



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Statement of Chairman Grassley

Senate Finance Committee Hearing: "Breaking the Methamphetamine Supply Chain: Law Enforcement Challenges," Tuesday, September 12, 2006

I want to thank you for joining us today. I especially want to thank our panelists from Iowa and Montana for making the trip to Washington to share with us their insights on the growing epidemic of meth use across our country. It's no longer a secret that methamphetamine abuse and the disastrous effects of its manufacture have reached crisis levels in many areas of our country. The National Association of Counties released a survey in July that found that "county law enforcement officials across 44 states reported that methamphetamine remains the number one drug problem in their county," with forty-eight percent of their counties reporting that meth is the primary drug problem. This was more than the number that reported cocaine, marijuana and heroine combined. Whereas meth production and use may once have been geographically limited, this survey, as well as other reports, indicate that it appears to be moving steadily into most of the country.

I am encouraged by Congress' recognition of the need to control this crisis. Earlier this year, Congress passed the *Combat Meth Act*, which limits sales of meth precursor drugs like pseudoephedrine, and mandates that a log be kept of each sale. A number of states have already enacted similar restrictions on the availability of meth precursor drugs, and this appears to have had a major impact on the number of small toxic labs in those states as indicated by the great decrease in the number of local lab seizures in most of those states. It is reasonable to expect a comparable reduction in the number of small toxic labs in all states when the federal requirements become effective September 30th this year.

The challenges before us are still substantial. One of the results of the decrease in the small toxic meth labs in those states that have restricted access to the precursor products is an increase in the importation of meth by large, sophisticated drug cartels based primarily in Mexico. These smuggling organizations import a purer version of meth, employ difficult to uncover and track smuggling techniques, and are now operating in most parts of the country.

They are also engaged in repatriating large amounts of money to their home bases, laundering it through a variety of methods and often through legitimate business channels. The Drug Enforcement Administration estimates the illegal money laundering drug trade to be almost 50 billion dollars a year. It is also believed that a large portion of that money is smuggled out of our country in bulk across our borders.

Under these new circumstances, it is clear that a priority has to be placed on cooperation between the numerous federal agencies that are engaged in combating the meth traffic and the state and local law enforcement agencies that are on the ground in our local communities.

Our hearing today will hear testimony from state and local officials deeply engaged in the effort to close down meth traffickers and from federal officials equally deeply engaged in the effort at the federal level. We not only want to hear about their efforts at their respective levels and what we in the Congress might do to help them, but also about their cooperation and what we can do to help that cooperation become more effective.

