



Fiscal Year 2011 DHS Counternarcotics Budget Review

Report to Congress
August 31, 2010



Homeland
Security

Office of Counternarcotics Enforcement

Message from the Director

I am pleased to provide the following report, "Fiscal Year 2011 DHS Counternarcotics Budget Review," which was prepared by the Office of Counternarcotics Enforcement (CNE).

This report, required by Section 878(f)(1) of the Homeland Security Act of 2002, as amended, (6 U.S.C. 458(f)(1)), provides a review and evaluation of the Department's request for appropriations that affects or may affect the counternarcotics activities of the Department as contained in the President's Fiscal Year (FY) 2011 budget request for the Department of Homeland Security. Pursuant to congressional requirements, this report is being provided to the following Members of Congress:



The Honorable Daniel K. Inouye
Chairman, Senate Committee on Appropriations

The Honorable Thad Cochran
Ranking Member, Senate Committee on Appropriations

The Honorable Joseph I. Lieberman
Chairman, Senate Committee on Homeland Security and Government Affairs

The Honorable Susan M. Collins
Ranking Member, Senate Committee on Homeland Security and Government Affairs

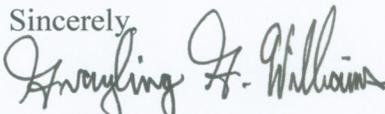
The Honorable David R. Obey
Chairman, U.S. House of Representatives Committee on Appropriations

The Honorable Jerry Lewis
Ranking Member, U.S. House of Representatives Committee on Appropriations

The Honorable Bennie G. Thompson
Chairman, U.S. House of Representatives Committee on Homeland Security

The Honorable Peter T. King
Ranking Member, U.S. House of Representatives Committee on Homeland Security

Inquiries relating to this report may be directed to me at (202) 447-5800.

Sincerely,

Grayling G. Williams
Director
Office of Counternarcotics Enforcement

Executive Summary

A primary mission of the Department of Homeland Security (DHS) in a counternarcotics context is to “monitor connections between illegal drug trafficking and terrorism, coordinate efforts to sever such connections, and otherwise contribute to efforts to interdict illegal drug trafficking.”¹ The Department’s counternarcotics budget accounts for almost one-quarter of the total national drug control budget and more than three-quarters of the national drug control budget’s drug interdiction funding.

The Office of Counternarcotics Enforcement (CNE) is statutorily charged “(1) to coordinate policy and operations within the Department, between the Department and other Federal departments and agencies, and between the Department and State and local agencies with respect to stopping the entry of illegal drugs into the United States; (2) to ensure the adequacy of resources within the Department for stopping the entry of illegal drugs into the United States; (3) to recommend the appropriate financial and personnel resources necessary to help the Department better fulfill its responsibility to stop the entry of illegal drugs into the United States; (4) within the Joint Terrorism Task Force construct to track and sever connections between illegal drug trafficking and terrorism; and (5) to be a representative of the Department on all task forces, committees, or other entities whose purpose is to coordinate the counternarcotics enforcement activities of the Department and other Federal, State or local agencies.”²

This report provides a review and evaluation of the Department’s request for appropriations that affects or may affect the counternarcotics activities of the Department as contained in the President’s Fiscal Year (FY) 2011 budget request for the Department of Homeland Security. The request includes an alignment in base resources to address operations along the Southwest Border and transit zone.

¹ 6 U.S.C. 111(b)(1)(H).

² 6 U.S.C. 458(d).

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I. Legislative Requirement

This document responds to the reporting requirements, as set forth in Section 878(f)(1) of the Homeland Security Act of 2002, as amended, (6 U.S.C. 458(f)(1)), which states:

ANNUAL BUDGET REVIEW - The Director of the Office of Counternarcotics Enforcement shall, not later than 30 days after submission by the President to Congress of any request for expenditures for the Department, submit to the Committees on Appropriations and the authorizing committees of jurisdiction of the House of Representatives and the Senate a review and evaluation of such request. The review and evaluation shall:

- (A) identify any request or subpart of any request that affects or may affect the counternarcotics activities of the Department or any of its subdivisions, or that affects the ability of the Department or any subdivision of the Department to meet its responsibility to stop the entry of illegal drugs in the United States,*
- (B) describe with particularity how such requested funds would be or could be expended in furtherance of counternarcotics activities, and*
- (C) compare such requests for expenditures and amounts appropriated by Congress in the previous fiscal year.*

II. Overview of Key DHS Counternarcotics Efforts

As part of its review and evaluation of the Department's FY 2011 budget request for counternarcotics activities, CNE has identified the following examples to illustrate how DHS Components' activities are improving the efficiency and effectiveness of the Department's counternarcotics efforts, as well as bring synergy to the broader homeland security mission.

Southwest Border Operations

The Fiscal Year 2010 Appropriations Act and the Fiscal Year 2009 American Reinvestment and Recovery Act provided funding for additional non-intrusive inspection (NII) technology and for additional CBP Officers along the Southwest Border. The additional NII systems and additional canine teams resulted in higher narcotics seizures along the Southwest Border. The NII Systems Program Capital Investment Plan (CIP) shows \$44.75 million will be used for acquisition of additional and replacement NII equipment for the NII program in FY 2011. CBP currently acquires and deploys a mixture of fixed and mobile high-energy and low-energy systems that possess performance characteristics to meet CBP's mission-specific requirements. The newer high-energy mobile systems have mobility, greater penetration capability, and improved image quality that enhances CBP's ability to non-intrusively examine cargo and conveyances for weapons of mass effect and other contraband, to include illegal drugs.

CBP relies upon a layered enforcement strategy and CBP's canine and NII programs are central to this strategy. Additional assets on the border have provided a greater opportunity for CBP officers to detect contraband and acted as a deterrent by forcing drug traffickers to utilize alternative pathways. To help detect the southbound flow of weapons and bulk cash, CBP effectively employs a "pulse and surge" strategy for outbound operations on the Southwest Border. These operations are short in duration and involve periodic outbound inspections followed by periods without inspections. This allows CBP to manage staffing, maintain the element of surprise, prevent operations from being predictable, counter the use of "spotters," and control the flow of outbound traffic.

In September 2009, the Homeland Security Advisory Council (HSAC) recommended standardizing technology and protocols at ports of entry (POEs); improving POE architecture; building additional ports; and using two CBP Officers per open lane of traffic. In September 2009, the Southwest Border Task Force also recommended standardizing practices and technology, and improving infrastructure at all POEs. Since then, CBP has implemented biometric verification capability (fingerprint capture) in the pedestrian processing environment. The new License Plate Reader (LPR) system, which is 10 percent more accurate than that which it replaced, captures images that are stored in a central archive, enhancing the Department's border enforcement capabilities. These standardized practices and enhanced technologies are making it more difficult for narcotics traffickers to exploit POEs for smuggling illegal drugs into the United States.

The following CBP efforts support the detection of the southbound flow of arms and cash, as well as the northbound flow of illegal drugs:

- The National Targeting Center – Cargo (NTC-C) is conducting research on weapons shipments exported from select U.S. manufacturers to Mexican military and police departments.
- All eight railroad crossings on the U.S.-Mexico border are conducting 100 percent scanning of outbound rail cars.
- CBP is currently utilizing sixteen permanently assigned currency/firearm detector dog teams deployed at Southwest Border POEs and plans to deploy additional teams in FY 2011.
- CBP utilizes low energy mobile NII imaging systems to scan outbound personally owned conveyances for contraband. There is currently a total of 21 low energy mobile imaging systems deployed to POEs along the Southwest Border.
- CBP's Office of Field Operations (OFO) continues to work with other law enforcement agencies to develop methods to share information, such as LPR data, in full conformance with legal and privacy requirements. At ports with outbound LPRs, CBP is aligning and developing a Western Hemisphere Travel Initiative (WHTI) with LPR and Automated Targeting System – Land (ATS-L) capability to help identify possible stolen vehicles, Amber Alert targets, fugitives, and lookouts in support of outbound operations. In partnership with the Drug Enforcement Administration (DEA) and High Intensity Drug Trafficking Areas (HIDTAs), CBP is also working to expand the LPR initiative to exploit intelligence on drug traffickers and drug trafficking organizations. This will be accomplished by using established locations to gather information regarding travel patterns and establishing a border nexus on drug traffickers for intelligence-driven operations and interdictions of inbound narcotics and outbound firearms.
- CBP conducts coordinated, bi-national intensified border operations in cooperation with the Government of Mexico (GOM) on a regular basis at border locations to be mutually determined by both countries in advance. A total of seven operations were conducted in Fiscal Year 2009 and thirteen operations have been conducted in Fiscal Year 2010. An average of two operations per month is being conducted throughout FY 2010. This program will continue in FY 2011.
- By the end of FY 2011, CBP will have approximately 449 personnel trained and deployed to conduct outbound “pulse and surge” operations along the Southwest Border. The 449 personnel include the original 100 CBP officers, who were routinely conducting outbound operations prior to March 2009; 120 CBP officers provided for by the FY 2009 appropriations; 113 CBP officers provided by the FY 2010 appropriations; and the 116 Border Patrol agents currently supporting outbound operations along the Southwest Border.
- CBP works closely with ICE, through ICE-led Border Enforcement Security Task Forces (BEST), to protect the United States against the illegal flow of drugs, weapons, and currency across the Southwest Border. DHS leads 17 BEST teams, which leverage Federal, State,

local, tribal, and foreign law enforcement resources to identify, disrupt, and dismantle organizations that seek to exploit vulnerabilities in United States borders.

- CBP and ICE also collaborate to stop illegal firearms trafficking and interdict outbound shipments of bulk currency. This includes the development of actionable intelligence, as well as participation in enforcement activities during outbound operations.
- CBP has established positions at the El Paso Intelligence Center (EPIC) to support various initiatives to include the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Project Gunrunner, the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, and the DEA Special Operations Division (SOD). These initiatives enhance interaction with the Intelligence Community and law enforcement agencies to more effectively facilitate the collection, analysis, and dissemination of actionable drug-related intelligence in support of drug trafficking, money laundering investigations, and firearms smuggling throughout the Southwest Border, Mexico and the U.S.

Northern Border Operations

The Department and CBP have taken many steps to improve security on the Northern Border, both before and after September 11, 2001. The vision for Northern Border security is three-fold. Between the ports, the Department seeks to have situational awareness and interdiction capability commensurate with the threat. At the POEs, CBP officers need to have all the tools possible to identify and separate low-threat from high-threat cargo and travelers, as well as manage other aspects of our large and complex trade relationship with Canada. Finally, actionable intelligence and information need to be provided to CBP frontline officers in a timely manner.

The Northern Border is the longest common border in the world. CBP processes over 70 million international travelers and 35 million vehicles each year through the 95 land POEs along the Northern border, including three in Alaska. Additionally, eight Border Patrol sectors protect against the illegal flow of people and contraband between the Northern Border POEs. Annually, CBP makes approximately 6,000 arrests and interdicts approximately 40,000 pounds of illegal drugs along the Northern Border.

The primary threats along the Northern Border are terrorism, drug trafficking, and illegal immigration. CBP is continuously working to improve Northern Border security by adapting and incorporating new technologies, enhancing POE inspection capabilities, and strengthening efforts between the POEs. To secure the Northern Border, as well as facilitate legitimate trade and travel, CBP leverages technology and partnerships to detect cross-border incursions between the POEs. A wide array of vehicles, including All-Terrain Vehicles (ATVs), snowmobiles, marine vessels, and aircraft, are available for interdiction over long distances and challenging terrain.

At the POEs, CBP uses state-of-the-art technology to quickly screen the heavy volume of passengers and cargo transiting the Northern Border to ensure that no illicit goods or travelers cross into the U.S. In the trade environment, this is augmented by robust pre-entry and post-release activity commensurate with cargo risk. To accomplish this, CBP emphasizes the

importance of integrated intelligence-driven operations; Federal, State, local, tribal, private sector, and international partnerships; and sound management principles built on the foundation of the highest ethical standards.

CBP utilizes a strategic approach to deploy additional resources to the Northern Border. Decisions regarding deployments and enforcement operations are supported by intelligence-based threat analyses. Under this strategy, CBP adjusts resources and equipment in response to shifts in criminal or illegal activity and/or changes in perceived threat of cross-border activity.

Key Initiatives

- The Integrated Border Enforcement Teams (IBET) program encompasses fifteen regions along the Northern Border and is a multi-faceted law enforcement initiative comprised of both Canadian and American partners. The IBET is considered a “best practice” by both the Canadian and United States Governments.
- CBP created Border Security Evaluation Teams (BSETs) to gather information and establish relationships with state and local law enforcement agencies, local civic leaders, and the public to determine if suspected cross-border activities and intelligence indicate a need for deployment of Border Patrol resources in specific areas along the Northern Border. BSETs are the principle means of maintaining situational awareness between the POEs on the Alaska-Canada Border.
- The Shared Border Accord Coordinating Committee (SBACC) is a bilateral forum led by CBP and Canada Border Services Agency (CBSA) to jointly develop and implement initiatives that strengthen security and improve the facilitation of legitimate trade and travel across our shared border. CBP collaborates with CBSA through three venues:
 - Automated Targeting System – International (ATS-I): CBSA receives real-time examination findings from targeted shipments destined for Canada using the ATS-I targeting platform.
 - Container Security Initiative (CSI): CSI is a program intended to help increase security for containerized cargo shipped to the United States from around the world. CBP has CSI ports in Halifax, Montreal, and Vancouver.
 - Encounter Reporting Initiative: CBP has a standard protocol that requires making an advisement to CBSA on all Terrorist Identities Datamart Environment (TIDE) and violator refusals.
- The Security and Prosperity Partnership (SPP) is an ongoing initiative, launched in March 2005, between the United States, Mexico, and Canada. DHS is responsible for security-related deliverables under the SPP agenda. CBP works with its Canadian and Mexican counterparts to address a wide array of issues, including the implementation of trusted traveler programs (e.g. NEXUS, SENTRI, FAST), cargo security programs (e.g. Customs-Trade Partnership Against Terrorism (C-TPAT) and Partnership In Protection), the

implementation of Business Resumption Protocols, and the advancement of issues concerning intellectual property rights and safety of imports.

- CBP has implemented an Airfields Initiative as a direct response to the general aviation threat on the Northern Border. This initiative is a bi-national liaison partnership with U.S. and Canadian Federal, State, and local law enforcement agencies, the aviation community, and the public. These partnerships serve as sources of information and intelligence on aircraft incursions and provide another layer of deterrence against drug smugglers and other threats to national security.
- CBP has partnered with Joint Task Force-North (JTF-N), an element of U.S. Northern Command, in an effort to leverage JTF-N assets as force multipliers for securing the Northern Border. These assets range from mobile radar platforms to detect marine and general aviation incursions to intelligence linking and pattern analysis.
- At the Cross Border Crime Forum (CBCF), law enforcement agencies from all jurisdictions, including agencies, such as the Royal Canadian Mounted Police (RCMP), CBP, Federal Bureau of Investigation (FBI), USCG, and other Canadian and U.S. border agencies, meet periodically to assess trends, data, and progress in fighting a range of criminal activity such as drug smuggling, organized crime, money laundering and more.
- A Joint Northern Border Security Strategy was specifically requested by Canadian Public Safety Minister Stockwell Day. DHS has taken the lead role in the development of this strategy, in coordination with other interagency partners.
- A DHS Small Vessel Security Strategy, published in 2008, provides guidance to CBP, ICE, and the USCG on dealing with the heavy volume of recreational boat traffic on the Great Lakes and border rivers.
- Prior to September 11, 2001, the Northern Border was staffed by 340 Border Patrol agents. Currently, the Northern Border is staffed by more than 1,300 agents.
- CBP's Office of Air and Marine (OAM) increased security along the Northern Border through the accelerated start up of air wings in Bellingham, Washington; Plattsburgh, New York; Great Falls, Montana; Grand Forks, North Dakota; and Detroit, Michigan. In addition, the North Dakota Air Branch in Grand Forks was chosen to provide a strategic, central location for general Northern Border air and marine operations, and to serve an expanded role as a northern base for CBP Unmanned Aircraft System (UAS) missions.
- CBP developed an Air Enforcement Strategy that maps a way forward to establish and implement a progressive and dynamic multi-layered strategy to increase detections and air interdictions along the Northern Border. This will be in direct support of CBPs core mission and stated goal of securing the Nation's air borders against the entry of terrorists and instruments of terror by enforcing the laws of the United States.

Information and Intelligence Coordination

CBP has enhanced its communications efforts with Federal, State, local, tribal and Government of Mexico (GOM) enforcement entities along the Southwest Border. CBP has worked with its partners to increase the level of communications at all levels of the organization by working on its liaison efforts in order to improve the intelligence sharing process. Some of these efforts have resulted in increased community policing efforts along the border which has had a positive impact on drug-related crime in some border areas. CBP has started training GOM law enforcement personnel in techniques, which will increase the operational tempo and situational awareness necessary to decrease crime on the Mexican side of the international boundary which will increase the safety of the communities in Mexico and the United States.

The Intelligence and Operations Coordination Center (IOCC) in Tucson, Arizona, strengthens CBP's ability to detect, identify and interdict terrorists, weapons of mass destruction, and other cross-border illicit activity by collecting and analyzing all-source information and integrating that information into CBP's day-to-day operations. The IOCC allows for coordination of both operations and intelligence across all three CBP components (OAM, Office of Border Patrol-OBP, and OFO). This optimizes the potential for each CBP component to rapidly disseminate information to CBP leadership and field operators. The intended impact of the IOCC on the Arizona-Sonora corridor is to increase unity of effort to gain operational control of the border. The IOCC, which provides added value to field commanders' situational awareness and intelligence picture across all three CBP operational components, is fostering increased collaboration to counter all threats within this corridor, including the smuggling of illegal drugs.

DHS Component Cooperative Efforts

At the request of ICE, CBP OAM opened an air branch in Washington, D.C. to provide investigative support. An additional air unit is planned for Atlanta, GA. An ICE Director, who is embedded at the OAM Air and Marine Operations Center (AMOC), acts as a liaison with AMOC operations and intelligence personnel, ensuring that ICE's actionable investigative information is passed to OAM field offices and personnel. OAM aircraft and vessels continue to support ICE investigations nationwide in a wide variety of missions, collaborating to target criminal organizations in a systematic manner. OAM interdictions and disruptions at the border and in the source and transit zones remain a key part of the focus to disrupt and dismantle drug cartels. While expansion of the OAM workforce and associated infrastructure have resulted in increased seizures independent of investigative activities, OAM and ICE cooperative efforts are also creating additional opportunities for success against the drug cartels.

Interdictions and investigations are symbiotic activities that target organizations at all levels. CBP and USCG aircraft continue to fly surveillance and interdiction missions in the source and transit zones in support of Joint Interagency Task Force South (JIATF South) and some of those missions have resulted in the detection, disruption, and interdiction of vessels with multi-ton cocaine loads.

The USCG plans and coordinates mission execution closely with other DHS components, including CBP. This partnership is most prominent in the execution of the Department's

counterdrug mission, where synergies play a pivotal role implementing the U.S. government's strategy for disrupting the flow of illicit drugs to the United States. The USCG is the lead federal agency for maritime drug interdiction in the transit zone - a six million square mile area that includes the Caribbean, Gulf of Mexico and Eastern Pacific. The Department's transit zone counterdrug operations strive to reduce the supply of drugs by denying smugglers the use of maritime routes and conveyances, principally from South American source countries. To cover these large maritime areas, the USCG deploys maritime patrol aircraft (MPA), assisted by CBP OAM P-3 aircraft. The USCG normally assigns its largest cutters, which carry helicopters, small boats, and boarding teams, to the transit zone.

In FY 2009, DHS provided 8,098 flight hours (USCG provided 4,036 flight hours and CBP OAM provided 4,062 flight hours) of MPA coverage to support transit zone counternarcotics operations. These DHS MPA hours assisted in surface assets being vectored to intercept 105 suspect targets of interest, resulting in the removal of over 156,876 kg of cocaine.

USCG and CBP OAM cooperation on MPA coverage in the illicit drug smuggle transit zone is only one facet of the Department's efforts to produce efficiencies in areas of mutual responsibility. From leadership through mid-level staff, USCG and CBP OAM have engaged as partners to create a more unified purpose in operational, logistical, and administrative efforts. USCG and CBP OAM executives meet quarterly as part of the DHS Senior Guidance Team to discuss agency-level issues. These issues include: small vessel strategy, joint UAS initiatives, joint targeting, joint logistics cooperation, joint budget development and justification, joint specialized forces, mass migration coordination, and support to interagency operations centers.

Additionally, USCG and CBP OAM headquarters staffs have met regularly in the Aviation Management Council to discuss mutual areas of interest in the aviation domain. Known as the "One DHS Air" initiative, the Council developed a project team to specifically address potential economic efficiencies in departmental aviation operations. Subject matter experts in each agency are cooperating to study the costs and benefits of collocating nearby operational units. Business case analyses are ongoing for Puerto Rico and Sacramento, and are scheduled for four additional locations. Also being studied is a unified information management system for existing aviation assets of both agencies. The Department's goal is to have interoperable training, operations, safety standards, and information management for all of CBP and USCG aviation forces within the next several years.

USCG and CBP OAM have also initiated joint acquisition review of critical assets to evaluate them from a complementary perspective. A successful demonstration of this partnership is the UAS program. Cooperating in the development of requirements and logistical footprint, USCG and CBP OAM have created a joint operational program that will begin producing real results this year as the Maritime Variant Predator UAS begins operations. As the USCG continues to develop its cutter-based UAS program to address specific maritime capability gaps, the Department will build upon the knowledge gained in the joint land-based UAS program.

Enhanced Coordination with External Agencies

As part of the Department's layered enforcement approach to combat cross-border trafficking of weapons, drugs and migrants, CBP Enforcement Officers have established professional, working relationships with local United States Attorney Offices, ICE Special Agents, and the Department of State's Diplomatic Security Service (DSS), among other State, Local, Tribal and Federal agencies. By developing these relationships, CBP is better positioned to proactively engage and assist in the interdiction and prosecution of drug smugglers operating through our POEs. The cooperation of ICE and DSS are integral to pursuing investigative leads in the interior of the United States and abroad, respectively, to effectively hinder and eventually dismantle criminal organizations. To improve the focus and further define the roles and responsibilities of U.S. law enforcement to combat drug trafficking organizations, collaborative efforts are being directed to improve the utilization of resources and the distribution of actionable or relevant information to those agencies conducting enforcement activities, where appropriate. This includes collaboration with our Federal, State, local and tribal law enforcement partners.

Efforts to Interdict Illegal Drug Revenues

In March 2009, ICE initiated a Southwest Border surge by deploying an additional 110 Special Agents to offices along the Southwest Border. Their duties include initiating and supporting investigations involving the full array of cross-border crime under ICE's jurisdiction, including bulk cash smuggling investigations. ICE also established the National Bulk Cash Smuggling Center (BCSC) for identifying, disrupting, and dismantling criminal organizations profiting from financial crime. The BCSC, located in Burlington, Vermont, is a 24-hour tactical intelligence and operations facility providing real-time intelligence to Federal, State, and local law enforcement agencies (LEAs) involved in enforcement and interdiction of bulk cash smuggling. The BCSC coordinates intelligence information with LEAs to refer viable investigative leads to the field and help identify smuggling routes and trends to address system vulnerabilities.

While ICE has primary authority for addressing bulk cash smuggling as it relates to the border, ICE and CBP both enforce the Currency and Monetary Instrument Report (CMIR) statute, which requires a CMIR to be filed when one transports more than \$10,000 internationally. ICE's exclusive border search authority allows ICE to investigate bulk cash smuggling offenses that occur en route to the border, at the border, and beyond the border. ICE has almost 40 years of expertise in investigations involving the predicate offense of CMIR violations. This expertise, along with immediate access to international travel records, border crossing data, historical CMIR and Currency Transaction Report filings, and immigration records is vital in proving bulk cash smuggling violations.

III. U.S. Customs and Border Protection (CBP)

Resource Summary

Table 1. CBP Drug Resource Summary

	Budget Authority (\$ in millions)			Change
	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	
Drug Resources by Function				
Intelligence	\$298.434	\$335.702	\$329.771	- \$5.931
Interdiction	1,612.258	1,772.856	1,756.354	- 16.502
Total Drug Resources by Function	1,910.692	2,108.558	2,086.125	- 22.433
Drug Resources by Decision Unit				
Salaries & Expenses	\$1,490.895	\$1,640.715	\$1,633.199	-\$7.516
Border Security and Trade Facilitation at POEs [non-add]	[746.023]	[800.164]	[805.933]	[+ 5.769]
Border Security and Control between POEs [non-add]	[399.617]	[449.830]	[456.888]	[+7.058]
HQ Management and Administration [non-add]	[105.605]	[112.055]	[101.881]	[-10.174]
Air & Marine Operations-Salaries [non-add]	[239.650]	[278.666]	[268.497]	[-10.169]
Air & Marine Operations	419.797	467.843	452.926	- 14.917
Total Drug Resources by Decision Unit	\$1,910.692	\$2,108.558	\$2,086.125	-\$22.433
Drug Resources Personnel Summary				
Total FTEs (direct only)	8,407	10,315	10,268	-47
Drug Resources as a Percent of Budget				
Total Agency Budget	\$10,263	\$10,126	\$9,908	-\$218
Drug Resources Percentage	18.62%	20.82%	21.05%	+ .23%

In the FY 2011 President's Budget, CBP requests \$2,086.125 million in drug-related resources, which is a decrease of \$22.433 million from the FY 2010 Enacted level.³ These resources support CBP as America's frontline border agency, which employs over 58,000 (48,000 from direct appropriations) highly-trained personnel.

³ This analysis does not include the support provided by the 1,200 National Guardsmen being deployed to the Southwest Border.

Salaries and Expenses

FY 2011 Request: \$1,633.199 million

(Includes -\$7.516 million in adjustments to the base and program changes)

Salaries and Expenses funds CBP's primary field occupations, including CBP officers, Border Patrol agents, pilots, marine officers, import and entry specialists, and agricultural specialists. The agency's field organization is comprised of 20 Border Patrol Sectors with 34 permanent and 69 tactical checkpoints between the POEs; 142 stations and substations; and 20 Field Operations Offices and 327 associated POEs, of which 15 are pre-clearance stations. Field personnel use a mix of air and marine assets, non-intrusive technology such as large-scale x-rays and radiation portal monitors, targeting systems, and automation to ensure the identification and apprehension of high-risk travelers and trade.

Border Security and Trade Facilitation at the Ports of Entry (POEs)

FY 2011 Request (\$805.933 million): The FY 2011 President's Budget requests drug resources of \$805.933 million to fund salaries and expenses for border security and trade facilitation at the POE's. CBP will use these resources to support its aggressive border enforcement strategies that are designed to interdict and disrupt the flow of narcotics and ill-gotten gains across our nation's borders and dismantle the related smuggling organizations. CBP narcotics interdiction strategies are designed to be flexible so that they can successfully counter the constantly shifting narcotics threat at and between the POEs, as well as in the source and transit zones.

CBP is intent on using resources to develop and implement security programs that safeguard legitimate trade from being used to smuggle implements of terror and other contraband, including narcotics. Under the Customs-Trade Partnership Against Terrorism (C-TPAT) program, CBP works closely with importers, carriers, brokers, freight forwarders, and other industry sectors to develop a seamless, security-conscious trade environment resistant to the threat of international terrorism. C-TPAT provides the business community and government a venue to exchange ideas, information, and best practices in an ongoing effort to create a secure supply chain, from the factory floor to the U.S. POE. Under C-TPAT, Americas Counter Smuggling Initiative (ACSI), the Carrier Initiative Program (CIP), and the Business Anti-Smuggling Initiative (BASC) remain instrumental in expanding CBP's anti-narcotics security programs with trade groups and governments throughout the Caribbean, Central and South America, and Mexico.

CBP has implemented a Field Operations Intelligence Program, which provides support to CBP inspection and border enforcement personnel in disrupting the flow of drugs through the collection and analysis of all-source information and dissemination of intelligence to the appropriate components. In addition, CBP interdicts undeclared bulk currency which fuels terrorism, narcotics trafficking, and criminal activities worldwide. CBP officers perform Buckstop Operations, which involves screening outbound travelers and their personal effects. CBP also supports Cashnet Operations that focus on interdicting bulk currency exported in cargo

Headquarters Management and Administration

FY 2011 Request (\$101.881 million): The FY 2011 President's Budget request of \$101.881 million funds salaries and expenses in support of critical policy and operational direction, mission support, and technical expertise related to CBP mission operations. Headquarters Management and Administration includes funding for the Office of Training and Development (OTD) and the Office of Information Technology (OIT). Both offices manage programs that are essential in carrying out CBP's dual mission of protecting our homeland while facilitating legitimate trade and travel.

FY 2011 Program Changes (-\$10.174 million): The President's Budget includes a drug-related reduction of \$10.174 million from the FY 2010's Enacted level associated with Headquarters Management and Administration in support of the OIT change in methodology, which includes a 10 percent decrease to its Office of National Drug Control Policy (ONDCP) base resources reflected in the FY 2011 President's Budget. OIT's reductions will provide more streamlined and centralized IT Help Desk support, in place of direct field support. OTD will also reduce service contracts and related costs to manage within its new resource level.

Air and Marine Operations - Salaries

FY 2011 Request (\$268.497 million): The FY 2011 President's Budget requests \$268.497 million to fund salaries and expenses for CBP OAM operations. These operations secure the borders against terrorists, acts of terrorism, drug smuggling and other illegal activity by operating air and marine branches at strategic locations along the borders. OAM's multi-mission aircraft, with their advanced sensors and communications equipment, provide powerful interdiction and mobility capabilities directly in support of detecting, identifying and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers.

FY 2011 Program Changes (-\$10.169 million): The FY 2011 President's Budget reflects a \$10.169 million decrease in salaries and expenses when compared with the FY 2010 Enacted level. The programmatic decrease to OAM Salaries is the result of not sustaining a FY 2010 air personnel enhancement. Due to streamlining initiatives, OAM does not need to sustain approximately 120 positions received in FY 2010's Enacted Budget. OAM had planned to utilize those positions to support the expansion of its aviation (including P-3 and UAS) capabilities across the Southwest Border, Northern Border, and coastal regions, as well as support maritime domain awareness requirements along the Southeast Region and the Caribbean. OAM is maximizing the capabilities of its air and marine assets through a more streamlined and cohesive joint operations model which requires fewer positions and features a more centralized command and control architecture, as well as a more responsive and integrated system for decentralized execution.

Air and Marine Operations

**FY 2011 Request: \$452.926 million
(Includes -\$14.917 million in program changes)**

The FY 2011 President's Budget requests \$452.926 million in drug-related resources to fund the operations, maintenance, and procurement of OAM interdiction assets, which are deployed throughout the Western Hemisphere. This funding also supports OAM's AMOC, which provides command, control, communications, and intelligence by assimilating information from a wide array of sources and sensors.

CBP OAM partners with numerous stakeholders in performing its operational missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders, source, transit and arrival zone operations, interior law enforcement support and support to other agencies. In fulfilling the priority mission of CBP to protect the borders, CBP OAM's geographical mission has a strong focus along the Southwest Border, with a recent expansion of coverage on the Northern Border.

The P-3 Airborne Early Warning (AEW) aircraft is critical to interdiction operations in the source and transit zones because it provides vital radar coverage in regions where mountainous terrain, expansive jungles and large bodies of water limit the effectiveness of ground-based radar. Because the P-3 AEW is the only Detection and Monitoring (D&M) asset solely dedicated to the counterdrug mission, it is a critical component of the 2010 National Drug Control Strategy (NDCS).

In the transit zone, CBP OAM crews work in conjunction with the law enforcement agencies and military forces of other nations in support of their counternarcotics programs. Counterdrug missions include detection and monitoring, interceptor support, and coordinated training with military and other law enforcement personnel. In the source zone, a Presidential Determination has authorized U.S. personnel to continue assistance to Colombia in carrying out its "Air Bridge Denial Program" against civil aircraft suspected of trafficking in illicit drugs. CBP OAM P-3 aircraft supplement Department of Defense (DOD) aircraft by flying in Colombian airspace in support of this program.

CBP OAM aviation assets include: sensor-equipped, detection and monitoring jet interceptors; long-range trackers, and maritime patrol aircraft; high performance helicopters; and single/multi-engine support aircraft. CBP OAM marine assets include interceptor, utility, and blue water-type vessels.

FY 2011 Program Changes (-\$14.917 million): The President's FY 2011 Budget request proposes a \$14.917 million decrease for OAM interdiction, operations, maintenance, and procurement. This includes a planned decrease of funding for the P-3 Service Life Extension Program (SLEP) as additional assets are phased into service. Remaining funds will continue to support the procurement of a new P-3 wing/tail assembly, P-3 wing/tail refurbishment kits for aircraft which do not require new wings/tails, continue the special structural inspections, and induct one additional P-3 airframe into the SLEP cycle.

From within base resources, OAM will continue the acquisition of up to eight AS-350s (Light Enforcement Helicopters). By the end of FY 2011, OAM will have acquired 39 of the 50 AS-350's under contract. Funding is also provided for one MQ-9 Maritime Variant (Guardian) UAS and for three additional SeaVue maritime surveillance radar systems for the P-3 aircraft fleet.

Base resources will also allow CBP to convert one UH-60 Medium Lift Helicopter from an A (Alpha) to an L (Lima) model and upgrade one UH-1 Utility helicopter to a UH-2 configuration. Additionally, funding is provided for additional marine vessels, to include up to six additional coastal interceptor vessels and additional riverine vessels.

IV. Immigration and Customs Enforcement (ICE)

Resource Summary

Table 2. ICE Drug Resource Summary

	Budget Authority (\$ in millions)			Change
	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	
Drug Resources by Function				
Investigations	426.122	465.173	487.025	+21.852
Intelligence	\$6.286	\$8.276	\$8.426	+\$0.150
International	4.687	4.289	4.320	+0.031
Total, Resources by Function	\$437.095	\$477.738	\$499.771	+\$22.033
Drug Resources by Decision Unit				
Salaries and Expenses	\$437.095	\$477.738	\$499.771	+\$22.033
Total Drug Resources by Decision Unit	\$437.095	\$477.738	\$499.771	+\$22.033
Drug Resources Personnel Summary				
Total FTEs (direct only)	2,282	2,480	2,592	+112
Drug Resources as a Percent of Budget				
Total Agency Budget	\$5,649	\$5,524	\$5,524	---
Drug Resources Percentage	7.8%	8.7%	9.1%	+ .4%

In the FY 2011 President's Budget, ICE requests \$499.771 million in drug-related resources, which is a net increase of \$22.033 million from the FY 2010 Enacted level. This increase includes funding for three additional BEST facilities and additional law enforcement investigative mission support staff. This initiative is intended to increase national security by expanding activities to control our borders. At the highest level, this initiative helps prevent the movement of people, money, and materials across the Southwest Border that could harm the nation and its people. Plans include increasing enforcement staffing, improving cooperative efforts with the Mexican government, and establishing another Border Violence Intelligence Cell.

Salaries and Expenses

FY 2011 Request: \$499.771 million
(Includes +\$22.033 million in program changes)

Salaries and Expenses funding contributes to the ICE mission of bringing a unified and coordinated focus to the enforcement of federal immigration laws and customs laws. This includes combating terrorism, illicit drugs, and illegal immigration activities through the investigation, detainment, and prosecution of criminal aliens and other aliens, domestic gangs, as well as those participating in organized criminal activities that are intended to do harm to the

infrastructure and/or inhabitants within the United States. This funding also supports the following ICE investigative, intelligence, and international affairs activities:

Investigative Activities

FY 2011 Request (\$487.025 million): The FY 2011 request includes \$487.025 million to support the Office of Investigation's (OI) drug-related activities. OI agents are confronted with numerous challenges in the effort to combat drug traffickers and, ultimately, reduce the amount of illegal drugs introduced into the United States. Drug smuggling organizations continue to develop sophisticated methods to smuggle drugs into the United States by developing new techniques, organizing internal conspiracies (i.e., criminals target corrupt personnel within a company or transportation industry to introduce contraband into otherwise legitimate cargo or conveyances), exploiting various transshipment routes, and attempting to corrupt law enforcement officers. Resources and support for investigative efforts are enhanced through increased coordination and cooperation with other Federal, State, local, and foreign law enforcement agencies and through participation in task forces, such as OCDETF, HIDTA and High Intensity Financial Crime Area programs.

ICE's membership in OCDETF is an important factor in the agency's success in dismantling drug trafficking organizations. ICE dedicates resources to participate in OCDETF investigations targeting major drug smuggling organizations. One example is *Operation Panama Express*, which is a Federally-approved OCDETF investigation targeting Colombian narco-trafficking organizations.

OI resources also support ICE's involvement in BESTs. Implemented in FY 2006, the BESTs coordinate DHS law enforcement activities in cooperation with other law enforcement entities to develop a comprehensive approach that identifies, disrupts, and dismantles criminal organizations posing significant threats to border security. The BEST concept was developed in response to the increased threat from cross-border smuggling and trafficking organizations operating along our nation's borders. In FY 2011, additional funds are requested to establish three additional BESTs in New York, California, and Hawaii.

In further support of collaborative efforts, OI funds support ICE's active participation in the DEA SOD - a multi-agency coordination unit consisting of representatives from several Federal agencies that include DEA, FBI, and Internal Revenue Service (IRS). The ICE Special Operations Unit (SOU), which is part of SOD, targets the command and control communication devices employed by criminal organizations operating across jurisdictional boundaries on a regional, national, and international level. ICE SOU personnel focus on communications information generated during ICE field investigations and coordinate this information with other law enforcement agencies, foreign and domestic, to maximize efforts to disrupt and dismantle targeted organizations.

With regard to financial investigations, ICE OI resources also fund operations that target the systems used by international criminal organizations to launder the proceeds of their criminal activities. The Cornerstone initiative, for example, focuses on coordination and cooperation with other domestic and foreign law enforcement agencies and the private sector to eliminate

vulnerabilities in U.S. financial systems and disrupt and dismantle alternative financing mechanisms that terrorists and other criminals use to earn, move, and store illicit funds.

Also, the Trade Transparency Unit (TTU) and Money Laundering Coordination Center (MLCC) provide the analytical infrastructure to support financial and trade investigations. The TTU provides the capability to identify and analyze complex trade-based money laundering systems, such as the estimated \$5 billion-per-year drug money-laundering scheme known as the Black Market Peso Exchange (BMPE). The TTU has the unique ability to not only analyze domestic trade and financial data, but also trade and financial data of foreign cooperating partners.

Finally, OI resources allow ICE to conduct specialized investigative training focused on bulk cash smuggling (BCS) for State and local police officers and Assistant U.S. Attorneys. ICE's investigations and aggressive enforcement activities against BCS help stem the flow of funds that fuel narcotics trafficking and criminal activities worldwide.

FY 2011 Total Changes (+\$21.852 million increase from FY 2010): The OI FY 2011 request provides an additional \$21.852 million to fund the expansion of existing facilities and the creation of three new BEST facilities. These new teams will focus on all aspects of the enforcement process, from interdiction to prosecution and removal. The goals of the expansion is to strengthen the program's ability to dismantle the leadership and supporting infrastructure of the criminal organizations responsible for perpetrating violence and illegal activity along the border and in the nation's interior. The BEST program is a critical cornerstone of the Secure Border Initiative program. The request also funds an increase of investigative mission support staff in field offices nationwide to assist ICE Special Agents performing criminal investigations.

Intelligence Activities

FY 2011 Request (\$8.426 million): The FY 2011 request includes \$8.426 million to support drug-related intelligence operations. Intelligence provides strategic investigative support as requested by all ICE investigative, detention and removal components, as well as many other departmental entities, in disrupting the flow of drugs by collecting and analyzing all-source information and disseminating strategic intelligence to the appropriate component.

FY 2011 Total Changes (+\$0.15 million increase from FY 2010): The FY 2011 request provides for an increase of \$.15 million to fund additional analysis and support to DHS components' requests for strategic intelligence information, assessments, and reports.

International Affairs Activities

FY 2011 Request (\$4.32 million): The FY 2011 request includes \$4.32 million to support the Office of International Affairs (OIA) drug-related operations. OIA works with foreign counterparts in combating transnational crimes including narcotics smuggling. Based on a formal Memorandum of Understanding, all ICE foreign narcotics investigations are coordinated with the DEA.

ICE will use these OIA funds to support its strategy to attack the vulnerabilities of drug trafficking organizations, disrupt key business sectors, and weaken the economic basis of the drug trade. The illegal drug market in the U.S. is based on illegal narcotics grown or manufactured in foreign countries and smuggled across our nation's borders. ICE agents enforce a wide range of criminal statutes including Title 18 and Title 19 of the U.S. Code. These statutes address general smuggling issues and customs violations. ICE, in collaboration with the DEA, also enforces Title 21, which covers the importation, distribution, manufacture and possession of illegal narcotics.

FY 2011 Total Changes (\$.031 million): An increase of \$.031 million is reflected in the FY 2011 President's Budget request for ICE International Affairs activities, when compared to the FY 2010 Enacted level. This increase reflects technical adjustments to the base for current services which support ICE OIA's activities supporting international investigations involving transnational criminal organizations.

V. United States Coast Guard (USCG)

Resource Summary

Table 3. USCG Drug Resource Summary

	Budget Authority (\$ in millions)			Change
	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	
Drug Resources by Function				
Interdiction	\$1,094.788	\$1,157.852	\$1,205.446	+\$47.594
Research & Development	2.078	4.403	2.678	-1.725
Total Drug Resources by Function	\$1,096.866	\$1,162.255	\$1,208.124	+\$45.869
Drug Resources by Decision Unit				
Acquisition, Construction and Improvements	\$332.048	\$365.473	\$398.835	+\$33.362
Operating Expenses	747.085	776.569	790.486	+13.917
Research & Development	2.078	4.403	2.678	-1.725
Reserve Training	15.655	15.810	16.125	+0.315
Total Drug Resources by Decision Unit	\$1,096.866	\$1,162.255	\$1,208.124	+\$45.869
Drug Resources Personnel Summary				
Total FTEs (direct only)	5,967	6,099	6,119	+20
Drug Resources as a Percent of Budget				
Total Agency Budget	\$10,116	\$10,418	\$10,078	-\$340
Drug Resources Percentage	10.87%	11.16%	11.99%	+.83%

In the FY 2011 President's Budget, USCG requests \$1,208.124 million in drug-related resources, which represents a \$45.869 million increase above the FY 2010 Enacted level. These funds support the recapitalization of increasingly outdated and unreliable assets and infrastructure that support the USCG Drug Interdiction mission.

Acquisition, Construction and Improvements

FY 2011 Request (\$398.835 million): The FY 2011 President's Budget provides funding to continue replacement or refurbishment of increasingly outdated and unreliable assets. This is the Coast Guard's top budget priority and is crucial to preserving the Coast Guard's future capabilities to support the Drug Interdiction mission.

National Security Cutter (NSC) #1 (CGC BERTHOLF) is operational and already delivering results. On her maiden patrol, she pursued drug traffickers yielding a drug bust

of over two tons of marijuana and \$8 million worth of other drugs. The second NSC, CGC WAESCHE, will be operational by the end of FY 2011. NSC #3 and NSC #4 are expected to be operational in FY 2013 and FY 2014, respectively.

FY 2011 recapitalization priorities include funding for the production of NSC #5, the HC-144A MPA, the 150-foot Fast Response Cutter (FRC), and the 45-foot Response Boat Medium (RB-M). These are replacing assets that have reached the end of their service lives. Six HC-144A MPAs and three additional HC-144A aircraft will enter service in FY 2011. The first FRC will begin operations in Miami in FY 2011. The increased range, endurance, surveillance, and command and control capability of these assets will visibly improve the Coast Guard's capabilities in FY 2011.

FY 2011 Total Changes (+\$33.362 million): Of the additional funding provided in the FY 2011 President's Budget to operate these newly-acquired assets, \$33.362 million is attributed to the USCG Drug Interdiction mission. These funds also support critical investments in logistics, command and control, communications, intelligence, and information technology programs needed to support them.

Operating Expenses

FY 2011 Request (\$790.486 million): The FY 2011 President's Budget includes a targeted deployable law enforcement capability enhancement to mitigate emergent terrorism and border security risks, including the illegal flow of drugs. This funding provides for a maritime interdiction presence throughout the transit and arrival zones, primarily in support of Joint Interagency Task Force-South operations. These operations are conducted in the deep Caribbean and Eastern Pacific, along the major maritime drug trafficking corridors near Central America, Mexico and the Caribbean nations, and in the vicinity of U.S. maritime boundaries with Mexico, Cuba, Hispaniola, and The Bahamas. In addition, the Coast Guard routinely exercises bilateral agreements with 26 countries in the source and transit zones. The Coast Guard, in coordination with DHS and the Department of State, is actively seeking a bilateral arrangement with the Government of Mexico. These efforts complement international and other Federal, State and local law enforcement agencies' efforts to stop the flow of illegal drugs into the United States.

FY 2011 funding will also support the continued deployment of Airborne Use of Force (AUF) helicopters designed to stop the go-fast boat smuggling threat, and the extensive USCG participation in the OCDETF.

The FY 2011 President's Budget also enhances deployable Law Enforcement Detachment (LEDET) team capacity to mitigate threats in the maritime domain. LEDETs embark on naval assets to primarily support the Drug Interdiction and National Defense Readiness missions. In FY 2009, the deployment of USCG LEDETs aboard U.S. Navy and Partner Nation warships accounted for over 50 percent of total cocaine removals in the Western Hemisphere maritime transit zone. The FY 2011 President's Budget will bring all 18 LEDET teams to their full operational capacity and the USCG will continue to work closely with the Department of Defense and international partners to provide platforms to leverage the full benefit of this enhanced LEDET capacity.

The FY 2011 President's Budget also annualizes new funding provided by Congress in FY 2010 for counterdrug operations and provides funds to operate and maintain newly-acquired assets delivered through Coast Guard recapitalization programs, including new RB-Ms, NSCs, FRCs, HC-144 aircraft and armed helicopters that support USCG's Drug Interdiction mission.

FY 2011 Total Changes (+\$13.917 million): Of the additional funding provided in the FY2011 President's Budget for pay, annualization of prior year funding and operation of newly-acquired assets delivered through Coast Guard recapitalization programs, \$13.917 million is attributed to the USCG Drug Interdiction mission.

Research and Development

FY 2011 Request (\$2.678 million): Specific projects within the Research, Development, Test and Evaluation (RDT&E) appropriation support USCG's drug interdiction operations.

FY 2011 Total Changes (-\$1.725 million): FY 2011 funding will allow the Coast Guard to continue to support development of technologies to improve detection of hidden contraband; upgrade tactical communications systems to improve interagency coordination command, and control; and develop technologies that give operational commanders a wider range of options to stop non-compliant (fleeing) vessels, such as drug-smuggling go-fast and self-propelled semi-submersible vessels.

Reserve Training

FY 2011 Request (\$16.125 million): Reserve Training (RT) supports Selected Reserve personnel, who support and operate facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all operations, including drug interdiction operations.

FY 2011 Total Changes (+\$.315 million): The Budget includes an increase of \$.315 million for drug-related Reserve Training.

VI. Office of Counternarcotics Enforcement (CNE)

Resource Summary

Table 4. CNE Drug Resource Summary

	Budget Authority (\$ in millions)			Change
	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	
Drug Resources by Function				
Intelligence	\$0.339	\$0.326	\$0.350	+\$0.024
Interdiction	2.956	2.858	3.063	+0.205
International	0.005	0.005	0.005	---
Investigations	0.416	0.421	0.451	+0.030
Research & Development	0.002	0.002	0.003	+0.001
Total Drug Resources by Function	\$3.718	\$3.612	\$3.872	+\$0.260
Drug Resources by Decision Unit				
Salaries and Expenses	\$3.718	\$3.612	\$3.872	+\$0.260
Total Drug Resources by Decision Unit	\$3.718	\$3.612	\$3.872	+\$0.260
Drug Resources Personnel Summary				
Total FTEs (direct only)	13	15	15	---
Drug Resources as a Percent of Budget				
Total Agency Budget	\$3.718	\$3.612	\$3.872	+\$0.26
Drug Resources Percentage	100%	100%	100%	---

In the FY 2011 President's Budget, CNE requests current services funding of \$3.872 million, which is a net increase of \$.260 million from the FY 2010 Enacted level.

Salaries and Expenses

Total FY 2011 Request: \$3.872 million
(Includes +\$.260 million in adjustments to the base)

As the principal advisor to the Secretary, the CNE Director supports the Secretary by coordinating counternarcotics policy and operations, reviewing and evaluating the Department's counterdrug activities, ensuring the adequacy of the Department's counternarcotics resources, recommending changes to improve the performance of the Department in meeting its responsibility to stop the entry of illegal drugs into the United States, and, within the Joint Terrorism Task Force construct, tracking and severing connections between illegal drug trafficking and terrorism. The CNE Director also serves as a DHS representative on all task forces, committees, and other entities whose purpose is to coordinate the Department's counternarcotics programs, budgets, and enforcement activities.

The following is a summary of key CNE activities and functions which are supported with Salaries and Expenses funding:

Drug-Terror Nexus Coordination

CNE's Drug-Terror Nexus Division works closely with the Department's intelligence, and law enforcement entities to assist in tracking and severing connections between illegal drug trafficking and terrorism. CNE works within the DHS enterprise and the interagency to implement recommendations that will address identified vulnerabilities in drug-terror linkages. CNE is also promoting interagency collaboration and information sharing between law enforcement and intelligence entities on the connections between illegal drug trafficking and terrorism.

In FY 2010, CNE, in collaboration with ICE, sponsored a U.S.-Mexico Bi-National Criminal Proceeds Study, which provides information on the processes and mechanisms employed by transnational criminal organizations to repatriate their ill-gotten revenues from the United States to Mexico and other countries. This study was conducted with comprehensive input from U.S. and Mexican interagency partners, and was jointly led by ICE, CNE, and the GOM Ministry of Finance's Financial Intelligence Unit. This study will assist in the development of bilateral law enforcement operations in FY 2011 to attack the ability of criminal organizations to move their monies.

In FY 2011, CNE will initiate an investigations data accountability mechanism within DHS, which can facilitate the tracking of linkages between drug trafficking organizations and foreign terrorist organizations. CNE, in collaboration with ICE, will develop recommended protocols for ensuring that, during the course of all investigations, law enforcement agents include questions in their interviews to identify if investigations of drug trafficking organizations reveal any linkages to foreign terrorist organizations.

Program, Budget, Resources, and Evaluation

CNE's Program, Budget, Resources, and Evaluation Division collaborates with DHS Components in reviewing and evaluating the Department's counterdrug activities, ensuring the adequacy of the Department's counternarcotics resources, and recommending changes to improve the performance of the Department in meeting its responsibility to stop the entry of illegal drugs into the United States.

In FY 2011, CNE will continue its efforts to fully integrate budget evaluation and performance evaluation into planning efforts, analyze the Department's counternarcotics spending in a more strategic context, find potential efficiencies in the Department's drug interdiction efforts, and develop recommendations for improving the effectiveness and unity of effort of the Department's counternarcotics enterprise. This will enhance CNE's ability to meet its statutory requirements to ensure the adequacy of the Department's counternarcotics resources and recommend the appropriate financial and personnel resources necessary to support the Department's counternarcotics mission activities. The long-term goal is to help the Department respond to illegal drug threats and better articulate its counterdrug accomplishments.

CNE is collaborating with DHS Components in developing and utilizing performance measures to assess the efficiency and effectiveness of the Department's counternarcotics mission activities. Through this process, CNE will develop findings and recommendations related to the procurement, deployment, and utilization of DHS counternarcotics resources to improve the department's counternarcotics mission performance.

CNE intends to establish a formal process to ensure it reviews annual Drug Control Budget guidance issued by ONDCP and provides inputs to DHS Components responsible for incorporating that guidance into their annual Drug Control Budget submissions. This process will include reviewing Component budget requests to assess their adequacy in fulfilling ONDCP guidance and the objectives set forth in the President's National Drug Control Strategy, DHS Quadrennial Homeland Security Review, Future Years Homeland Security Program, DHS Integrated Planning Guidance, and the United States Interdiction Coordinator (USIC) Interdiction Planning Guidance.

CNE formulates and submits the Department's annual Statement of Intent (SOI) to the USIC. As required by the *National Interdiction Command and Control Plan (NICCP)*, the SOI articulates how the Department intends to fulfill resource requirements, submitted by Joint Interagency Task Force South, Joint Interagency Task Force West, and the Air and Marine Operations Center, for the next fiscal year. The SOI assists operational commanders in allocating the Department's resources to collect drug-related intelligence and support interdiction operations against drug smugglers in South and Central America, as well as the Gulf of Mexico, Caribbean, and Eastern Pacific regions. The FY 2011 Statement of Intent will be submitted to the United States Interdiction Coordinator by October 31, 2010. As part of this process, CNE collaborates with Components to reconcile differences between intended versus actual levels of counternarcotics support provided during the previous fiscal year.

Legal and Legislative Affairs

CNE's Legal and Legislative Affairs Division works closely with other CNE Divisions and other DHS Components to identify opportunities to improve the efficiency and effectiveness of the Department's counternarcotics efforts by developing recommendations and proposals to eliminate gaps in statute. The Division also works with DHS Components to identify opportunities to support Congressional hearings, briefings, and Congressional/staff delegations with information on the Department's counternarcotics policies, resources, performance, and operations coordination. The Division has the lead for responding to legislative review memoranda, reviewing Congressional testimony and Inserts for the Record, responding to Congressional correspondence, and developing and reviewing proposed responses to Questions for the Record.

In FY 2011, CNE will collaborate with DHS Component leadership and professional staff to identify, develop, and coordinate recommendations for changes in legislation that will improve the efficiency and effectiveness of the Department's counternarcotics programs and activities. This includes working with other Federal entities to synchronize the Department's efforts to identify gaps and seams in current statutes that could benefit from legislative changes, as well as

expanding the CNE Director's outreach to ensure Congressional members are kept current on emerging issues affecting the effectiveness and efficiency of DHS counternarcotics programs, operations, and activities.

Operations and Policy Coordination

CNE works closely with DHS Components and other Federal departments to coordinate counternarcotics policies and operations. CNE led a Department-wide effort to create a *DHS Counternarcotics Doctrine*, which was approved by Secretary Napolitano on June 15, 2010. This document reflects the best practices and fundamental operating principles of the Department's counternarcotics enterprise. In FY 2011, CNE will collaborate with Components to help ensure the Doctrine's tenets facilitate the Department's efforts to plan, resource, support, and conduct counternarcotics activities.

In the wake of the promulgation of the *2010 National Drug Control Strategy*, CNE is coordinating the DHS Components' efforts in providing required progress reports on the status of the Department's support to the *Strategy's* implementation. These reports will be provided in compliance with ONDCP's Performance Reporting System (PRS). The *Strategy* assigns the Department of Homeland Security a lead role for the following seven action items: (1) improving intelligence exchange and information sharing; (2) developing a national plan for the southbound interdiction of currency and weapons; (3) coordinating efforts to secure the Northern Border against drug-related threats; (4) denying use of POEs and routes of ingress and egress between POEs; (5) disrupting surveillance operations of drug trafficking organizations; (6) developing a national parcel post initiative; and (7) disrupting illicit drug trafficking in the transit zone. The Secretary of Homeland Security has designated CNE to facilitate and support the Department's role in implementing the *Strategy*. CNE, in turn, has established a tracking mechanism for monitoring the Department's support to these seven action items, as well as 27 other action items being led by other Federal agencies. CNE also is assisting ONDCP in developing performance measures and targets for gauging the progress in achieving the *Strategy's* five-year objectives.

As part of the broader CNE initiative to promote inter-Departmental coordination on counternarcotics issues, CNE created a *CNE State, Local, Tribal, and Territorial Outreach Plan*. In FY 2011, CNE will oversee the implementation of this plan, in coordination with the DHS Office of Intergovernmental Affairs and Office for State and Local Law Enforcement.

International Drug Trafficking and Interdiction

CNE's International Drug Trafficking and Interdiction Division is focusing on enhancing the coordination of DHS drug interdiction efforts along U.S. borders and in the arrival, transit, and source zones. In FY 2011, CNE will develop options for facilitating the Department's capacity building efforts with international partners in areas of operations, training, and mentoring, as they relate to counternarcotics and strategic planning development. This includes coordinating the Department's inputs to major U.S. interdiction policy and strategic planning documents, such as the NICCP, IPG, and the Maritime Interdiction Investment Plan (MIIP) – a document being developed by an interagency working group, which will set forth prioritized, non-binding recommendations for U.S. Government investments in Western Hemisphere Partner Nations'

maritime interdiction capabilities and capacities. These efforts support the CNE Director's responsibility to coordinate the Department's international drug interdiction activities and international interdiction issues with the interagency, to include ONDCP, USIC, and The Interdiction Committee (TIC), as well as various drug interdiction task forces.

The CNE Director is a principal member of TIC - an advisory body to the USIC and the Director of ONDCP. In this role, CNE assists the TIC Chairman in (1) reviewing the operations of the Joint Interagency Task Forces South and West and CBP's Air and Marine Operations Center; (2) developing interagency recommendations for better integrating detection, monitoring, and law enforcement with interdiction efforts to more effectively disrupt international drug trafficker transportation and distribution systems; and (3) providing advice with respect to the operational adequacy, integration, and utilization of interdiction assets, as well as any other matters that may bear on the accomplishment of operational interdiction objectives. In FY 2011, CNE will provide the Department's recommendations to The Interdiction Committee Chairman concerning options for improving unity of effort for drug interdiction activities along the border. This includes exploring concepts for facilitating and increasing information sharing, as well as developing options for establishing an Arrival Zone National Task Force.

CNE has also participated in Counternarcoterrorism Planning and Coordination Conferences held at Joint Interagency Task Force South. These interagency meetings, which also include representatives from foreign countries, facilitate the planning, coordination, integration and synchronization of international counternarcoterrorism operations in the Western Hemisphere drug transit and source zones. During these conferences, country teams and interagency representatives brief their counternarcotics programs and initiatives. CNE has provided input to the agenda and conference structure to ensure these meetings address issues affecting DHS asset configuration, force allocation, scheduling, employment, and lessons learned.

FY 2011 Funding Changes (+\$.260 million): The \$.260 million increase reflects technical adjustments to the base for current services.