Testimony on Drug Policy
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A Brief Overview of the RAND “Controlling Cocaine” Model

Cost-effectiveness at reducing cocaine consumption

- Prevention (low estimate)
- Source country control
- Longer sentences, typical dealers
- Interdiction
- Prevention (middle estimate)
- Domestic enforcement, typical dealers
- Longer sentences, federal defendants
- Federal enforcement
- Prevention (high estimate)
- Treating heavy users

Bar chart showing cost-effectiveness percentages for different methods of reducing cocaine consumption.
Enforcement Affects Consumption Through Price

1. **Eradication**
   - Grower Risks & Costs
   - Leaf Price
   - Retail Price

2. **Interdiction**
   - Smuggler Risks & Costs
   - Import-Export Price
   - Retail Price

3. **Enforcement**
   - Risks & Costs
   - Retail Price
   - Consumption
Cocaine Prices Declining
1981-2000

Price per pure gram in 1998 dollars

Source: ABT Associates Inc.
Treatment is Most Cost Effective Option by Several Measures

- Use (kgs)
- Spending ($100K)
- Crime

Problem Reduction per Million Program Dollars

- Treatment
- Conventional Enforcement
- Mandatory Min Sentences
Different Evaluation Time Horizons Favor Different Drug Control Strategies

Years

0 20 40 60 80 100 120 140 160

Treatment
Conventional Enforcement
Mandatory Minimum

Years
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Dynamic versus Static Models and Epidemic Timing

• “Controlling Cocaine” is a static model of a mature epidemic. It does not provide optimal resource allocation advice for emerging drug epidemics.

• Dynamic models suggest that early in a new drug epidemic, prevention and conventional enforcement may be much more cost effective alternatives. Concurrently, treatment may be less effective and underutilized.

• As the epidemic matures, resources need to be shifted from supply reduction to demand reduction.
Dynamic Model Implications for Emerging Drug Epidemics

• While conventional enforcement may be a cost-effective option for emerging epidemics - this does not translate to a need for new legislation for each new problem drug.

• Instead - reallocate policing efforts to dismantle emerging drug supply networks.

• This requires a change in how policing efforts are evaluated - away from simple arrest counts to acknowledgement of the importance of information gathering and achievement of supply disruption.
**Alcohol and nicotine policies need to be part of a comprehensive illicit drug control strategy**

- There is significant scientific evidence that alcohol and marijuana are economic complements, not substitutes.

- There is additional evidence suggesting that alcohol and cocaine are economic complements.

- Cigarettes and marijuana also appear to be economic complements.
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Collateral Damage: Between 1983 and 1999, Admissions to Prison for a Drug Offense Increased 16-Fold in the US
The Increase in Drug Admissions Have Disproportionately Affected Blacks

Number of drug offense admissions to U.S. prisons
The Disproportion Is Even More Dramatic
When Viewed on a Per Capita Basis

Number of drug offense admissions per 100,000 adults

- Black
- Hispanic
- White
- Other
Per Capita Drug Admissions to Prison in California, 1983-1999, by Race

- Black
- Hispanic
- White
- Other


Values: 0, 100, 200, 300, 400, 500, 600, 700, 800