

THE WHITE HOUSE

WASHINGTON

September 15, 2011

Presidential Determination
No. 2011-16

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Presidential Determination on Major Illicit Drug
Transit or Major Illicit Drug Producing Countries
for Fiscal Year 2012

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, Belize, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, 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, as amended (FAA), one of the reasons that major drug transit or illicit drug producing countries are placed on the list is the combination of geographic, commercial, and economic factors that allow drugs to transit or be produced despite the concerned government's most assiduous narcotics control law enforcement measures.

Pursuant to section 706(2)(A) of the FRAA, I hereby designate Bolivia, Burma, and Venezuela as countries that have failed demonstrably during the previous 12 months to make substantial efforts to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. Accompanying this report are justifications for the determinations on Bolivia, Burma, and Venezuela, as required by section 706(2)(B).

I have also determined; in accordance with provisions of section 706(3)(A) of the FRAA, that support for programs to aid Bolivia and Venezuela are vital to the national interests of the United States.

Afghanistan remains the world's largest producer of opium poppy and a major source of heroin. Primary trafficking routes from Afghanistan, where poppy cultivation is still mostly confined to the southern and western provinces, are through Iran to Turkey and Western Europe; through Pakistan to Africa, Asia, and the Middle East; and through Central Asia to the Russian Federation.

Helmand Province remains the largest grower of opium poppy in Afghanistan, but the Provincial Government's innovative Food Zone program, which provides farmers with wheat seed and fertilizer in exchange for a pledge not to grow poppy, coupled with credible law enforcement, has reduced Helmand's poppy cultivation by a third, to 69,883 hectares in 2009 and even further to 65,043 hectares in 2010. The U.S.-funded Governor Led Eradication (GLE) program has demonstrated progress in Helmand with 2,111 hectares eradicated by the end of May 2011. To date during 2011, a total of 3,827 hectares of GLE has been verified in 17 provinces throughout the country, an increase of more than 45 percent in eradication over the same time last year.

Although the amount of opium poppy cultivated in Pakistan is much less than Afghanistan, the country continues to qualify as a major drug producing country, with an estimated 1,700 hectares of opium poppy under cultivation. The country also remains a major transit country for opiates and hashish for markets around the world and is a transit country for precursor chemicals illegally smuggled to Afghanistan, where they are used to process heroin. Bilateral cooperation between Pakistan and the United States continues to support Pakistan's goal of returning to poppy-free status. United States Government support focuses especially on upgrading the institutional capacity of Pakistan's law enforcement agencies.

A number of indicators qualify the addition of El Salvador and Belize to the Majors List along with the remainder of Central American countries on the isthmus connecting South America to North America.

El Salvador, located between Guatemala and Nicaragua along the Pacific coastline and sharing an eastern border with Honduras, is subject to a number of factors making it vulnerable to the

drug trade flowing to the United States from South America. The International Narcotics Control Board describes El Salvador as part of the so-called "northern triangle" with Guatemala and Honduras where "national gangs are forming alliances with international criminal syndicates." According to the most recent U.S. interagency assessment of cocaine flows, the amount of this illicit substance passing through El Salvador destined directly for the United States was estimated at 4 metric tons in 2009.

The most recent U.S. assessment for Belize estimates the flow of drugs destined for the United States through this Central American country on the Caribbean coast at about 10 metric tons. Belize's vulnerability as a south-north avenue for the illegal narcotics trade is also demonstrated by recent drug and weapons seizures in Mexico along the border it shares with Belize. United States officials also report that drug control observers in Belize are increasingly concerned about the presence of drug trafficking organizations, including Los Zetas of Mexico, in the country's border areas and in coastal ports.

Considering the Central American region as a whole, the United States Government estimates that as much as 90 percent of some 700 metric tons of cocaine shipped annually from Colombia and other producing nations intended for the U.S. markets passes through the countries of Central America. This situation is an important element prompting the Central American Citizen Security Partnership, which I announced in March 2011. Through this partnership, the United States is working to refocus the impact of assistance through the Central American Regional Security Initiative (CARSI) and enhance the impact of complementary United States Government non-CARSI citizen safety and rule of law programs. Countries in the region are increasing coordination through the Central American Integration System, a combined effort to promote citizen security and economic prosperity, including programs aimed at thwarting the drug trade.

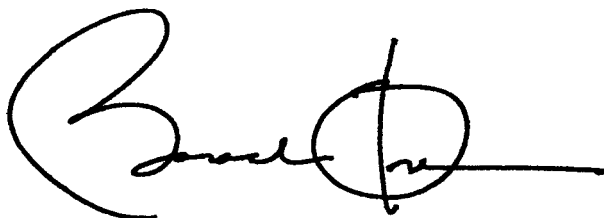
International documentation shows continued strengthening of illegal drug trafficking ties between South America and West Africa. West Africa is the closest point to South America for transatlantic purposes, and its close proximity to southern Europe provides a natural gateway to European drug markets. Porous borders, inadequate law enforcement, and corruption create a permissive environment for the illegal drug trade. West African linguistic connections among Brazil, Portugal, and Cape Verde may also contribute to narcotics trafficking.

According to the U.S. assessment of cocaine movement, about a third of cocaine destined for Europe passed through West Africa in 2009. The 2011 U.N. World Drug Report also states there are reports that cocaine from Latin America is being stockpiled in some West African countries for future distribution to Europe in smaller quantities.

Despite the range of domestic challenges, including corruption, West African countries have begun to consider narcotics control as a top national security priority. For example, in 2010, Liberian law enforcement successfully uncovered and interdicted a cache of cocaine valued at \$100 million. A number of U.S. projects in West Africa are aimed at improving drug interdiction and investigation capabilities. The assistance provided by international donors and organizations to West African governments to improve their counternarcotics capability is increasingly urgent. The United States welcomes fresh impetus in 2010 and 2011 from the international community, especially the United Nations and the European Union, to make Africa a priority for drug-control assistance, to promote and protect the stability and positive growth of countries in Africa.

The stealth with which both marijuana and synthetic drugs such as MDMA (ecstasy) and methamphetamine are produced in Canada and trafficked to the United States makes it difficult to measure the overall impact of this smuggling. However, a special report prepared in May 2011 by the U.S. Drug Enforcement Administration states that "the threat posed by MDMA trafficking from Canada to and within the United States is significant." For example, in April 2011, a seizure of 20 pounds of MDMA from a Canada-based trafficking group was made by U.S. law enforcement in Plattsburg, New York. The United States pledges a more robust engagement and dialogue with Canada to reduce the shared problem of illegal drug trafficking. The results of this bilateral redoubling of drug-control cooperation will be considered in the framework of next year's Presidential Determination.

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

A handwritten signature in black ink, appearing to be "Barack Obama", written in a cursive style.

MEMORANDUM OF JUSTIFICATION FOR
MAJOR ILLICIT DRUG TRANSIT
OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2012

Bolivia

During the past 12 months, the Government of Bolivia 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.

The United States recognizes that Bolivia has taken some steps to stem illegal drug trafficking and production, and remains committed to the bilateral dialogue designed to establish the basis for a cooperative and productive relationship, especially to agree on joint actions to be taken regarding issues of mutual interest, including counternarcotics.

During the last year, the United States maintained its support for the Government of Bolivia's counternarcotics programs. The Bolivian government's efforts, particularly those supported by the United States Government, continued to achieve some goals in interdiction and eradication. However, after Peru and Colombia, Bolivia remains the world's third largest producer of coca leaf for cocaine and other illegal drug products.

Bolivia's ability to interdict drugs and major traffickers has diminished following its announcement in 2008 to expel U.S. Drug Enforcement Administration (DEA) personnel, while the country's performance in targeting and dismantling foreign drug trafficker organizations operating in Bolivia has improved marginally in recent years. This achievement is through Bolivia's national efforts and cooperation with neighboring countries, most notably Brazil. Expelling DEA has seriously harmed Bolivia's counternarcotics capability, especially in regard to interdiction. Taken as a whole, eradication and interdiction results have not been adequate to compete with the rising drug trends that have brought Bolivia back to high coca cultivation and cocaine production levels.

The 2010 United States Government coca cultivation estimate for Bolivia of 34,500 hectares was slightly lower than the 2009 estimate of 35,000 hectares. The U.N. Office of Drugs and Crime estimated 31,100 hectares of cultivation for 2010, a slight increase over its 2009 estimate of 30,900 hectares. While

Bolivia has not yet reversed the increases in net coca cultivation of the past several years, it appears that production has stabilized. The latest United States Government estimate of pure cocaine potential production remained at the 2008-2009 levels of 195 metric tons. At this level, according to the 2011 U.S. International Narcotics Control Strategy Report, the latest production potential estimate is 70 percent higher than in 2006.

Moreover, Bolivia did not maintain adequate controls over licit coca markets to prevent diversion to illegal narcotics production or close illegal coca markets, and it failed to develop and execute a national drug strategy. Bolivia's efforts to amend the United Nations' 1961 Single Convention on Narcotics Drugs with the aim of removing references to traditional uses for coca leaf including coca leaf chewing were unsuccessful, and the country has since presented a denunciation to the United Nations that makes its withdrawal effective January 1, 2012. Bolivian government officials say the country will immediately apply to rejoin the Convention, with the reservation that it does not recognize the Convention ban on chewing coca leaf. Bolivia is a signatory to the 1971 and 1988 United Nations Conventions.

Bolivia has taken some narcotics control actions in the past year, but taken as a whole, the country has made a negligible contribution to the worldwide effort to control drugs, thus justifying the "failed demonstrably" finding again for the country. Government policies and actions are not in line with international drug control standards. These include what many countries, and drug control experts, consider 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 more than the 12,000 limit set by the country's national law.

Unlike other coca growing countries, Bolivia has not implemented many of the U.N.-mandated controls over coca, where some cultivation is permitted for traditional use. The Bolivian government promotes a policy of "social control" of illicit and excess coca cultivation. The policy has diminished violence, but it has not yielded reductions in excess production. Bolivia does not have controls in place to strictly enforce licensing and registration for coca growers, possession of harvested crops, controls over licit markets, and ensuring "licit" products are de-alkalinized.

As a matter of policy, Bolivia does not encourage or facilitate illegal activity associated with drug trafficking, although there have been arrests of corrupt senior counternarcotics police officials, both inside and outside Bolivia, for facilitating drug shipments. In June 2011, former chief Bolivian counternarcotics officer, Rene Sanabria, pleaded guilty to U.S. Federal cocaine trafficking charges. Sanabria was the head of an elite drug intelligence unit at the time of his arrest.

Bolivia is encouraged to strengthen its efforts to achieve tighter controls over the trade in coca leaf and 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 achieve net reductions in coca cultivation.

For the near term, drug traffickers will continue to exploit opportunities to process abundant coca leaf available in Bolivia into cocaine base and cocaine HCL. To diminish Bolivia's appeal to drug traffickers, further government action is required to improve the legal and regulatory environment for security and justice sector efforts to effectively combat drug production and trafficking, money laundering, corruption, and other transnational crime, and bring criminal enterprises to justice through the rule of law.

Bolivia's efforts during the past 12 months fall short of its obligations to the international community as outlined in the United Nations conventions and bilateral agreements. In accordance with Section 481 (e)(4) of the FAA, the determination of having failed demonstrably does not result in the withholding of humanitarian and counternarcotics assistance. It is in the vital national interest of the United States to grant a waiver so that funding for other assistance programs may be allowed to continue.

MEMORANDUM OF JUSTIFICATION FOR
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Burma

During the past 12 months, the Government of Burma 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.

Although Burmese law enforcement authorities have had some successes in seizing illegal narcotics and closing down laboratories where they are produced, Burma's drug enforcement authorities have not suppressed drug production and trafficking in the cease-fire enclaves primarily controlled by the United Wa State army and the Shan State's armies. Absent significant cooperation from the Burmese Army, other Burmese law enforcement units do not have sufficient resources to confront illegal drug trafficking organizations operating in these regions.

Opium cultivation, long on the decline in most regions of Burma, has been rising in the Shan State and to a lesser degree in Kayah State, with minimal response from the Burmese government. Moreover, Burmese production of methamphetamine-type stimulants continues to feed growing regional demand for these synthetic drugs in Thailand and China and markets much farther away. Narcotics control observers believe that many methamphetamine laboratories in Burma are co-located with opium poppy fields and heroin processing centers in cease-fire areas, not controlled by the Burmese government. Due to deficiencies in drug law enforcement, Burma has been unable to meet its international counternarcotics obligations.

The last opium yield survey in Burma was conducted in 2004. Opium yield surveys can be a useful tool in developing policies and concrete action based on facts rather than estimates. However, due to recent military unrest in Shan State between the Burmese government and ethnic armies, the Burmese government has prohibited travel to certain regions for poppy cultivation survey teams, citing concerns that the safety of such teams cannot be guaranteed.

The number of injecting drug users and consumers of amphetamines in Burma and the region continues to increase. Intravenous drug

use contributes to the expansion of Burma's HIV/AIDS epidemic. Burma presents one of the most serious problems of illegal drug use in Asia. However, Burma's prevention and drug-treatment programs lack high-level government support and inadequate resources.

In 2009, opium poppy cultivation in Burma was 31,700 hectares, an estimated 11 percent increase over 2008 levels, according to the United Nations Office for Drugs and Crime. Poppy cultivation in 2010 was estimated to be as much as 80 percent higher than in 2009. This is in sharp contrast to most of the previous decade when opium poppy production significantly declined. According to official Burmese government statistics, law enforcement officers eradicated 4,087 hectares of opium poppy in 2009 and seized 1.77 million methamphetamine tablets between January and October 2010. Production of amphetamine-type stimulants has increased dramatically, almost exclusively using precursor materials illegally shipped from India and China. The Burmese government has not responded to this development.

Despite some limited efforts to respond to narcotics production and trafficking, on balance Burma's response has been inadequate.

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Venezuela

During the past 12 months, the Government of Venezuela 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.

Venezuela's porous western border with Colombia, weak judicial system, inconsistent international counternarcotics cooperation, and generally permissive and corrupt environment make the country one of the preferred trafficking routes out of South America for drugs to consumer markets. As a matter of stated government policy, the Government of Venezuela does not encourage, support, or facilitate illegal activity associated with drug trafficking. However, individual members of the government and security forces were credibly reported to have engaged in or facilitated drug trafficking activities. Cocaine movement through Venezuela was estimated to be 250 metric tons in 2010. In the first 4 months of 2011, suspected narcotics trafficking flights departing from Venezuela increased approximately 28 percent over the same period in 2010.

Venezuela reported that it seized 63 metric tons of illegal marijuana and cocaine in 2010. While Venezuela publicly reports such seizures, it does not share the data or evidence needed to verify drug destruction. The country also published statistics on arrests and convictions for drug possession and trafficking, although no information was available on the nature or severity of the drug offenses. Effective prosecution of drug traffickers is hindered by corruption and a lack of judicial independence.

During the past 12 months, Venezuela transferred 3 major drug traffickers to the United States, including Jaime Alberto Marin Zamora, designated a Consolidated Priority Target in accord with the U.S. Foreign Narcotics Kingpin Act, and transferred 9 other fugitives wanted for drug trafficking to third countries.

Since ceasing formal cooperation with the U.S. Drug Enforcement Administration (DEA) in 2005, bilateral counternarcotics cooperation between Venezuela and the United States has been

inadequate and conducted on a limited case-by-case basis. Cooperation has consisted mainly of informal information exchanges with remaining DEA representatives in Caracas, coordination of fugitive deportations from Venezuela to the United States, and maritime interdiction activities carried out by the U.S. Coast Guard (USCG). Venezuela continued to grant permission to the USCG to board Venezuelan-flagged vessels on the high seas suspected of being engaged in narcotics trafficking, and there were 6 such events in the past 12 months. Venezuelan authorities required that the USCG return all confiscated vessels, suspects, and contraband identified during these operations. There was no subsequent provision of information to U.S. officials regarding the drug trafficking organizations involved or the prosecution of suspects. Venezuela's limited counternarcotics cooperation with the United States draws into question the Venezuelan government's intent to uphold its international commitment to combat drug trafficking.

Despite requests from the United States, Venezuela has not signed the updated addendum to the 1978 Bilateral Counternarcotics Memorandum of Understanding that was negotiated in 2005. Venezuelan officials have stated publicly that the country will neither sign a bilateral agreement nor cooperate with the United States on counternarcotics.

The Government of Venezuela took some positive steps in the region regarding counternarcotics issues during the past year. As a part of its increased bilateral dialogue, the Venezuelan and Colombian governments signed an anti-narcotics cooperation agreement. During the year, Venezuela captured and transferred to Colombia seven members of the Revolutionary Armed Forces of Colombia and the National Liberation Army. These groups rely heavily on drug trafficking to fund their operations and often seek safe haven in Venezuela. Media reports have alleged that some elements of Venezuela's security forces have directly assisted these organizations.

Venezuela is a party to all relevant international drug and crime control agreements, including the 1988 U.N. Convention.

A determination as having failed demonstrably does not affect funding for humanitarian and counternarcotics programs. A U.S. vital national interest waiver for Venezuela permits support for other programs critical to U.S. foreign policy interests.