
LEGISLATION AND POLICY

Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2008

Memorandum for the Secretary of State

[Released September 17, 2007 by the office of the White House Press Secretary.]

Pursuant to section 706(1) of the *Foreign Relations Authorization Act, Fiscal Year 2003* (Public Law 107-228) (FRAA), I hereby identify the following countries as major drug transit or major illicit drug producing countries: Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, and Venezuela.

A country's presence on the Majors List is not necessarily an adverse reflection of its government's counternarcotics efforts or level of cooperation with the United States. Consistent with the statutory definition of a major drug transit or drug producing country set forth in section 481(e)(2) and (5) of the *Foreign Assistance Act of 1961* (FAA), one of the reasons that major drug transit or illicit drug producing countries are placed on the list is the combination of geographical, commercial, and economic factors that allow drugs to transit or be produced despite the concerned government's most assiduous enforcement measures.

Pursuant to section 706(2)(A) of the FRAA, I hereby designate Burma and Venezuela as countries that have failed demonstrably during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. Attached to this report are justifications for the determinations on Burma and Venezuela, as required by section 706(2)(B). I have also determined, in accordance with the provisions of section 706(3)(A) of the FRAA, that support for programs to aid Venezuela's democratic institutions is vital to the national interests of the United States.

Although President Karzai has strongly attacked narcotrafficking as the greatest threat to Afghanistan, one third of the Afghan economy remains opium-based, which contributes to widespread public corruption, damage to licit economic growth, and the strengthening of the insurgency. The government at all levels must be held accountable to deter and eradicate poppy cultivation, remove and prosecute corrupt officials, and investigate and prosecute or extradite narcotraffickers and those financing their activities. We are concerned that failure to act decisively now could undermine security, compromise democratic legitimacy, and imperil international support for vital assistance.

In Afghanistan, one model for success can be drawn by comparing the marked differences in cultivation between the northern and southern provinces. Several northern provinces contributed to a decline in poppy cultivation resulting from a mixture of political will and incentives and disincentives, such as public information, alternative development, and eradication. Furthermore, several northern provinces with very low amounts of poppy are well on their way to becoming poppy free.

Despite the significant progress made in Afghanistan since 2001, the country continues to face tremendous challenges. Our struggle to win hearts and minds, while confronting the insurgency, continues to directly hinge on our ability to help the Afghan government produce visible results. We

need to encourage a firm belief among the Afghan people that their national government is capable of delivering an alternative to the preceding decades of conflict. Our reconstruction assistance is an essential instrument to achieve that goal.

Bolivian counternarcotics cooperation has been uneven. The Bolivian government has cooperated closely on interdiction, and operations and seizures have reached record levels. The government is on track to reach 5,600 hectares of eradication this year, surpassing its goal of 5,000 hectares.

However, these measures have been outstripped by replanting and expansion of cultivation in Bolivia, the world's third-largest producer of coca. The Government of Bolivia's policy of "zero cocaine, but not zero coca" has focused primarily on interdiction, to the exclusion of its other essential complements, especially coca crop eradication. We strongly encourage the Government of Bolivia to make its number one priority the reduction and eventual elimination of excess coca crops, a major source of illegal cocaine for the hemisphere, Europe, the United States, and increasingly, for Bolivian citizens. In the area of drug control policy development, we urge the Government of Bolivia to revamp its national drug control strategy to eliminate permissiveness in licit cultivation, to abolish the so-called "cato" exemption, and to tighten controls on the sale of licit coca. As a party to the three major United Nations drug conventions, we urge Bolivia to move quickly to adopt and implement a modern anti-money/counterterrorism financing law, and take concrete steps to strengthen and better enforce precursor chemical controls and its asset forfeiture regime.

The United States enjoys close cooperation with Canada across a broad range of law enforcement issues. We remain concerned that the production of high-potency, indoor-grown marijuana for export to the United States continues to thrive in Canada in part because growers do not consistently face strict legal punishment. The marijuana industry in Canada is becoming increasingly sophisticated, with organized crime groups relying on marijuana sales as the primary source of income and using profits to finance other illegal activities. The production of synthetic drugs such as MDMA/Ecstasy and methamphetamine, some of which are exported to the United States, appears to be on the rise in Canada. The Government of Canada has made a serious effort to curb the diversion of precursor chemicals that are required for methamphetamine production to feed domestic and U.S. illegal markets and has worked productively with the United States in joint law enforcement operations that disrupted drug and currency smuggling operations along both sides of the border.

The Government of Ecuador has made considerable progress in combating narcotics trafficking destined for the United States. However, a dramatic increase in the quantity of cocaine transported toward the United States using Ecuadorian-flagged ships remains an area of serious concern. Effective cooperation and streamlined maritime operational procedures between the U.S. Coast Guard and Ecuadorian Navy are resulting in an increase in the amount of cocaine interdicted. Building on that cooperation, we will work with Ecuador to change the circumstances that make Ecuadorian-flagged vessels and Ecuadorian citizenship so attractive to drug traffickers.

Guinea-Bissau is becoming a warehouse refuge and transit hub for cocaine traffickers from Latin America transporting cocaine to Western Europe. Narcotics traffic is becoming yet another hurdle for Guinea-Bissau as it emerges from civil conflict. International donors and organizations are working to encourage and assist Guinea-Bissau in its efforts to confront organized cocaine trafficking networks that would use the country for warehousing and transshipment. These efforts are certainly appropriate and should be supported and advanced to deter illegal drug activities in Guinea-Bissau.

India has an exemplary record on controlling its licit opium production and distribution process, despite formidable challenges to its efforts. The Government of India can be correctly proud of its diligent law enforcement agencies and the introduction of high-tech methods, including "Smart Cards" for each licensed opium farmer. Recently, Indian enforcement officials identified and destroyed substantial illicit opium poppy cultivation in areas thought to be free of illicit cultivation in

the past. Indian officials will want to investigate the circumstances of this surprisingly large illicit cultivation to identify those behind this disquieting phenomenon and arrest, prosecute, and convict them.

Nigeria has made progress on many narcotics control and anti-money laundering benchmarks. There is reason to be hopeful. The Economic and Financial Crimes Commission has seized millions in the proceeds of crime, anti-money laundering efforts have been successful, and Nigeria is cooperating with the international community to improve its efforts against money laundering even more. Still necessary are procedural reforms to streamline extradition procedures. For many narcotics criminals no sanction is more effective than the fear they could face a court and jail time in the countries to which they have trafficked narcotics. Nigeria should also re-double its efforts to use its frequent apprehension of street criminals and couriers to identify and prosecute major drug traffickers.

You are hereby authorized and directed to submit this report under section 706 of the FRAA, transmit it to the Congress, and publish it in the *Federal Register*

GEORGE W. BUSH
President of the United States