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Presidential Determination  
No. 2012-15

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Presidential Determination on Major Illicit Drug  
Transit or Major Illicit Drug Producing Countries  
for Fiscal Year 2013

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 and/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 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, even if a government has carried out stringent 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 adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. Included in this report are justifications for the determinations on Bolivia, Burma, and Venezuela, as required by section 706(2)(B) of the FRAA.

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

Afghanistan produces approximately 90 percent of the world's illicit opium. Nearly all of this cultivation occurs in four southern and western provinces. Instability in the area allows criminal networks, insurgent groups, and illicit cultivation and drug production to thrive. While Helmand Province continues to be the largest poppy-cultivating area, the United States and the United Nations Office on Drugs and Crime (UNODC) estimate that cultivation in Helmand decreased between 35 and 39 percent, respectively, since 2008, to roughly 63,000 hectares.

The strategic objective of Afghanistan's Ministry of Counter Narcotics, as stated in its National Drug Control Strategy, is "to create a secure environment for a healthy society with a strong licit economy, through evidence-based policy-setting, effective coordination and full accountability to the people of Afghanistan and our government." The ongoing Good Performer Initiative, now in its sixth year, rewards provinces for successful counternarcotics performance. In 2011, 22 of Afghanistan's 34 provinces qualified for \$19.2 million in development projects as the result of their poppy reduction efforts.

Afghanistan's gains remain fragile. Reducing illegal cultivation and trafficking are closely linked to broader economic opportunity, security, and the ability of the Afghan government to project the rule of law. International support for the Afghan National Drug Control Strategy, including from the United States, is designed to bolster the country's drug control undertakings and is directly tied to the success of the country's wide-ranging national objectives to improve peace, security, and economic development.

This year, the Caribbean was examined for its relative importance as a transit zone for illegal substances destined for U.S. markets. Without factoring in illegal maritime and air drug smuggling believed to be destined for Europe and beyond, approximately 5 percent of all drugs destined for the United States are estimated to pass through the majors list countries of The Bahamas, Dominican Republic, Haiti, and Jamaica. As traffickers constantly reorder their routes and methods, the United States and other donors continue to believe that countering the drug trade in the Caribbean is in our national interest, as well as that of the countries themselves. Without the rule of law, well-run institutions, and effective drug interdiction, the viability of the broad range of national and regional goals adopted by Caribbean countries is threatened.

European, Canadian, and U.S. bilateral drug control support, as well as the Caribbean Basin Security Initiative, contribute to the region's ability to prevent and address drug trafficking and related violence and crime in the Caribbean. Similarly, key undertakings by the Organization of American States and UNODC in the region -- especially those aimed at bringing long-term stability to Haiti -- are an important part of the policy and assistance mosaic for smaller countries seeking to build on the successes of broad regional policies and programs.

United States analysts estimate that approximately 95 percent of illegal drugs cultivated and produced in South America destined for the United States are smuggled through Central America, Mexico, and the Eastern Pacific, primarily using maritime conveyances and illegal air flights. In response, the



United States launched the Central America Regional Security Initiative (CARSI) in 2008, which was further expanded when I announced the Central America Citizen Security Partnership in San Salvador in March 2011. Through CARSI and the Partnership, the United States has focused its crime prevention, counternarcotics, law enforcement and security assistance, and bolstered rule of law institutions in Central America. The region also has strengthened cooperation through the Central American Integration System (SICA) to promote citizen security and other programs. Multilateral cooperation to stem the flow of precursor chemicals from as far away as China that are used to produce illegal methamphetamine in Central America is an important component of SICA's unprecedented regional cooperation. Similar objectives are achieved through U.S. support for Mexico's drug control policies and programs under the Merida Initiative.

Several other countries were evaluated for inclusion in this year's list, but are not determined to be major drug transit and/or major illicit drug producing countries. For example, Canada has taken effective steps to stem the flow of synthetic MDMA (ecstasy) across its shared border with the United States, a problem of growing concern during the past several years. The country continues its robust efforts to combat the production, distribution, and consumption of various illegal drugs. As part of its 5-year National Anti-Drug Strategy, Canada has rolled out new initiatives specifically intended to fight the trafficking of marijuana and synthetic drugs. As detailed in the March 2011 report on precursors by the International Narcotics Control Board, Canada broadened its existing Controlled Drugs and Substances Act to prohibit any person from possessing, producing, selling, or importing material intended to be used in the illegal manufacture or trafficking of methamphetamine or ecstasy. The United States has also collaborated with Canada on a National Northern Border Counternarcotics Strategy that defines in detail the wide range of initiatives underway to combat all phases of drug trafficking. Bilateral initiatives focus on programs to stem the two-way drug trade between Canada and the United States.

You are hereby authorized and directed to submit this determination, with its Bolivia, Burma, and Venezuela memoranda of justification, under section 706 of the FRAA, to the Congress, and publish it in the *Federal Register*.

BARACK OBAMA

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MEMORANDUM OF JUSTIFICATION FOR  
MAJOR ILLICIT DRUG TRANSIT  
OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2013

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, including 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 government's efforts, particularly those supported by the U.S. government, continued to achieve some goals in interdiction and eradication. However, Bolivia remains one of the world's largest producers of coca leaf for cocaine and other illegal drug products.

Bolivia's ability to interdict drugs and major traffickers diminished following its January 2009 expulsion of 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 in 2009 has seriously harmed Bolivia's counternarcotics capability, especially with 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 2011 U.S. government coca cultivation estimate for Bolivia of 30,000 hectares was slightly lower than the 2010 estimate of 34,500 hectares. The UN Office on Drugs and Crime estimated 31,100 hectares of cultivation for 2011, a slight increase over its 2010 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. Still, the latest U.S. government estimate of pure



cocaine potential production has increased 28 percent from 205 metric tons to 265 metric tons. This increase is due to more efficient processing methods and the growing maturity of existing fields, which contribute to higher yields.

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 control strategy. Bolivia's efforts to amend the UN 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 made its withdrawal from the Convention effective January 1, 2012. Bolivia immediately applied to rejoin the Convention, with a reservation to permit the consumption, use, cultivation, trade in, and possession of the coca leaf in its natural state for "cultural" and "traditional" purposes. Such action would commercialize the coca leaf and permit coca chewing in Bolivia, which would otherwise be prohibited under the Single Convention except for limited exemptions for medical or scientific purposes. Bolivia is a signatory to the 1971 and 1988 United Nations conventions.

Bolivia has taken some narcotics control actions in the past year, but 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. Such policies include 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 hectares over the 12,000 hectare limit set by the country's national law.

Unlike other coca growing countries, Bolivia has not implemented many of the UN-mandated controls over coca, which permit some cultivation 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 strict controls in place to enforce licensing and registration for coca growers, possession of harvested crops, and controls over licit markets, or to ensure "licit" products are de-alkalinized.

As a matter of policy, Bolivia does not encourage or facilitate illegal activity associated with drug trafficking. However, senior Bolivian officials have been arrested for facilitating drug shipments. These arrests have taken place both within Bolivia and abroad. In June 2011, a former chief Bolivian counternarcotics officer,

Rene Sanabria, pleaded guilty to U.S. federal cocaine trafficking charges. Sanabria was the head of an elite Bolivian drug-intelligence unit at the time of his arrest.

The United States encourages Bolivia to strengthen its efforts to achieve tighter controls over the trade in coca leaf 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 hydrochloride. 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 to 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 assistance programs may be allowed to continue.



MEMORANDUM OF JUSTIFICATION FOR  
MAJOR DRUG TRANSIT  
OR ILLICIT DRUG PRODUCING COUNTRIES FOR FY 2013

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. However, during this time period, the Burmese government has undertaken political and economic reforms to address many of the United States' longstanding concerns regarding governance, democratization, and human rights. Given the government's demonstrated commitment to reform, and promising signs of action on future poppy eradication, it is in the interest of the U.S. government to grant Burma a national interest waiver as part of the 2013 majors list process.

According to the 2012 International Narcotics Control Strategy Report, Burma remains the second largest cultivator of illegal opium poppy in the world. A significant increase was noted from 2010 to 2011. Since 1996, there has been a sharp increase in production, consumption, and export of synthetic drugs, especially amphetamine-type stimulants (ATS). ATS attributed to Burma are trafficked along new routes to Thailand, China, and Lao People's Democratic Republic. The Mekong river is a vital trafficking route and there are growing signs of new routes to western Burma for onward trafficking to South Asia. Reports from India, Nepal, and Bangladesh indicate that South Asia is also increasingly affected by the trafficking of methamphetamine pills originating in Burma.

According to government statistics, officials have destroyed 23,584 hectares of opium poppy since the beginning of 2012 compared to 7,058 hectares in 2011. Similarly the country eradicated 8,268 hectares of opium poppy in 2010 compared to only 4,087 hectares in 2009. Burma indicated a strong willingness to work regionally on counternarcotics initiatives; re-engaged with the international community, including the UN Office on Drugs and Crime; expressed its desire to cooperate with the United States as part of its reform process, including on programs to combat illegal drugs; and strengthened its counternarcotics cooperation with China and Thailand. At the same time, Burma's current counternarcotics performance is not sufficient to meet its international counternarcotics cooperation obligations. The Burmese government needs to dedicate adequate resources to its counternarcotics efforts, increase illegal crop

eradication, redouble its efforts to obtain ceasefires with ethnic minorities, and document narcotics trafficking by the United Wa State Army.

The decision to grant Burma a national interest waiver reflects political change taking place in Burma and the country's interest in improving its international drug control cooperation. Since its formation in March 2011, Burma's civilian government has undertaken important political and economic reforms. In late 2011, Secretary Clinton made an historic visit to Burma and committed to supporting Burma's reform process and matching "action-for-action," including resumption of counternarcotics cooperation, which had been suspended in 2004 by the Burmese government. After Secretary Clinton's visit, and following additional reforms, the United States announced an exchange of ambassadors to restore full diplomatic relations with Burma and an easing of certain travel, financial, and investment-related sanctions.

Burma has signed, but not ratified, the 1988 UN Convention.

In accordance with Section 481 (e)(4) of the FAA, the determination that Burma has failed demonstrably does not result in the withholding of humanitarian and counternarcotics assistance. It is in the vital interest of the United States to grant a national interest waiver to Burma.



MEMORANDUM OF JUSTIFICATION FOR PRESIDENTIAL  
DETERMINATION OF MAJOR DRUG TRANSIT OR ILLICIT DRUG  
PRODUCING COUNTRIES FOR FY 2013

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 for drugs out of South America to consumer markets. As a matter of stated policy, Venezuela does not encourage, support, or facilitate illegal activity involving drug trafficking. However, individual members of the government and security forces were credibly reported to have engaged in or facilitated drug trafficking activities. According to U.S. government cocaine movement estimates, by the end of 2011, an estimated 161 to 212 metric tons of cocaine likely departed from Venezuela to global destinations, the same amount as estimated in 2010. Suspected narcotics trafficking flights depart from Venezuelan states bordering Colombia. Almost all illegal drug flights arriving in Honduras, the region's largest center for airborne drug smuggling, originate from Venezuela.

Venezuela reported it seized 42 metric tons of illegal drugs in 2011, compared to 63 metric tons 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 arrests or convictions. Effective prosecution of drug traffickers is hindered by corruption and a lack of judicial independence. Venezuela is a party to all relevant international drug and crime control agreements, including the 1988 U.N. Convention.

Within the last year, Venezuela transferred three major drug traffickers to the United States, including Maximiliano Bonilla Orozco, aka "Valenciano," one of Colombia's most-wanted drug traffickers, and Oscar Martinez Hernandez, aka "El Cali." Between January and October 2011, Venezuela reported that it captured



21 individuals for whom there were international warrants for drug-related offenses.

Since ceasing formal cooperation with the U.S. Drug Enforcement Administration in 2005, the Venezuelan government has maintained only limited, case-by-case counternarcotics cooperation with the United States. Cooperation has consisted mainly of 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 have been two such events since September 2011. Venezuelan authorities required that the Coast Guard 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 international counternarcotics cooperation calls into question the government's intent to uphold its international commitment to combat drug trafficking.

Despite proposals 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.

Venezuela took some positive steps in the region regarding counternarcotics issues, including by increasing cooperation with Colombia and continuing to deport fugitives to Colombia and other countries. During 2011, Venezuela captured and transferred to Colombia five members of the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army. These groups rely heavily on drug trafficking to fund their operations and often seek safe haven in Venezuela. However, the Venezuelan government did not take action against government and military officials known to be linked to the FARC. On September 8, 2011, the U.S. Department of the Treasury designated four senior government officials pursuant to the Foreign Narcotics Kingpin Designation Act as acting for or on behalf of the FARC, often in direct support of its narcotics and arms trafficking activities.

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.