

THE WHITE HOUSE

WASHINGTON

September 15, 2009

Presidential Determination  
No. 2009-30

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Presidential Determination on Major Illicit Drug  
Transit or Major Illicit Drug Producing Countries  
for Fiscal Year 2010

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, 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 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 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 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 Venezuela's democratic institutions and continued support for bilateral programs in Bolivia are vital to the national interests of the United States.

Afghanistan continues to be the world's largest producer of opium poppy and a major source of heroin. The Government of Afghanistan, under the leadership of President Karzai and key governors in the provinces, has demonstrated its ongoing commitment to combating narcotics and has made notable improvements in this regard over the past year.

The connection between opium production, the resulting narcotics trade, corruption, and the insurgency continues to grow more evident in Afghanistan. Poppy cultivation remains largely confined to five contiguous provinces in the south where security problems greatly impede counternarcotics efforts, and nearly all significant poppy cultivation occurs in insecure areas with active insurgent elements. Counternarcotics efforts have shown greater impact where security exists, where public information messages can be conveyed, alternative development delivered, interdiction performed, and justice carried out. While the Government of Afghanistan made some progress during the past year, the country must dedicate far greater political will and programmatic effort to combat opium trafficking and production nationwide.

Pakistan is a major transit country for opiates and hashish for markets around the world, as well as for precursor chemicals moving into neighboring Afghanistan where they are used for processing heroin. Opium poppy cultivation in Pakistan is also a primary concern.

In 2008 and 2009, religious extremist groups controlled major portions of the Federally Administered Tribal Areas, where most of Pakistan's poppy is grown. These extremist groups also pushed into settled areas of the country's Northwest Frontier Province, such as the Peshawar Valley and the Swat Valley. The Government of Pakistan was compelled to divert manpower and equipment resources from poppy eradication efforts to contest these incursions.



The joint Narcotics Affairs Section and Pakistan's Narcotics Control Cell indicated that 1,909 hectares of poppy were cultivated in 2008 (approximately one percent of the cultivation in Afghanistan). This is down from the 2,315 hectares cultivated in 2007. In 2007, when the insurgent problem was not as widespread, 614 hectares were eradicated, bringing harvested poppy down to 1,701 hectares. During 2008, there were significant narcotics and precursor chemical seizures in Pakistan. United States counternarcotics and border security assistance programs continue to build the counternarcotics capacity of law enforcement agencies, especially in Baluchistan and along the Makran coast.

As Mexico and Colombia continue to apply pressure on drug traffickers, the countries of Central America are increasingly targeted for trafficking, which is creating serious challenges for the region. In 2008, approximately 42 percent of the cocaine destined for the United States transited Central America directly from South America. Often unimpeded due to the region's limited capabilities and resources, traffickers use land routes and Central America's coastal waters for illegal drug movements. The Merida Initiative, which provides Central American countries \$165 million for FY 2008 and FY 2009, offers the opportunity to boost the capabilities of the region's rule of law institutions and promote greater regional law enforcement cooperation.

Within the Central America region, Guatemala has been listed as a major drug transit country since 1990. Guatemala continues to be challenged by increasing violence related to narcotics trafficking. Corruption and inadequate law enforcement efforts contributed to low interdiction levels during the past several years. The United States continues to support the Government of Guatemala to improve its counternarcotics efforts.

In Honduras, drug traffickers have capitalized on the country's lack of resources, corruption, and ungoverned spaces. Despite the current political instability, Honduran security forces have been conducting counternarcotic operations and have already seized more illegal drugs than in all of 2008. Honduras has also agreed to a bilateral integrated strategy with the United States to strengthen the operational counternarcotics capabilities of its security and law enforcement forces.

Panama is a major drug transit country that seized 51 metric tons of cocaine in 2008 while working in partnership with the United States. El Salvador is not a primary transit country, but in 2008 the Salvadoran government seized 1.4 metric tons of cocaine, 300 kilograms of marijuana, and nine kilograms of heroin. El Salvador may see an increase in drug activity corresponding with rising drug trafficking levels in the eastern Pacific. The United States is increasingly concerned with the large amount of drugs trafficked through Costa Rica and Nicaragua. Interdiction efforts in these two countries in 2008 resulted in the seizure of 21.7 and 19.5 metric tons of cocaine seizures, respectively.

The trafficking of South American cocaine through Nigeria and other West African countries en route to Europe continues. Though the cocaine does not come to the United States, the proceeds of the trafficking flow back to the same organizations that move cocaine to the United States, reinforcing their financial strength. Drug trafficking is a destabilizing force in the region and undermines good governance. Initially focused on Guinea and Guinea-Bissau, drug trafficking is now a serious issue facing nearly all West African countries. There is limited capacity in many West African law enforcement and judicial sectors to investigate and prosecute the organizers of cocaine trafficking. Despite this, there have been some important counternarcotics victories, most notably in the arrest and successful prosecution of traffickers in Sierra Leone.

Nigeria, which remains a significant transit point for narcotics destined for the United States, made demonstrable progress in 2008 by combating narcotics through increased budgetary support of key counternarcotics and corruption agencies, continued evaluation of suspicious transaction reports, and acceptable progress in the arrests of drug kingpins, with one kingpin arrested in 2008 and another in early 2009. Drug seizures were down slightly from a high in 2007. However, this development is likely attributable to a decrease in the use of Nigeria's international airports as a transshipment point after the successful deployment of narcotics scanning machines by the Nigerian Drug Law Enforcement Agency (NDLEA). At the same time, there was little progress in reform to expedite Nigerian extradition procedures, or to amend its Money Laundering Act to bring it in line with international standards. Cooperation between the NDLEA and U.S. law enforcement agencies remains robust.



International donors and organizations are working to assist West African governments in their counternarcotics efforts. The United States supports these efforts to preserve and protect stability and positive growth in this region.

The United States continues to maintain a strong and productive law enforcement relationship with Canada. Both countries are making significant efforts to disrupt the two-way flow of drugs, bulk currency, and other contraband. Canada remains a significant producer of MDMA (ecstasy) and high-potency marijuana that is trafficked to the United States. While Canada's passage of several additional regulations in recent years has reduced the large scale diversion and smuggling of bulk precursor chemicals across the border, the increasing diversion of these chemicals to the production of methamphetamine within Canada could lead to greater methamphetamine availability in the United States. The frequent mixing of methamphetamine and other illegal drugs into pills that are marketed as MDMA by Canada-based criminal groups poses a particularly significant public health risk in the United States. The United States Government is appreciative of Canada's efforts to address these and other drug-related challenges, including through bilateral initiatives and multilateral forums.

The Government of India maintains a credible record of regulating its licit opium grown for the production of pharmaceutical products through licensed opium farmers and monitoring of poppy cultivation sites. Diversion of licit opium crops into illegal markets continues despite India's determined efforts to control such activity. Illicit opium poppy production has also been observed in certain areas of the country, such as West Bengal and the State of Uttaranchal. Enforcement agencies continue to eradicate illicit opium poppy crops although the actual number of hectares destroyed has declined in recent years. Indian authorities have made marked efforts to control the illicit drug trade as opium and heroin smuggled from Afghanistan and Pakistan enters India across the India-Pakistan border and is trafficked to destinations outside of India.

Indian authorities continue to pursue precursor chemical trafficking organizations operating in the country and to cooperate with international law enforcement counterparts to interdict the flow of narcotics. The Government of India has made noteworthy international efforts to target the misuse of

internet pharmacies for trafficking controlled and non-controlled pharmaceuticals. Law enforcement undertakings in this area have resulted in numerous arrests and asset seizures in both the United States and India.

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*.

A handwritten signature in black ink, appearing to be "G. D. [unclear]", written in a cursive style.

MEMORANDUM OF JUSTIFICATION FOR  
PRESIDENTIAL DETERMINATION OF MAJOR ILLICIT DRUG TRANSIT  
OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2010

Burma

While Burma is improving its efforts to fulfill its obligations under international counternarcotics agreements and counternarcotics requirements, it has failed demonstrably during the last 12 months to adequately meet the standards set forth in section 489(a)(1) of the Foreign Assistance Act of 1961, as amended. Burma is improving its law enforcement strategy pertaining to counternarcotics measures. However, deficiencies in training, including in advanced investigative techniques, and the significant scope of the narcotics problem in this region contribute to Burma's continuing difficulties in meeting its international counternarcotics obligations.

Poppy production in Burma remains below historic levels. However, there has been a sharp increase in the production and export of synthetic drugs. Burma remains a primary source of amphetamine-type substances (ATS) produced in Asia, and Burma's porous borders and endemic corruption facilitate the diversion and trafficking of precursor chemicals to drug labs in the country. Burma's military government recognizes the threat, but to date has not established effective countermeasures. Additionally, autonomous ethnic groups in drug-producing regions, such as the United Wa State Army (UWSA) and the Shan State Army (SSA), compromise the Burmese Government's ability to effectively reduce narcotics production.

Burma's military government also has not taken direct action against the eight leaders of the UWSA indicted in a U.S. federal court in January 2005. However, the detention and sentencing of two members of UWSA Chairman Bao Yu Xiang's family in connection with a 2005 seizure of UWSA-related heroin shipment are positive signs.

Some Burmese Government officials are suspected of being involved in or facilitating the drug trade. According to the Government of Burma, between 1995 and 2003, over 200 police officials and 48 Burmese Army personnel were prosecuted and punished for narcotics-related corruption or drug abuse. However, there is no evidence that the Government of Burma has taken any similar enforcement actions over the past 5 years.



It has been 5 years since the last United States-Burma joint opium yield survey, previously an annual exercise. As a result, the annual survey conducted by the United Nations Office on Drugs and Crime is used to track opium cultivation and production. Additionally, the Burmese Government coordinated with the Chinese to conduct an opium yield survey; the Government of Burma has shared these results with the U.S. Drug Enforcement Administration. Opium yield surveys are clearly in the interest of both sides to track the implications of policy steps taken and to gauge future action based on concrete facts rather than estimates.

Although drug abuse levels remain low in Burma compared to neighboring countries, there are a growing number of injecting drug users and regular consumers of ATS, while the HIV/AIDS epidemic in Burma, one of the most serious in Asia, continues to expand in part because of intravenous drug use. Burma's prevention and drug treatment programs suffer from inadequate resources and a lack of high-level government support.

While the overall picture of Burma's counternarcotics efforts remains negative, there are some positive aspects. The Government of Burma maintains a regular dialogue on precursor chemicals with the neighboring countries of India, China, Thailand, and Laos. As a result, India and China have taken steps, including the creation of exclusion zones, to divert precursors away from Burma's border areas.



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Bolivia

The United States is engaged with Bolivia in a bilateral dialogue process designed to reach agreement on joint actions to be taken regarding issues of mutual interest, including counternarcotics, and to achieve an improved overall bilateral relationship.

During the past year, however, Bolivia failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics agreements or to take the counternarcotics measures set forth in Section 489(a)(1) of the Foreign Assistance Act of 1961, as amended (FAA).

The United States continues to collaborate with Bolivia on counternarcotics, but program accomplishments have diminished as a result of Government of Bolivia policies and actions over the past year.

The Government of Bolivia's decision to expel the United States Drug Enforcement Administration (DEA) severely undermined Bolivian law enforcement interdiction efforts. Interdiction forces lack the intelligence and operation capabilities to identify and dismantle drug trafficking organizations. Bolivia continues to engage in law enforcement operations to disrupt drug labs, but these operations frequently fail to seize drugs processed at the lab and only result in the arrest of low-level workers. Current seizure rates, while on par with prior years, have not kept up with the rise in coca cultivation and cocaine production. Meanwhile, Bolivia's neighbors report increased seizures of Bolivian drugs and arrests of drug traffickers linked to Bolivia.

Bolivia's policies and actions continued to encourage the illicit cultivation of coca, leading to an 8 percent net increase in coca cultivation in 2008. Production and sale of coca leaf exceed the demand for traditional use. Excess coca leaf is being diverted to the production of cocaine hydrochloride. Compounded by improved processing methods, the United States Government estimates potential cocaine hydrochloride production increased in Bolivia during 2008 by 50 percent to 195 metric tons.

The Government of Bolivia failed to take sufficient action against illicit coca cultivation or exert control over markets it considers licit. Over the past 12 months, the Bolivian Government failed to close illegal coca markets, proceeded with the legalization of additional coca markets, and did not impose effective controls on commerce in coca leaf in line with its international treaty obligations. The Government of Bolivia also failed to develop and execute a national drug strategy consistent with its international obligations.

Although the Bolivian Government has a policy regarding "social control" of illicit and excess coca cultivation, it is not being effectively implemented. Its efforts to restrict coca cultivation at one cato (approximately one quarter of a hectare) per family registered to grow coca are not adhered to by coca cultivators. With at least 45,000 coca growers in the country, this has resulted in an additional 11,250 hectares of coca growth in Bolivia.

A United States-Bolivian bilateral agreement in 2006 established 5,000 hectares as a baseline coca eradication goal with increases in eradication each year until a minimum of 8,000 hectares per year is met. Bolivia met its minimum eradication goal of 5,000 hectares in 2008 and was on track to meet this goal of 5,000 hectares in 2009. However, the Bolivian Government has not moved beyond the baseline minimum of 5,000 hectares to effectively counter rising coca cultivation and achieve net reductions. Despite Bolivia's limited success in meeting eradication goals, the total effort by the Bolivian Government falls well 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 also be allowed to continue.



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Venezuela

Venezuela has failed demonstrably to make sufficient efforts to meet its obligations under international counternarcotics measures set forth in Section 489(a)(1) of the Foreign Assistance Act of 1961, as amended.

This Determination takes into account actions taken by the Government of Venezuela during the past 12 months. Venezuela has ignored, or refused, the majority of United States Government offers to work towards greater cooperation on counternarcotics. An official letter from the U.S. Ambassador on July 15, 2008, and a follow-up diplomatic note of March 11, 2009, requesting facilitation of a meeting to discuss counternarcotics were not answered. On May 13, 2009, Venezuela's National Anti-Drug Office (ONA) Director declined to meet with the U.S. Chargé d'Affaires, informing the U.S. Embassy that the meeting would require authorization from the Venezuelan President or the Foreign Minister.

Venezuela's importance as a transshipment point for drugs bound for the United States and Europe continues to increase. Corruption within the Venezuelan Government and a weak and politicized judicial system contribute to the ease with which illicit drugs transit Venezuela. Trafficking through Venezuela increased from an estimated 50 metric tons of cocaine in 2004 to an estimated 300 metric tons in 2008.

The ONA periodically reports seizures of illicit drugs, but the Venezuelan Government does not share the necessary data or evidence needed to verify seizures or the destruction of illicit drugs. The U.S. Coast Guard generally has received permission from the Government of Venezuela to board suspect Venezuelan-flagged vessels operating in the Caribbean. Venezuelan authorities, however, require the return of confiscated vessels, people, and any contraband located during these operations. Upon return to Venezuela, crew members are often released.

The Government of Venezuela arrested members of designated Foreign Terrorist Organizations (FTOs) engaged in narcotics trafficking. On April 27, 2009, a Revolutionary Armed Forces of Colombia (FARC) leader was arrested by the Zulia State Police,

and the National Guard reportedly captured three members of the Colombian National Liberation Army in the state of Barinas on April 22, 2009. Colombian illegal armed groups and designated FTOs, including the FARC, however, continue to operate freely in parts of western Venezuela, facilitating their well-established involvement in narcotics trafficking. The Venezuelan Government has failed to ensure that such groups do not operate with impunity in Venezuelan territory. Individual members of Venezuela's National Guard and Federal Investigative Police are also reported to both facilitate and be directly involved in narcotics trafficking.

Venezuela's efforts fall short of its obligations to the international community as outlined in the relevant United Nations Conventions and bilateral agreements. A Determination as having failed demonstrably does not affect funding for humanitarian and counternarcotics programs. A U.S. vital national interest waiver to Venezuela permits funding for other programs critical to U.S. foreign policy interests.