needs assessments vary widely, especially when used as propaganda or to motivate change, they can be used to get a sense of progress of made or failed promises. A meta-analysis by author Van Schoik in 2001 tried to determine the environmental infrastructure needs for just water, wastewater, solid and municipal waste. “Estimates of current need reached by this method ranged

from around \$US6 billion to over \$US10 billion, with a mean of \$US8.5 billion and standard deviation of \$US1.8 billion” and an anticipated additional deficit of the same amount by 2020 (due to population increase).

#### PERCEPTIONS VERSUS THE REALITY OF U.S DEVELOPMENT AIDE

A survey by the Program on International Policy Attitudes and others polled U.S. citizens about U.S Development aide. It showed that regardless of the survey, the question or the constituent being asked, survey respondents consistently think:

- Foreign assistance is a significant portion of the overall budget (as high as 20 percent with a median of 15 percent, and
- Foreign aide should be higher (as high as 10 percent) than it actually is (less than 1 percent).

Respondents also indicated their personal willingness to pay from their own pockets for such foreign development. A full 75 percent would pay an additional \$50 if they knew it was going to foreign assistance.

U.S. foreign aide is stingy at best. The Congressional Research Service of the Library of Congress shows that the U.S. ranks last of the 22 developed nation donors and has since 1993. Aide has averaged around \$20B for the last dozen years (Iraq reconstruction excluded) or about 0.13 percent of Gross National Income (GNI), 0.2 percent of Gross Domestic Product, and 0.9 percent of budget outlays. Canada gave \$2.01B or 0.28 percent of Gross National Income in 2002.

Mexico, our closest neighbor to the south and long-time partner, is traditionally not even in the top 20 nations for foreign aide. Most Americans do not even appreciate that most of our aide goes to just two nations (Israel and Egypt), that the larger Middle East dominates the top ten, Africa populates the next ten, and that assistance to fastest developing or second world nations is found in the middle of the list.

However, one recent and significant investment in Mexico has been the Merida Initiative; a new paradigm for security cooperation. Under it Mexico promises \$2.5B annually to seven security and safety agencies, a 24-percent increase over the previous administration's 2006 levels prompted by a “grant” of \$500M from the U.S. Government. Foreign aid is foreign aid no matter the focus, and this assistance, while aimed at drug traffic and cross-border crime will be used to bolster basic infrastructure including justice, police and anticorruption investigations.

The Merida Initiative funds are too selectively related to transnational security, drugs, and crime to benefit infrastructure and other social development. While the \$500M would be welcomed by Mexico some suspect its underlying intent and intended effect. Ambassador Sarukhan very diplomatically recasts the situation, stating “Our strategies for expanded cooperation are based upon full respect for the sovereignty, territorial jurisdiction, and legal frameworks for each country, and are guided by principles of mutual trust, shared responsibility, and reciprocity.”

#### THE POST-BUSH CONVERSATION ON DEVELOPMENT IN NORTH AMERICA

The lack of a clear purpose and therefore leadership in the continental relationship allows and even encourages these unhelpful methods of noncommunication to fester and for the North American development agenda to languish. A new U.S. administration allows us an opportunity to pause and ask ourselves if our current methods of research and action, cut off from a larger public anxious about the globalized future, is the most productive way forward.

Conventional wisdom holds that comprehensive immigration reform efforts will be restarted following the upcoming Presidential elections (but not prior, despite the fact that the pressure emanating from States such as Arizona is ratcheting up almost daily). Might a new Congress and executive branch be inclined to take a more holistic approach to the topic of immigration in a way that takes development in Mexico into account in a more intelligent and comprehensive manner?

Congress and the executive branch could start by heeding the key initial recommendations for the three nations that emerged from the recent North American Center for Transborder Studies' recent Cross Talk between academics and government officials:

- Implement a common North American security perimeter.
- Include civil society involvement in the Security and Prosperity Partnership.
- Improve the north-south transportation infrastructure in North America.
- Implement trinational customs teams.
- Implement trilateral, multiagency risk assessment.
- Find support for a North American Investment Fund at the level of \$20B per year for 10 years as proposed by Robert Pastor of American University.

## IT'S NOT ALL ABOUT GOVERNMENT

In addition, citizens and the private sector can begin working to overcome tension starting “from the bottom up” by seeking new and stronger connections on the personal level. Neither increased funding nor increased federal government involvement is the answer, but rather civil society, including the private sector, must play a leadership role and then decide how to bring government into the process. Government officials tend not to think about the private sector until long after its involvement would have been most effective.

And finally, it will be difficult to build consensus on North American development without the full engagement of the continent's universities, which need to inform both policymakers and the public more effectively. University-based expertise, when deployed effectively and thoughtfully, can enrich practitioners' existing institutional knowledge, build important new institutional and civil society linkages and deepen existing linkages. Academic institutions need to be challenged to develop more robust teaching and “policy-transfer” models in order to more effectively and comprehensively inform public debates and educate key constituencies.

