



**Admiral James M. Loy**

**"Winning the Drug War"**

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Introduction:

I am grateful to Admiral Marfiak for his kind invitation to address another annual meeting of the U.S. Naval Institute. I truly relish these meetings—partly because of my esteem for the hosts, and partly because of my conviction that the Naval Institute provides an absolutely indispensable professional development opportunity for officers in all of the sea services.

The experience of observing and participating in a serious professional discourse in a forum where ideas and expressions stand or fall on their own merits is an essential part of the maturation process for any career officer. I have contributed to *Proceedings* for many years and found out early that the hard work of arranging my ideas into presentable essays imposed valuable self discipline and improved my own understanding both of my service and my role in it. The Naval Institute offers this same experience to every officer and prospective officer, and I believe all the sea services are stronger because of the thousands who have joined the Naval Institute, read the publications, and contributed to the advancement of the knowledge of their craft.

I am also grateful for the freedom offered by the Naval Institute in selecting a subject for my remarks. Last year, I was given the same freedom, and chose, because of my annual commitment to deliver my State of the Coast Guard Address to a Coast Guard audience, to speak on a subject related to the panel discussion that followed my speech. That approach seemed to work pretty well, so I'm inclined to try it again with the topic of this year's panel by offering a few thoughts on how we can win the drug war.

The Naval Institute has assembled a terrific panel for this morning's discussion of that subject. I am delighted that you will hear distinguished panelists who can relate the perspectives not just of the Coast Guard—from my mentor and former boss, Admiral Paul Yost—but also those of the Office of National Drug Control Policy, the Drug Enforcement Administration, and the U.S. Customs Service. These panelists will shed light on aspects of the national drug control program beyond the maritime interdiction efforts I supervise. I'll just throw my two cents worth in first.

### Drug Interdiction is a Navy-DOD Issue:

Winning the drug war. It is an apt subject for the Naval Institute's annual meeting. The subject is relevant to every American because of the societal devastation wrought by drug abuse, and it is relevant to those interested in our sea services because the maritime drug interdiction campaign I coordinate is much more than a Coast Guard enterprise. It is an interagency task to which the Department of Defense and especially the Navy make large and valuable contributions.

From time to time news articles tell about a U.S. Navy ship seizing a smuggling vessel somewhere, and people are usually curious to learn how that happens. This circumstance comes about when Coast Guard law enforcement detachments ride Navy ships, fly the Coast Guard ensign, and conduct boardings under the statutory authority that is vested in individual Coast Guard officers and petty officers. But the Navy's hosting of Coast Guard boarding teams is only one aspect—and a comparatively minor one—of the DOD's participation in drug interdiction.

Maritime drug interdiction is a joint service enterprise. Joint Inter Agency Task Forces on the east and west coasts work to improve interdiction by bringing to bear the best resources of relevant services and agencies. The cooperation and efficiency wrought from this joint activity has allowed record drug seizures over the past decade even as resources devoted to interdiction have carved trend lines interrupted by drops and only partial recoveries.

In this joint environment, the DOD has the lead for detection and monitoring in the transit and source zones. They bring world class assets: AWACS and P-3's, large capital ships, command and control networks, intelligence fusion, and the capability to undertake deliberate campaign planning. The JIATF's are a great example of melding DOD command and control systems with the law enforcement expertise of the Coast Guard, DEA, and Customs.

Even if your interest in the Naval Institute derives primarily from an interest in the U.S. Navy, drug interdiction should be a topic of interest to you.

The President has declared drugs a threat to the national security of our nation. He was absolutely right to do so. We must all recognize that reality and join the battle.

### Drug Control Is Not a "War":

That said, how do we go about winning this so-called war?

We begin by admitting that it really isn't a war. The "War on Drugs" is an unfortunate phrase because it conveys inaccurate ideas about the nature of the struggle and our efforts.

General Barry McCaffrey, who heads the Office of National Drug Control Policy and is my boss when I wear my hat as the United States Interdiction Coordinator, objects to the phrase because it suggests a conflict that can be fought, won, settled, and walked away from. Regardless of how successfully the national drug control strategy is implemented, we will grapple with drug control for the foreseeable future. Like the recovering alcoholic who never declares himself cured, our nation will never be able to pronounce the drug problem solved. It's not a war.

I agree with the general and offer two additional reasons why the term "war" is ill applied to our drug control effort

For one thing, "war" connotes the widespread use of lethal force against identifiable enemies. By that standard, the drug war is not a war. Pompey the Great ran a campaign against the Mediterranean pirates in the first century B.C. that can fairly be called a war: he caught the pirates, summarily hanged them, and burned their ships to the waterline. That's not how we conduct law enforcement. One of the core competencies that the Coast Guard brings to bear in the national drug control strategy is the ability to sort out the guilty from the merely suspicious and handle each unique case according to the rule of law. War has its own set of rules, and they don't apply to the civilian law enforcement authority that governs our interdiction efforts.

I also disapprove of the term "war" because it implies a single-minded, spare-no-expense national effort. Again, that's not how we conduct business. Drug control is a priority of the administration and congress, but it isn't the only priority. We compete for every dollar we get from the ever-shrinking pot of discretionary spending, and we are accountable for delivering results for those dollars. "War on drugs" suggests access to resources with which I am not acquainted. Devoting less than one percent of the federal budget to address the National Drug Control Strategy is barely a commitment—let alone a war.

#### Refute Opposition to Interdiction:

Where does that bring us in our talk on winning the war on drugs? If we agree that it's not a war and that we can't ever achieve a decisive win. What's left? We probably ought to justify what it is that we are doing.

I will declare up front that I am an unabashed proponent of drug interdiction—with harsh criminal penalties for the smugglers. As I watch the public policy debate play out, there is a more or less continuous background chorus of commentators urging the nation to abandon our interdiction efforts on the purported grounds that a) effective interdiction doesn't address the larger national problem of domestic demand for illegal drugs and b) interdiction isn't even effective.

Let's tackle first the notion that we ought to direct our drug control efforts towards reducing demand and stop trying to curtail supply. This argument betrays both a

misunderstanding of economics and an ignorance of where the nation is actually directing its federal drug control dollars.

The illegal drug industry is governed by the principles of supply and demand that affect other industries. And in any industry, increased supply leads to increased demand because it lowers prices and increases the number of people who can buy a product. The Pet Rocks craze of the 1970's and the Beanie Baby fad of the late nineties remind us that the presence of a supply—especially when it is held by determined marketers—creates demand that was hitherto non-existent.

And so we can dispense with the delusion that interdiction—which reduces supply by confiscating drugs in transit between producers and retailers—does not contribute to controlling the nation's drug problem. It does. Interdiction is not misguided. What is misguided is the notion that human ingenuity could create enough public education and treatment programs to create a culture that wouldn't consume an abundant supply of drugs that arrived on our shores unconstrained by a coordinated interdiction program.

Neither side of the supply-demand balance can be ignored. We have to work to reduce demand. And we have to work to reduce supply. As we pursue each objective, we promote both objectives. And that's exactly what the National Drug Control Strategy seeks to accomplish. In fact, a recent ONDCP fact sheet shows that federal spending on treatment and prevention exceeds federal spending on interdiction by a ratio of about five to two.

What about the practicality of interdiction? One often hears assertions that we ought to legalize drugs because the flood of drugs coming in is so strong and the number of users is so great that we cannot hope to succeed. Can interdiction be successful? Or is the cat so far out of the bag that we should surrender?

The popular notion that interdiction has somehow failed is a predictable consequence of using the phrase "war on drugs" for years on end and letting people make the natural assumption that we have applied unlimited resources to our interdiction efforts. It hasn't happened.

Most Americans would be surprised to learn that the Coast Guard spends a little less than a fifth of our operating budget on drug interdiction—about the same as we allocate for fisheries enforcement.

That's precisely the level we've been directed and licensed to apply to the problem. But should we remove the police officer from the neighborhood corner during the peak of a crime wave? Hardly!

The fact of the matter is that we have terrific results for the resources that have been devoted to the task. Interdiction is both necessary and feasible. Is it hard? Yes. But so are our other missions. We do not let the enormity of the challenge of keeping oil out of the water dissuade us from building an effective national program to do so. And we should not let the difficulty of the task of reducing the flow of illegal drugs deter us from that vital task, either.

The task requires constancy of resolve and perseverance. But it can be achieved. Last year we took 57 tons of cocaine out of the transit zone. That poison did not get to the streets and playgrounds of America. That, ladies and gentlemen, I submit, is a good thing.

#### Confronting a Determined Adversary:

Resolve and perseverance are essential because there is one regard in which the struggle to control drugs does resemble a war. It resembles a war in that we face determined adversaries who are willing to invest whatever capital is needed to engage in activity contrary to our national interest. These adversaries demonstrate remarkable creativity in developing new tactics to stay a step ahead of our enforcement efforts.

They also cost us 15,000 American lives each year and over 110 billion dollars of social disruption. Show me that combination anywhere else in our history, and I'll show you a real war against whatever that threat was. It took us ten years to kill 58,000 Americans in Vietnam. Drugs kill more than that in four years.

Twenty years ago, the maritime cat-and-mouse game was almost comically simple compared to today's contest. The smugglers were so confident of their ability to blend in with legitimate traffic and avoid the Coast Guard's notice that they didn't even trouble themselves to stow their illegal cargo below decks.

One officer from that period recalls the trepidation with which he approached his first boarding. He was quite concerned that he didn't know enough about what to look for on a suspect vessel to identify any contraband that might be aboard. His first boarding occurred at night and in slightly rough seas. Not very confident that his brief training had prepared him for his task, the young officer climbed aboard a fishing vessel, momentarily lost his balance, reached out in the dark to gain a handhold, and found that he had steadied himself on a bale of marijuana.

Those were the ma-and-pa smugglers of the seventies. Our best sensor was simply being downwind within ten miles.

For a brief time in the early eighties, suppliers on the west coast took to offering incentives like those employed by the banks who entice new depositors with promises of a shiny new toaster. Some wholesale distributors were actually giving parrots to the masters of boats that transported sufficiently large loads of marijuana. In many cases, our boarding teams would come aboard, see the parrot perched in the pilot house, know there was marijuana around, and look under a few hatch covers until they found the contraband.

The director of my USIC staff recalls one boarding in which, as soon as the Coast Guard cutter and suspected vessel were hove to, the parrot flew from the suspect vessel, alit on the bridge of the Coast Guard cutter, and unleashed a stream of profanity that presumably mimicked the distress of the soon-to-be-arrested master.

Those days are long gone. We've grown more sophisticated, and so have the smugglers.

Just as a winning football team will pound away with an effective series of plays until the opposing team stops it, the drug smugglers hammer away at the methods that work until we develop effective counter-measures. As soon as we do, they develop new tactics. That is the nature of our conflict.

When our seizures of ships laden with exposed contraband exceeded the smugglers' comfort threshold, they started hiding their goods in hidden compartments. When we developed techniques to detect those hidden compartments, they developed more advanced methods of secreting cargo. In turn, we developed even better techniques. We control choke points in the transit zone, and the smugglers change their shipment routes.

Tactics continually evolve. Right now, the preferred tactic is the use of low profile boats that run at high speeds under cover of darkness and can outrun our slow and old fleet of Coast Guard cutters.

We responded last year by using a supplemental appropriation to develop deployable pursuit boats and new airborne use-of-force tactics. They immediately proved themselves effective against the go-fast threat and helped us set that record for cocaine seizures.

That sort of turnaround from appropriation to development to deployment to results is almost unheard of in government. It proves that the Coast Guard earned its recently published "A" grade as the best managed agency in government. It proves we're sufficiently lean, efficient, and creative to convert additional resources into increased results. It proves that, if given adequate resources, interdiction can be even more productive.

And we need every one of those characteristics of efficiency—because we seek to thwart determined and well financed criminal enterprises.

Just how determined and how well financed are not widely understood. Let me illustrate with a quick thumbnail sketch of what's happening right now in the Eastern Pacific.

Drug smugglers are running 55-foot, three-engine, go-fast vessels capable of carrying 3 tons of cocaine 1300 nautical miles without refueling. They use these go-fast boats to make the in-shore run from mother ships that routinely operate a thousand miles from shore. The bad guys are so well financed that they treat these quarter-million dollar boats as consumable items that they are willing to scuttle at the drop of a hat to avoid arrest.

In addition, the smugglers are actually investing in counter-intelligence vessels equipped with sophisticated radars and manned by skilled operators whose mission is to detect the presence of law enforcement assets and clear smuggling ships from the area.

Against these well-financed, single-minded, flexible, and ruthless adversaries, stand the Coast Guard and our partners in Customs, the DEA, the DOD and assorted other agencies.

As the smugglers aggressively invest in new tactics and new technology, what is the Coast Guard doing?

I'm trying to figure out how I'm going to buy fuel in the fourth quarter.

I'm struggling to sustain extended operations over the extraordinary distances in the East Pacific while the wear and tear on my old and slow cutters accelerates.

Yesterday, I had to pull the only C-130 I had working counter-drug operations in the East Pacific because all my C-130's assigned for search and rescue were down for repairs.

The drug interdiction mission in the East Pacific illustrates the themes of the state of the Coast Guard message I delivered last month. In that speech I announced that my two priorities for my last two years are to restore Coast Guard readiness and to shape the future.

By restoring readiness, I mean establishing an equilibrium at which we can sustain normal operations and perform appropriate training, maintenance, and administrative work without imposing unreasonable workloads on our people or sacrificing our capacity to mount surge efforts for emergency operations. It means having a reliable fleet of aircraft that can perform law enforcement operations and still have reserves for search and rescue.

By shaping the future, I mean a number of things, the most prominent of which is re-capitalizing our fleet of open ocean cutters and aircraft through our Deepwater acquisition project. This project will give us the platforms and the sensors we need to keep up with the growing and evolving threats posed by drug smugglers.

ONDCP estimates that illegal drug profits approach a sum equal to about ten times the size of the Coast Guard's budget. The smugglers are investing in current operations and building for future operations. They are building the flexibility to sustain the adaptation of their tactics. I need the same investment and the same flexibility.

I'm not here to preach a message of gloom and doom. We have posted very strong results, and will continue to improve the efficiency of our interdiction operations.

But I am here to make one very serious point. The Coast Guard is capable of delivering extraordinary interdiction results. We have the talent and the know-how. What we do not have is resources commensurate to our task.

#### Conclusion:

My short prescription for winning this war against drugs that isn't a war is to execute with vigor the National Drug Control Strategy.

Resist all pessimistic calls to surrender and legalize. Instead, keep the maritime interdiction portion of the strategy alive by funding the Coast Guard at levels that restore our readiness and provide for our future effectiveness.

Then we can fulfill our other maritime obligations and still devote the resources that drug interdiction will require on a constant basis for many years.

That will be the Coast Guard contribution to a dedicated and now well integrated effort to optimize the interdiction piece of the counter-drug puzzle. There are many other pieces, on both the supply and demand sides of the national effort. All deserve our support. Holding the collective efforts in balance remains our challenge.

Many thanks for this opportunity to meet with you. Semper paratus.

