

Senate Foreign Relations Committee
Senator Richard G. Lugar
Statement for Hearing on
Merida Initiative for Mexico and Central America
November 15, 2007

Mr. Chairman, thank you for chairing this important hearing on the President's supplemental funding request to combat narco-trafficking through Mexico and Central America, known as the Merida Initiative.

Since entering office last December, Mexican President Felipe Calderon moved to improve public security in his country. The Mexican government has committed \$2.5 billion to combat drug trafficking next year, launched aggressive anti-drug operations in ten Mexican states, replaced numerous high-ranking federal police officers in anti-corruption campaigns, and created a unified national crime database.

The Calderon government has strengthened law enforcement cooperation, extraditing close to 80 criminals to the United States this year, including cartel kingpins. It has also made record seizures of cocaine, methamphetamine precursors, cash, and other assets.

The ongoing public security campaign has reduced the legal impunity that the drug cartels have traditionally enjoyed in Mexico, but it has come at a high cost. Mexico has suffered approximately 2,650 drug related killings since the beginning of this year, compared to 2,120 in 2006.

The Merida Initiative is an attempt to seize the opportunity created by Mexico's invigorated anti-crime 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.

To assist Mexico's efforts, the Merida Initiative provides \$500 million -- including \$306 million for counternarcotics, counter-terrorism, and border security; \$100 million for institution building and the rule of law; and \$56 million for public security and law enforcement.

In addition, the Administration has proposed \$50 million to boost counternarcotics, counterterrorism, and law enforcement in Central America. I am concerned that this portion of the request falls short of what is required. Though Mexico has made progress against organized crime, the strength of criminal gangs in Central America is growing.

Gangs in Central American have emerged as major social forces, and they have been expanding their influence in relatively ungoverned areas that they exploit for their drug trafficking operations. Central American leaders and public opinion -- especially in Guatemala, El Salvador and Honduras -- have characterized this situation as a regional emergency requiring an urgent response.

Central America is the primary transit point for people and drugs destined for the United States from Colombia. Increasing crime in Central America threatens regional stability, debilitates national economies and exacerbates illegal migration to the United States.

In the past, political wrangling and resource constraints have hampered Central America's response to the drug trade. Recently, Central American countries have agreed to strengthen regional security through the Central American Integration System. Together they have produced a comprehensive regional security strategy.

But Central American officials feel that they will not be able to confront threats effectively without more assistance. They fear that gang members and drug traffickers will flee Mexico for Central America where it will be easier to operate. As one senior Central American Government official stated: "in this case Mexico's gain could be our loss."

In this context, I am hopeful that additional funds will be found for Central America as this initiative goes forward – perhaps during the FYO9 Appropriations cycle. It is especially important that the Merida initiative be implemented as a regional plan and progress be evaluated according to what is happening in both Mexico and its neighbors to the south.

In Mexico, President Calderon is laying the groundwork for deeper cooperation with the U.S., 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.

A member of my senior staff returned this month from a visit to Mexico City where he met with Mexican Government officials and members of the Mexican Senate regarding attitudes towards the Merida Initiative. He found Mexican officials generally supportive, but they consistently called on him to relay their concerns about the flow of guns and explosives from the United States into Mexico. American Embassy officials confirmed that the U.S. is a major source of weapons for Mexican gangs and drug runners.

As the Merida Initiative goes forward, American agencies must work closely with Mexican officials to address this problem. We do not want to create a self-defeating situation in which a critical foreign assistance program meant to assist a neighbor and enhance U.S. security is being undercut by an illegal flow of weapons originating from within our own borders.

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

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