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Mr. Chairman, Ranking Member Lugar, and Members of the Committee:

Thank you for the opportunity to discuss the Merida Initiative and the new paradigm that it represents for regional security cooperation among the United States, Mexico, and the countries of Central America.

The President has asked for \$550 million for the Merida Initiative in the supplemental budget request; \$500 million of that funding would go to Mexico as the first tranche of what we hope will be a \$1.4 billion multi-year security cooperation package, and \$50 million would target Central America.

This is an important moment in the fight against transnational drugtrafficking and organized crime; and one that requires urgent action on the part of all nations involved. President Bush recognized that the United States has an unprecedented opportunity to reduce the economic and human toll in our cities and towns emanating from cross-border organized crime. The governments and citizens of Mexico and Central America have recognized the threat to their own stability and prosperity. They are taking courageous steps to confront these criminal elements, and are now seeking U.S. support to ensure a comprehensive and integrated regional effort.

Over the past decade, drug trafficking and other criminal organizations have grown in size and strength, aggressively seeking to undermine and intimidate government institutions in Mexico and Central America, compromising municipal and state law enforcement entities, and substantially weakening these governments' ability to maintain public security and expand the rule of law. This proliferation has generated a surge in crime and violence throughout the region, including in the United States.

We have seen the emergence of gangs as major social actors, the corruption of the police, judiciary, and prison systems, and a growing popular demand for governments to respond to the threat posed by these criminal organizations. The effects of this growing problem are also readily apparent in the United States in the form of gang violence, crime, and higher rates of trafficking in persons and illegal drugs – all of which threaten our own national security and impose mounting economic costs.

None of what I have described above will come as a surprise to our partners in the region – these leaders have used some of the same language to describe and acknowledge the challenges they are facing. And they are acting on it: the leaders of these nations are already working to beat back violence and crime for their citizens and they have turned to us to join them – as partners.

In Mexico, President Calderon has acted decisively, using the most effective tools at his disposal. He is reorganizing the federal police, putting new and additional resources in the hands of his security services, deploying military units to support police operations, rooting out corrupt officials, attacking impunity, arresting major crime figures, and extraditing a record number of drug kingpins and other criminals to the United States. The determination and commitment shown by the Calderon Administration is historic; and the early results impressive. In the course of one month, two seizures alone have netted over 30 tons of cocaine destined for Mexico and/or the United States, shattering all previous records for drug seizures in Mexico. In fact, our understanding is that Mexico has confiscated more cocaine in the first year of the Calderon Administration than any other since they began keeping records.

However, President Calderon has recognized that leadership and political will are not enough; he needs greater institutional and material resources to ensure both near-term success and long-term institutional change. In an unprecedented step, he has asked the United States to launch a new partnership with Mexico and to help him strengthen Mexican law enforcement, public safety, and border security to defeat the drug and criminal organizations. This is not a "traditional" foreign assistance request. It is, as our joint declaration called it, "a new paradigm for security cooperation."

At the same time, the nations of Central America have committed to collective action to address these common security concerns. Through the Central American Integration System (SICA), the governments have expressed the political resolve to join forces to strengthen regional security; however they lack sufficient tools and capacity to execute such will. Despite these challenges, national authorities remain committed to the fight; using their own limited resources and equipment to interdict narcotics, arrest drug cartel members, and extradite high-profile drug traffickers to the United States for prosecution. The countries of Central America are also committed to working among themselves as well as with the United States. In March, the Government of Panama, working with DEA and Coast Guard, seized a record 17 metric tons of cocaine. And just last week, in a combined operation involving U.S. law enforcement and the National Police of both Nicaragua and Costa Rica, 250 kilograms of cocaine were confiscated in Nicaragua. These examples demonstrate that in Central America, as in Mexico, there are courageous partners with whom we can work cooperatively.

The impetus for the Merida Initiative came out of the President's March trip to the region; particularly his visits to Guatemala and Mexico, where security concerns dominated the conversations with President Berger and President Calderon. In the course of these discussions and the follow-on consultations with both Mexico and Central America, we have been able to develop the framework of a new regional security partnership.

Throughout this process, we have tried to shape the Merida Initiative to be comprehensive, balanced, and timely. The initiative is comprehensive in that it deals with security in all its components and builds on of a variety of initiatives that are taking place now in the United States, Mexico, and Central America. Combined with the push we have made against drug trafficking and the flow of other illicit goods elsewhere in the region, the Merida Initiative represents an effort to integrate security programs from the Andes, through the isthmus of Central America and into Mexico, up to the Southwest border of the United States. This is a hemispheric assault to cripple drug trafficking and criminal organizations, disrupt and dismantle their networks, and help fortify state institutions to ensure these groups can no longer operate effectively.

The initiative is balanced because it involves a range of security institutions in Mexico and Central America, with a particular focus on building capacity and capability in civilian sectors. The entire Central America portion of the supplemental request and nearly 60 percent of the Mexico portion is going to civilian agencies in those countries. Our goal in balancing the package is to assist Mexico and Central America in their immediate fight against organized crime, to improve connectivity and communications among the various law enforcement agencies, and to support the institutional reform necessary to fortify the state institutions of justice and rule of law that are essential for the long-term protection of civil and human rights.

Finally, the Merida Initiative is timely because it responds to a real-time threat, as organized crime attempts to overwhelm the stability and well-being of democratic states in Mexico and in Central America. Our allies in this region have already begun to act and have called on us to assist them as quickly as possible. The urgency of their appeal is palpable, and we should not miss the opportunity to capitalize on the successes we have witnessed so far, as well as to forge a stronger alliance with willing partners.

Just as our partners in the region acknowledge the extent of the threat, President Bush has accepted that the U.S. shares responsibility and is prepared to step up to do our part. This request reflects how the United States would like to work with the Governments of Mexico and Central America through the use of foreign assistance funds. And I have already spoken to the increased efforts by which these governments have begun the fight themselves. What is not captured in this supplemental request is what the United States is doing domestically to contribute to this partnership.

While I defer to U.S. domestic law enforcement agencies to provide you details, I can tell you that the Merida Initiative was designed to complement what the United States has been doing on our side of the border to address issues such as arms and bulk cash trafficking, gangs, and demand for drugs. Through a number of domestic strategies and programs – such as the Southwest Border Counter-Narcotics Strategy, the National Drug Control Strategy, and the U.S Strategy for Combating Criminal Gangs from Central America and Mexico – we are working domestically to enhance our efforts against the trafficking of drugs, arms, money, and humans, as well as to reduce the demand for drugs within the United States.

However, each nation working on its own is not enough. As President Bush has stated, regional problems require regional solutions. The Merida Initiative is where each nation's domestic efforts are combined with regional cooperation and collaboration to multiply the effects of our actions. It clearly shows we realize that drug trafficking and criminal organizations do not respect political boundaries and that we must synchronize our tactics and confront the problem together.

This new paradigm is not without its challenges, but we believe they are challenges that can be overcome. Oversight and accountability are essential in this process and we have structured the package in such as way as to assure this. We also plan to build on the efforts of the Governments of Mexico and Central America in protecting human rights and rooting out corruption; all participants agree that these are indispensable components of any security cooperation partnership.

Having visited Mexico with Deputy Secretary Negroponte two weeks ago, and having led the U.S. delegation to the first U.S.-SICA Dialogue on Security in Guatemala in July, I can tell you that I am struck by the immediacy of the threat. Equally, I have been impressed by the commitment of the governments involved to work together to finally put an end to the growing violence and crime.

The President's vision for this hemisphere is rooted in partnership; the type of partnership that the Merida Initiative represents. He has stressed that all in the region, including the United States, have a shared responsibility for combating this crime and violence that so gravely affect our citizens. We have far-reaching geographic, economic, and demographic links to Mexico and Central America and a compelling national security interest in helping the governments of this region succeed in the battle against crime and insecurity. We believe the Merida Initiative represents the best hope for tackling the problem in a thorough manner with our willing partners.

Thank you for your time and I would be happy to answer any questions you may have.