

MEMORANDUM OF JUSTIFICATION FOR
MAJOR ILLICIT DRUG TRANSIT
OR ILLICIT DRUG PRODUCING COUNTRIES FOR FISCAL YEAR 2015

Bolivia

During the past 12 months, the Bolivian government has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489 (a) (1) of the Foreign Assistance Act (FAA) of 1961, as amended.

Bolivia is one of the world's three largest producers of coca leaf for cocaine and other illegal drug products. Bolivia seriously compromised its ability to interdict drugs and major traffickers when the country expelled U.S. Drug Enforcement Administration (DEA) personnel in 2009, harming its ability to conduct counternarcotics operations and cooperate on international illicit drug interdiction. Due to a lack of sufficient cooperation from the Bolivian government on counternarcotics activities, the United States Government closed the International Narcotics and Law Enforcement Affairs section at U.S. Embassy La Paz in 2013.

Bolivia has not maintained adequate controls over licit coca markets to prevent diversion to illegal narcotics production nor closed illegal coca markets. Bolivia also failed to develop and execute a national drug control strategy. Unlike other coca growing countries, Bolivia has not implemented many of the U.N.-mandated controls over coca. In 2011, Bolivia also withdrew from the 1961 U.N. Single Convention on Narcotic Drugs, one of the essential cornerstones of international cooperation in drug-related matters, and re-acceded in 2013 with a reservation permitting coca to be used only within Bolivia and for traditional, cultural, and medicinal purposes. At the same time, Bolivia continues to promote the worldwide cultivation and commercialization of coca leaf products, contrary to the conventions' foundational premises and Bolivia's own reservation. Given the substantial number of coca crops already grown in Bolivia, the difficulty the country has had policing illegally grown coca, and the diversion from licit coca markets to illicit ones, this reservation encourages coca growth by promoting cultivation and commercialization and adds to the complication of distinguishing between illegally and legally grown coca. The United States remains concerned about Bolivia's intent by this action to limit, redefine, and circumvent the scope and control for illegal substances as they appear in the

U.N. Schedule I list of narcotics. The United States was one of 15 states parties formally objecting to Bolivia's reservation to the 1961 Convention. Objections from 61 states were needed to prevent Bolivia's reservation.

Bolivian government policies and actions are not in line with international drug control standards. Such policies include Bolivia's promotion of the idea that coca leaf can be used generally for commercial products, as well as its de facto allowance of 20,000 hectares of legal cultivation, 8,000 hectares over the 12,000 hectare limit set by the country's own law, and roughly 6,000 more than the European Union determined was needed for Bolivia's consumption needs.

On November 19, 2013, the Bolivian government released key findings of a study funded by the European Union to identify the amount of legal cultivation needed to support traditional coca consumption. Initial reports indicate that no more than 14,705 hectares of coca are needed.

The United States encourages Bolivia to strengthen its efforts to achieve tighter controls over the trade in coca leaf to stem diversion to cocaine processing, in line with international treaties; protect its citizens from the deleterious effects of drugs, corruption, and drug trafficking; and significantly reduce coca cultivation.

To diminish Bolivia's appeal as a convenient trafficking venue for drug smuggling, further government action is required. Bolivia needs to improve the legal and regulatory environment for security and justice sector institutions to effectively combat drug production and trafficking, money laundering, corruption, and other transnational crime, and to bring criminal enterprise to justice through the rule of law.

While Bolivia continues to make drug seizures and arrests of implicated individuals, the Bolivian judicial system is not adequately processing these cases to completion. Bolivian law requires that an arrestee be formally charged within 18 months of arrest. An overwhelming majority of the incarcerated population in Bolivia, however, has not been formally charged in accordance with Bolivian law. The number of individuals who have been convicted and sentenced on drug charges in Bolivia has remained stagnant over the last several years and has not increased in proportion to the number of arrests.

In accord with U.S. legislation, the determination that Bolivia has failed demonstrably to make substantial efforts to adhere to its obligations under international counternarcotics agreements and to take counternarcotics measures set forth in the FAA, does not result in the withholding of humanitarian and counternarcotics assistance.

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Burma

During the past 12 months, the Burmese government has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489 (a)(1) of the Foreign Assistance Act of 1961 (FAA), as amended. However, during this period, the Burmese government has undertaken political and economic reforms to address many of the United States longstanding concerns regarding governance, democratization, and human rights. Given the government's demonstrated commitment to reform and increased collaboration with the United States Government, it is in the interest of the United States Government to grant Burma a national interest waiver.

According to the 2014 International Narcotics Control Strategy Report, Burma remains the second largest cultivator of illegal opium poppy in the world. Recent estimates show that Burma had 57,814 hectares under cultivation in 2013, a 13 percent increase reported over 2012. Although opium poppy and/or heroin are trafficked through all of Burma's porous borders, the most significant routes lead to China and Thailand. The Mekong River is also a vital trafficking route, and there are growing signs of new routes to the western part of Burma for onward trafficking to South Asia. Since 1996, there has been a sharp increase in production, consumption, and export of synthetic drugs, especially amphetamine-type stimulants (ATS). ATS attributed to Burma are trafficked along new routes to Thailand, China, and Laos. Reports from India, Nepal, and Bangladesh indicate that South Asia is also increasingly affected by the trafficking of methamphetamine pills originating in Burma.

According to Burmese statistics, law enforcement officers destroyed 12,288 hectares of opium poppies in 2013 compared to 23,584 hectares in 2012 and 7,058 hectares in 2011. Such government statistics cannot be independently verified. Furthermore, U.S. and U.N. reporting often reflect the fact that eradication occurs after the poppies have been harvested.

On the positive side, the Government of Burma has intensified its focus on increasing the country's capacity to conduct counternarcotics activities. The Central Committee for Drug

Abuse Control (CCDAC), chaired by the Minister of Home Affairs, is in the process of restructuring and expanding its counternarcotics task force, pledging to fight drug production, trafficking, and drug use. Over the course of the past year, the CCDAC has expanded its task forces from 26 to 50 units located throughout the country, with a greater presence in high-traffic areas such as Shan and Rakhine states. Notwithstanding these efforts, counternarcotics police officers still lack adequate training and resources to sufficiently address the breadth of the country's narcotics problems.

Burma has indicated a willingness to work regionally on counternarcotics initiatives, including those coordinated through the U.N. Office on Drugs and Crime (UNODC). Burma continues to cooperate with the United States and is increasing engagement with the international community. Through the Lower Mekong Initiative Program, for instance, Burma, Cambodia, China, Laos, Thailand, and Vietnam are cooperating regularly in the fight against illegal drugs and other forms of transnational crime which pose a significant threat to the region.

Despite these improvements, Burma's current counternarcotics performance is not sufficient to meet its international counternarcotics cooperation obligations. The Burmese government needs to dedicate adequate resources to its counternarcotics efforts, increase illegal crop eradication in a timely and comprehensive manner, and redouble its efforts to obtain and maintain ceasefires with ethnic minorities, which would allow for increased access to areas with high drug cultivation, trafficking, and use. In addition, credible reporting from non-governmental organizations and the media claim that mid-level military officers and government officials are engaged in drug-related corruption, though no military officer above the rank of colonel has ever been charged with drug-related corruption. As a matter of policy, the Burmese government does not encourage or facilitate the illicit production or distribution of drugs, or the laundering of proceeds from illegal drug transactions.

The U.S. decision to grant Burma a national interest waiver for the third year in a row reflects political change taking place in Burma and the country's interest in improving its international drug control cooperation. Burma and the United States carried out a joint opium yield survey in early 2013 and supported Burmese participation at the International Law Enforcement Academy in Bangkok. The United States is supporting expanded counternarcotics programming including a

poppy cultivation survey carried out by the UNODC, interdiction training opportunities, and drug demand reduction activities.

Burma has signed, but not ratified, the 1988 U.N. Convention.

In accordance with Section 481 (e) (4) of the FAA, the determination that Burma has failed demonstrably does not result in the withholding of humanitarian and counternarcotics assistance. It is in the vital interest of the United States to grant a national interest waiver to Burma.

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Venezuela

During the past 12 months, the Venezuelan government failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to uphold the counternarcotics measures set forth in section 489(a) (1) of the Foreign Assistance Act of 1961 (FAA), as amended. A national interest waiver for 2015 for Venezuela permits support for programs vital to the national interests of the United States, such as democracy building and human rights advocacy.

Venezuela's porous western border with Colombia, weak judicial systems, selective and inadequate international counternarcotics cooperation, and permissive and corrupt environment make the country one of the preferred trafficking routes for illegal drugs leaving South America. As a matter of government policy, Venezuela does not encourage or facilitate illegal activity involving drug trafficking. However, credible reporting indicates that individual members of the government and security forces engaged in or facilitated drug trafficking activities. In the last 2 years, nearly all detected illegal drug flights arriving in Honduras, the region's largest center for airborne drug smuggling, originated from Venezuela. Moreover, the majority of detected illegal flights departing Central America and returning to South America landed first in western Venezuela. In 2013, Venezuelan officials also reported disabling and/or destroying 30 aircraft and destroying 108 clandestine airstrips. As implemented, some of these actions are contrary to international civil aviation conventions to which Venezuela is a signatory.

Venezuelan authorities reported seizing 46 metric tons of illegal drugs in 2013 compared to 45 in 2012. While Venezuela publically reports such seizures, it does not systematically share the data or evidence needed to verify the destruction of the drugs. The government also published statistics on arrests and convictions for drug possession and trafficking, though it did not provide information on the nature or severity of the drug arrests or convictions. Venezuela is party to all relevant international drug and crime control agreements, including the 1988 U.N. Convention.

Since ceasing formal cooperation with the U.S. Drug Enforcement Administration in 2005, the Venezuelan government has maintained only limited counternarcotics cooperation with the United States. Cooperation consists mainly of coordination of fugitive deportations from Venezuela to the United States and bilateral maritime interdiction operations. Venezuela, however, did not provide follow-up information to the United States on drug trafficking organizations involved or the prosecution of suspects as it relates to maritime interdictions. Venezuela's limited and ad hoc international counternarcotics cooperation casts doubt on the government's intent to uphold its international commitment to combat drug trafficking.

The Venezuelan government again failed to take action against government and military officials known to be linked to the Revolutionary Armed Forces of Colombia (FARC) and other drug trafficking organizations. In August 2013, pursuant to the Foreign Narcotics Kingpin Designation Act, the U.S. Department of the Treasury designated a former Venezuelan military officer a drug kingpin. This followed the Treasury's 2008 and 2011 designations of senior Venezuelan government officials for acting on behalf of the FARC in support of narcotics and arms trafficking activities.

On July 27, 2014, the Government of the Netherlands ordered the release of designated criminal Kingpin and wanted Venezuelan narcotics trafficker Hugo Carvajal Barrios from detention in Aruba. The United States remains disturbed by credible reports that the Venezuelan government threatened the Governments of Aruba and the Netherlands, along with others, in its attempts to obtain Carvajal's release.

Pursuant to section 706 of the Foreign Relations Authorization Act of Fiscal Year 2003, while Venezuela has failed demonstrably, a national interest waiver under the FAA allows the continuation of U.S. bilateral assistance programs to Venezuela; counternarcotics and humanitarian assistance can be provided without a national interest waiver.