

Hudson Institute

STATEMENT FOR THE U.S. HOUSE OF REPRESENTATIVES PERMANENT SELECT COMMITTEE ON
INTELLIGENCE

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Chairman Turner, Ranking Member Himes, and Members of the Committee, thank you for inviting me to testify.

Hudson Institute was founded by Herman Kahn over 60 years ago. He and the Institute were known for helping fashion strategic policy after World War II in the new strategic reality created by atomic weapons and then the threat of thermonuclear attack from the Soviet Union. Kahn focused on achieving and sustaining deterrence. You could say that deterrence is in the DNA of Hudson Institute.

Working at the start of the Cold War, Kahn believed the strategic doctrine of Mutual Assured Destruction—MAD—was inadequate because it would not deter lower-level conflict and that lack of deterrence, short of thermonuclear war, left America vulnerable. It actually resulted in a risk of steadily escalating attacks—this ladder of escalation requires what is sometimes called a ladder of deterrence.

The ladder of deterrence is broken today. We are under attack, and we need to reestablish deterrence at the levels of those attacks. Our adversaries—the Chinese Communist leadership, Russia under Putin, IRGC-controlled Iran, and a range of terrorists and transnational criminals, sometimes in collusion and sometimes separately—are attacking America and our allies every day. As the Members of this Committee are aware, these attacks include various cyber operations, information/subversion activities, and worsening the damage of biological threats, sometimes by simply not cooperating with international bodies as with Covid-19. Our adversaries have also weaponized economic systems, trade relationships, supply lines, and access to natural resources. They are conducting military aggression to upend the global order and they are penetrating foreign governments, corporations, educational and government institutions to subvert the rule of law, destroy democracy, and steal intellectual property.

The area of our vulnerability has expanded from innovations in nuclear arms to undersea, surface, land, air, space, and deeper space competition. Weapons technology—biological, cyber, artificial intelligence, quantum processing, autonomous systems, and decision-centric warfare—needs to be monitored and deterred. As during the Cold War, the adversaries of the Free World are developing and using proxies that bear careful analysis and, in some cases, counter measures. The CCP, Russia, and Iran are active in Europe, the Middle East, Asia, Latin

America, and Africa—and inside the U.S. The analytic and operational burden on America and its allies is expanding and you will face very difficult choices in setting priorities.

In the clearest possible terms, America and its allies are at war. The war has three possible outcomes: our adversaries prevail, our adversaries lose, or we establish and maintain deterrence. I believe maintaining deterrence is also to our advantage because the power of free people—our political, intellectual, and economic freedom—will prevail over time. During the Cold War, Herman Kahn was called an optimist for saying America would prosper. He supported his predictions with better analysis, and in the end, was proven right.

You face a long list of intelligence problems and dangerous threats. I encourage you to pay greater attention to the threat of fentanyl, synthetic opioids, and all illegal drugs. Undeterred, they represent a murderous and under-appreciated threat.

Turing America into Zombieland

Drug trafficking is the deadliest criminal activity in American history. It is foreign-based; it is the most damaging asymmetrical attack ever mounted against the U.S., and it is getting worse. The deaths of more than 100,000 Americans each year from drug overdoses are unacceptable to all of us. It is an almost incomprehensible tragedy touching every community and family. And those 100,000 overdose deaths are just a fraction of the scope of the destruction that is underway.

We can see this emptying out of human life every day on the streets of our cities and towns as the addicted and dying lay in the open. We walk by tent encampments—yes, even in Washington D.C.—and hear earnest policy analysts on TV blaming the cost of housing or a lack of social services and even, in some cases, making life on the street out to be a kind of defiance of arbitrary social norms. Even those of us who see this sad spectacle for what it is need to admit that addiction and death have become all too acceptable.

Last year, the current Drug Control Policy of the United States was released. Its first objective is: “The number of drug overdose deaths is reduced by 13-percent by 2025.” Translation: Our foremost national goal involves accepting hundreds of thousands more Americans dying of drug overdoses by 2025, even if that national goal is met. Is this acceptable? Is this the best we can do?

On September 11, 2001, we suffered just under 3,000 victims. More than 30 times that number are dying each year from illegal drugs. It is difficult not to see that these victims are being treated very differently and to suspect that the difference arises from the sense that the victims of drug use participate in their victimization.

Brief Context

We now call substance abuse a disease—a behavioral and physiological disease—but the key point is that while it is a disease that threatens all human beings, this disease requires ingesting a poison and continuing to ingest poison. No poison, no disease.

So, why do we poison ourselves? Why do we take illegal drugs? There are many different motivations, of course. Most use starts in teenage years because friends and our culture treat drugs as an attractive transgression. The strong and the suffering are drawn to drugs—the risk-takers and the fearful think it will add to their life or remove pain and anxiety. Our free society cannot erase or suppress information, myths, and enticements to self-destruction. Our adversaries have identified a profound weakness and they are exploiting it.

Before and after my time as Director of National Drug Control Policy, I spent many hours with treatment and prevention researchers. I have spent even more hours with treatment providers and many, many more hours with individuals in treatment and recovery. During my government service, we successfully advocated for hundreds of millions of dollars in treatment funding.

Like many of you, I have witnessed the miracle of recovery and the tragedy of relapse. I have helped individuals enter treatment. And I have spent time with family members and friends who have lost loved ones to addiction. When I left office in 2009, the criminal justice system had greatly expanded drug courts and diversion programs such that more people were entering treatment through the criminal justice system than by any other route and they got intense supervision to complete treatment and reach recovery. All this depended on the criminal law that brought them into court, and many such arrangements removed their criminal record at the end of the process.

During the 1980's I began working on the drug problem at the Department of Education organizing and expanding drug prevention education. At the White House Drug Policy Office (ONDCP) I was responsible for a \$100 million drug prevention advertising program for teens that I believe helped us reduce teen drug use by 25 percent during the Bush Administration. From the Reagan Administration through the George H.W. Bush Administration to the George W. Bush Administration, Democrats and Republicans spoke firmly and often about the scourge of drugs and I worked extensively with then-Senator Joe Biden to mobilize federal power to reduce both the demand and the supply of illegal drugs.

The deadly situation of 2023 does not mean that demand reduction—prevention and treatment—is not worthwhile or important. But demand reduction is not and cannot be effective unless the poison is reduced and controlled at a much lower level. ***Supply causes demand. Exploding supply negates any strategic effects of prevention and treatment.***

How did it get so bad?

With the best of intentions, we misunderstand the problem. At the beginning of the Obama Administration, our national drug policy changed. The change had two parts:

1. Reducing enforcement and efforts to curtail the production and distribution of drugs—supply control—at home and abroad.
2. Increasing attention to mitigating the consequences of drug use and addiction—harm reduction.

The rationale for this change included the argument that supply reduction failed, never could succeed, and caused unacceptable costs from arresting and punishing drug traffickers to causing damage in source countries. Harm reduction was originally presented as a policy for better reducing the consequences of drug use, but deaths have skyrocketed. Now it is frequently presented as the best we can do. This remains the policy of the U.S. government and it enjoys significant popular support.

At the outset, harm reduction included emphasis on drug treatment and prevention. However, drug treatment capacity is overwhelmed, and outreach efforts have collapsed. While many addicted individuals have been through treatment programs, the relapse rate, particularly for opioid/fentanyl users, has been a known danger for decades. National anti-drug prevention efforts are essentially invisible or limited to reports of deaths in the media. When was the last time a national leader seriously spoke to young people or adults about not using drugs?

Not long after U.S. policy changed to emphasize “harm reduction,” cocaine and methamphetamine production and trafficking increased. Most deadly of all, the synthetic opioid, fentanyl, became an ever-greater part of the American drug supply.

In short, we are where we are because the expanding flood of addictive drugs has overwhelmed our prevention and treatment efforts. Prevention and treatment are a strategic failure.

Why Intelligence and Merging Information is Crucial

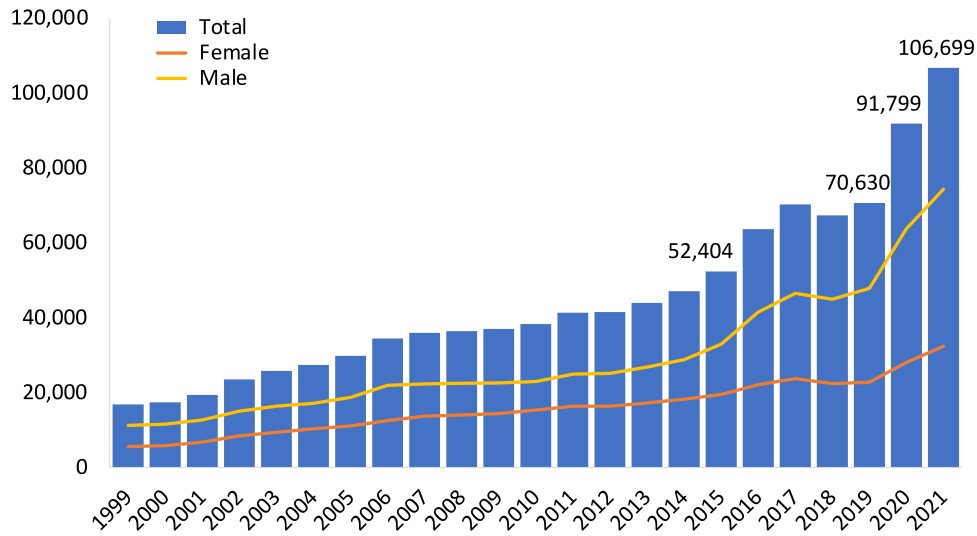
The work of this Committee is crucial because we do not have the basic information to build and maintain political will and to shape and execute effective drug policy. Without this information and without your aggressive oversight, the slaughter of Americans at historic rates will not stop. Your work prevents looking away and challenges denial.

The current situation must stand out in striking terms to this Committee. First, we do not even have a serious estimate of the size of the problem. This makes it impossible to match policies and resources to the threat. It also makes it impossible to seriously target the threat, judge the effectiveness of specific measures, and make policies and strategies and tactics work. As a

result, we are making inadequate gestures. What intelligence and information do we need to change this?

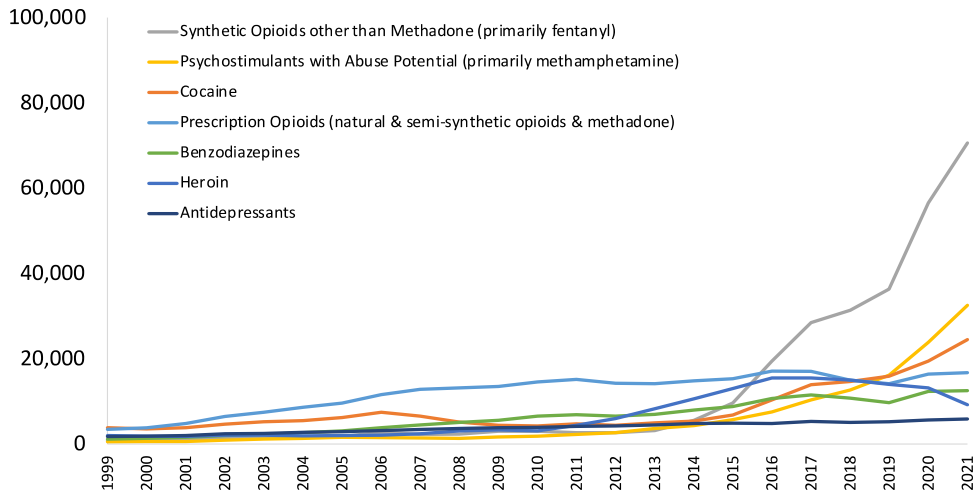
1. What is the true magnitude of the damage being done by the illegal drug problem—in terms of homeless costs, child welfare costs, healthcare costs, education losses, economic destruction to communities, mental health costs, not to mention the crime associated with the harms above and violent crime? Last September, Joint Economic Committee Chairman, Don Beyer, released a [report](#) adapting a Centers for Disease Control (CDC) methodology last used in 2017 to estimate the cost to the U.S. of the opioid epidemic alone at nearly \$1.5 trillion in 2020 (up 37 percent from 2017). The intention was good, but even with the examination limited to the opioid threat, the methodology does not begin to measure the true costs. Our leaders and the American people need to understand how much damage is caused by drug abuse and how little progress can be made against most key domestic policy problems without reversing the rampaging use of illegal drugs.
2. How much fentanyl is being produced for consumption in the U.S.? How much meth, cocaine, heroin, and marijuana are being produced, and where, how, and by whom? Since the 1980s the Intelligence Community produced annual, public estimates of illicit drug production in major source countries, but we apparently stopped doing this in recent years. We do not know, and we are not urgently seeking this knowledge. A crude estimate from analysis based on incomplete data and dubious assumptions is not adequate. And a list of information (investigative cases, partial intelligence, and guesses from so-called experts) is not sufficient. Such sloppy substitutes for rigorous analysis are misleading and prevent the necessary selection and scaling of measures to counter the threat. At a minimum, we need to re-start annual production estimates.
3. Aside from how many people are dying in the past 4-12 months, how many are addicted? Where are Americans dying this week and what are the causes? How many are using in various ways today, or this week? How many are overdosing and what are the patterns of overdoses (types of drugs and combinations, locations, and demographics)? Last month the National Center for Health Statistics offered data in a "[dashboard](#)." How fast is the danger increasing? Here are two [displays](#) from the National Institute on Drug Abuse (NIDA) dated this month, presenting the number of overdose deaths from 1999 to 2021:

Figure 1. National Drug-Involved Overdose Deaths*, Number Among All Ages, by Gender, 1999-2021



*Includes deaths with underlying causes of unintentional drug poisoning (X40–X44), suicide drug poisoning (X60–X64), homicide drug poisoning (X85), or drug poisoning of undetermined intent (Y10–Y14), as coded in the International Classification of Diseases, 10th Revision. Source: Centers for Disease Control and Prevention, National Center for Health Statistics. Multiple Cause of Death 1999–2021 on CDC WONDER Online Database, released 1/2023.

Figure 2. National Drug-Involved Overdose Deaths*, Number Among All Ages, 1999-2021



*Includes deaths with underlying causes of unintentional drug poisoning (X40–X44), suicide drug poisoning (X60–X64), homicide drug poisoning (X85), or drug poisoning of undetermined intent (Y10–Y14), as coded in the International Classification of Diseases, 10th Revision. Source: Centers for Disease Control and Prevention, National Center for Health Statistics. Multiple Cause of Death 1999–2021 on CDC WONDER Online Database, released 1/2023.

Yet these data are over a year old and only cover deaths. To reduce this mass poisoning, mayors, health officials, and, yes, law enforcement need to know where use, addiction, and overdoses are today with specificity. We speak of drug addiction as a disease, but CDC refuses to monitor this disease in real-time as it did Covid-19 and HIV/AIDS? Why? Is this acceptable?

4. How much is being spent on illegal drugs? What is happening to those proceeds? Where is the money we need to attack to help defund the narco-terrorists? This is not a small financial target. It is gigantic and tied to organizations that also have large streams of revenue from a range of illegal activities. If we are not seizing and forfeiting billions, we are not approaching the necessary strategic response.
5. How are these lethal poisons getting to Americans? Border interdiction cannot be strategic without intelligence that looks into Mexico—we should strengthen border security, but without targeting intelligence, interdiction at the border cannot be adequate. What/who are the trafficking and transit networks today and how do they work? Most of all, can we target them for a strategic result? What type of effort and of what magnitude is required to reverse the threat? Under attack, the threat will change and evolve. Intelligence and analytic structures need to find, fix, and help radically reduce this dynamic threat?
6. State and Local Law Enforcement: This is a Congressional hearing and we are naturally focused on the federal response to products that are produced overseas and trafficked across national borders. We are all appreciative of the high-level skills of our federal law enforcement agencies, working in concert with their State and local colleagues. I believe that this challenge may be one that inverts the ordinary pattern of major law enforcement investigations. Clamping down on synthetic drugs including fentanyl is also a local challenge that requires a concerted push at the state and local levels to identify individuals selling pills online and taking individuals pushing fentanyl out of circulation. Again, selling drugs today involves poisoning and killing others—our tactics should change to treat dealers more like “active shooters” to be stopped immediately. This is the only intervention that can remove fentanyl from the streets in an immediate way and it will also put pressure on individuals who think that it is acceptable to sell pills to a 15-year-old who they met online.

You will know we are trying to make a difference when the agencies and programs you influence produce and apply the information outlined above. ***Without this information and without your aggressive oversight, the slaughter of Americans at historic rates will not stop.***

Can the Supply of Addictive Drugs be Reduced?

The creation of addiction killing grounds across America is the result of the fact that prevention and treatment efforts cannot work in the face of expanding supply and the widespread belief that the drug supply cannot be controlled—“the drug war failed.” It is true that past national

efforts against the drug problem did not “solve” or end the problem—there was no “victory” in the drug war. Of course, we do not expect treatment “victory” or prevention “victory” and while there may have been a hope that virtually all dealers could be stopped or deterred, that view rests on a deep misunderstanding. Addictive substances are a constant, dangerous threat. There is no cure for human self-destructiveness or the human willingness to victimize others—there is no final, conclusive battle between human good and evil. As some have said of a range of threats and pathologies, “You need to mow the lawn.” As we push back against ignorance and misery, we need to push back against addiction and the narco-terrorists who fuel it today.

Can we do this? Can we do this at a cost America can sustain? Yes, but we need to meet the extreme danger of today with the correct strategy. That strategy needs to be modeled on America’s defense against foreign terrorists. What does this mean?

In important respects, and as this Committee knows, our response to the foreign terror threat is a stunning success. Our ability to prevent major attacks on the U.S. homeland following the events of September 11, 2001, has been remarkable. It is remarkable, in part, because we know that such attacks are a classic “needle in a haystack” problem of a small number of individuals with limited support able to inflict serious damage to our country. This has been a profound intelligence success most of all, but it also required adapting means and rules of engagement to the threat and enlisting allies and discouraging enemies. Compared to the foreign terrorist threat, the fentanyl threat—the illegal drug threat—is a very big target, not a needle, and a manufacturing, marketing, financing, and logistics operation with many, many vulnerabilities.

In fact, in the past, America has met and successfully pushed back on similar threats—in Mexico, in Colombia, and inside the U.S. They return when policies change and effort declines—when we “stop mowing the lawn.” What would it take (and cost) to reduce the poison? Effective policy, as with the terror threat, requires detailed, real-time intelligence and the capacity for engagement of a type and magnitude that will neutralize the threat.

The Chinese Communist Party is a Malicious Actor

I recommend that the Committee insists on getting a full analysis of the Chinese Communist regime’s likely role in our fentanyl catastrophe. A few of the claims I have heard from knowledgeable individuals inside and outside of the government include:

- The PRC has been the source of finished fentanyl and the precursor chemicals used to make finished fentanyl in Mexico.
- The PRC is involved in key money laundering operations for the Mexican cartels.
- The PRC is also home to criminal organizations partnering with the Mexican cartels for a range of criminal and trafficking operations.

I also recommend reviewing the February 15, 2023 testimony of DEA Administrator Anne Milgram before the Senate Foreign Relations Committee—[here](#).

In my experience, the PRC practices malicious denial in these situations of internal entities and individuals harming America. The Chinese Communist Party (CCP) has been conducting a wide array of activities aimed at harming the U.S., as this Committee surely knows. From provocative military activities to intellectual property theft, to intelligence operations in our universities and corporations, and others, the CCP is seeking to weaken America. It would be difficult to find a more disastrous vector of attack than what is happening to our country as a result of illegal drugs. The CCP has the motive, and the evidence of complicity is extensive—they are very guilty.

A common response by the CCP is to claim that they are doing what they can; the threat is from criminals and criminal activity that they have not been able to reach. It should be the position of the United States to label this a transparent lie. A genocidal tyranny that has created the most repressive surveillance state in human history can stop and neutralize criminal activity if it chooses to do so. The CCP can find and punish individuals who text or otherwise create pro-democracy messages anywhere within its borders. This is a matter of ill will, not limited ability. It may also be a matter of internal corruption (as it usually is in criminal regimes), but that too is a matter of intentional, malicious decisions throughout the Chinese Communist Party.

Our task is to change the behavior of the CCP, and that will require finding matters that create significant harm to them sufficient to change their malevolent intent. This too is an intelligence problem. In addition to identifying pressure points, it is frequently necessary to make judgments about the risks and consequences of exploiting those pressure points. These risks should be arrayed against the damage already being done to the U.S. If we act quickly, the measure of effectiveness is simple and clear. When our overdoses and deaths decline rapidly, we will know that the CCP has changed its behavior.

Better intelligence is also required to monitor changes in the sources of drugs and synthetic drug precursors in Mexico. The CCP may now be critical for the poisons, the money laundering, and other support to the Mexican narco-terrorists, but they are not the only possible facilitator of the cartels. It should be obvious that criminal organizations will respond to risk as it increases (or decreases). In fact, India's extensive pharmaceutical industry can be a source of criminal diversion and money laundering services are available in many forms. Good intelligence follows and adapts as the target evolves.

Mexico is the Center of Gravity

The command-and-control network for poisoning Americans with fentanyl and other illegal drugs is in Mexico and distributed among several organizations or cartels. The Sinola and

Jalisco cartels are the most widely discussed trafficking organizations. I have not seen a full display and analysis of the structure of these groups and subgroups, however. Perhaps one exists, but it is unlikely specific analysis is sufficient given the generalities used by officials in discussing these structures.

Typically, the utterly inadequate substitute for strategic analysis, is a list of what is known—bits of intelligence or reports from individual investigations—with problematic generalizations used to scale up partial information. This not strategic intelligence, and it is false to present this as a strategic understanding of the threat. It will take dogged oversight to make the relevant agencies gather and produce the information crucial to an effective/targeted attack on the narco-terror infrastructure at the magnitude and tempo necessary.

At present, the U.S. is limiting itself to the declining cooperation of the Mexican government. This policy is locking in the slaughter of Americans. We need to be a partner, but an uncompromising statement of Mexico's responsibility is the necessary starting point of genuine partnership. We cannot stop the poisoning if they do not stop the poison. America has a first level national interest in destroying the cartels, but this is also a profound matter for democracy and the rule of law in Mexico. U.S. officials—in Congress and the Executive Branch—should make clear that Mexico cannot remain a staging area and safe haven for the mass poisoning of Americans.

Destroying the cartels begins with removing the narco-terrorist leaders—broadly, swiftly, and repeatedly. Mexico needs a range of assistance to do this—some of it will need to be covert to be effective. As we have in the past, the U.S. can assist with training and building security for effective action and protecting Mexican authorities responsible for command and control.

The individuals leading the cartels are narco-terrorists. They use violence and terror to take power and destroy democracy and rule of law. They are not merely a criminal threat, they are a national security threat to Mexico and the U.S. The severity of this threat calls for the use of lethal force when necessary, and in appropriate circumstances. We have the lawful structures to use such force. We need to use these structures and we should explain the necessity for such a policy change to the American public.

This is not to say we do not need strategic enforcement across the entire supply network. But action against lesser segments—the most easily replaceable segments—will have limited effect. Moreover, without a strategic understanding of the cartel networks, unguided enforcement or convenience enforcement lacks the necessary coherence and power. As with al-Qaeda, the highest-value targets are at the top of the pyramid. A broad and repeated attack at the most senior leadership and their lieutenants is likely to cause the greatest destabilization.

Finally, it is important to think ahead about having a reliable means of holding and punishing captured cartel personnel. The most effective alternative is to extradite them to the U.S. where they can be tried and, if convicted, imprisoned securely. Former Colombian President Alvaro Uribe extradited hundreds of narco-terrorists to the U.S., but that was an unusual partnership. Mexico has allowed very limited extraditions, so it will be important to anticipate the threats to their criminal justice system and prepare to assist with countermeasures including special facilities and personnel. If we can energize our anti-drug collaboration, we will be working with an ally under siege, a compromised ally, and there will be steps backward even when we move forward. Intelligence will help us anticipate these problems and respond to offensive actions by narco-terrorists.

Conclusion

In the context of the large array of intelligence and information needs, I have tried to make the argument for elevating the priority of attacking narco-terrorism and what that would mean. This is not properly understood as a transnational criminal threat. It is the most devastating and worsening attack on America now being waged by the Chinese Communist Party with its Mexican cartel proxies.