

Opening Statement
Chairman Mark Souder

“Northern Ice: Stopping Methamphetamine Precursor
Chemical Smuggling Across the U.S.-Canada Border”

Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
Committee on Government Reform

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Good morning, and thank you all for coming. This hearing continues our Subcommittee’s work on the problem of methamphetamine abuse – a problem that is ravaging nearly every region of our nation. It also continues our ongoing study of drug trafficking and similar problems facing law enforcement agencies at our borders and ports of entry.¹

Meth is among the most powerful and dangerous stimulants available. The drug is highly addictive and has multiple side effects, including psychotic behavior, physical deterioration, and brain damage. Death by overdose is a significant risk. Unfortunately, meth is also relatively easy to produce; so-called meth “cooks” can create the drug from common household or agricultural chemicals and cold medicines containing ephedrine and pseudoephedrine. Ephedrine, pseudoephedrine and similar chemicals are referred to as meth “precursors”, and these precursors are the main subject of our hearing today.

¹ A summary of the Subcommittee’s work and findings on this subject during the 107th Congress is contained in its report, *Federal Law Enforcement at the Borders and Ports of Entry: Challenges and Solutions* (H. Rpt. No. 107-794), which can be found on the Government Printing Office’s website, at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_reports&docid=f:hr794.pdf.

The most significant source of meth (in terms of the amount produced) comes from the so-called “superlabs” in California and northern Mexico. By the end of the 1990’s these superlabs produced over 70 percent of the nation’s supply of meth. The superlabs are operated by large Mexican drug trafficking organizations that have used their established distribution and supply networks to transport meth throughout the country. These organizations have the additional advantage over their smaller competitors of being able to import – illegally, of course – huge quantities of precursor chemicals from Canada.

The meth traffickers had to start smuggling precursor chemicals from Canada because of the much tougher chemical diversion penalties enacted by Congress in the 1990’s, coupled with effective action by the Drug Enforcement Administration (DEA) and other law enforcement agencies. Through a series of acts, including the Chemical Diversion and Trafficking Act of 1988, the Comprehensive Methamphetamine Control Act of 1996, the Methamphetamine Penalty Enhancement Act of 1998, and the Methamphetamine Anti-Proliferation Act of 2000, Congress made it far more difficult to obtain large quantities of precursor chemicals within the U.S. Drug companies and pharmacies are now required to register large transactions involving cold pills and other precursor chemical sources, and retail outlets are prohibited from selling anyone multiple packages of decongestants and similar medicines. Medicines containing pseudoephedrine are also required to be packaged in “blister packs,” which are more difficult for a meth cook to open and dump into a vat than large plastic bottles.

Unfortunately, Canada did not impose these controls on its side of the border, which made it an attractive source of supply for meth producers. According to a joint intelligence report by DEA and the Royal Canadian Mounted Police (RCMP), the amount of pseudoephedrine imported into Canada rose nearly 500% from 1999 to 2000 alone. DEA and RCMP believe that a large portion of that increase was diverted to the illicit precursor chemical market in the U.S.² In fall 2003, the Canadian government finally implemented new

² See *Chemical Diversion and Synthetic Drug Manufacture*, 2002, available at <http://www.usdoj.gov/dea/pubs/intel/intel010621p.html>.

regulations of precursor chemicals, imposing a reporting requirement and an “end user” declaration on large transactions. Questions remain, however, about whether these new regulations are sufficient to curtail the large-scale diversion and smuggling of precursor chemicals from Canada.

These chemicals are being smuggled, usually by truck, across such major border crossings as the Ambassador Bridge here in Detroit, and the Blue Water Bridge up in Port Huron. DEA and other law enforcement agencies have identified several organizations doing this smuggling, many of Middle Eastern origin. Identifying and stopping smugglers using these bridges presents a serious challenge for law enforcement; Detroit is the busiest truck crossing in the U.S., while Port Huron is the fourth busiest, and both crossings are at or near the top in the volume of passenger traffic as well. It is unclear whether U.S. Customs and Border Protection (CBP) – which conducts the inspections of all trucks and persons entering the U.S. – has sufficient resources and facilities to check enough vehicles at the Ambassador and Blue Water bridges for drugs and other contraband. The task is further complicated by the recent implementation of two “fastpass” systems that expedite border crossings for certain travelers – the NEXUS system for passengers, and the Free and Secure Trade (FAST) system for commercial trucks. These systems have certainly helped speed trade and travel across the border, but because they result in fewer inspections for participants, they may also create a gaping hole in our security network.

This hearing will give us an opportunity to discuss the current status of precursor smuggling here in Michigan, and to explore some possible solutions. We are pleased to be joined by representatives of four law enforcement agencies responsible for stopping precursor chemical and other drug trafficking across the Northern border. We first welcome Mr. Abraham L. Azzam, Director of the Southeast Michigan High Intensity Drug Trafficking Area (HIDTA). HIDTA, a program overseen by the White House Office of National Drug Control Policy, seeks to coordinate the anti-narcotics efforts of federal, state and local law enforcement agencies. We also welcome Mr. Michael Hodzen, Interim Special Agent in Charge of the Detroit office of U.S. Immigration and Customs Enforcement (ICE), which is part of the new Department of Homeland Security (DHS); Mr. John

Arvanitis, Acting Special Agent in Charge of DEA's Detroit Field Division; and Mr. Kevin Weeks, Director of Field Operations for the Detroit Field Office of CBP, which is also part of DHS. We thank everyone for taking the time to be here today, and look forward to your testimony.