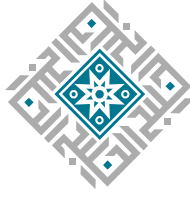


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U.S.-Gulf Cooperation in the Global War on Terrorism

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Even with Saddam Hussein's regime removed, the Gulf states will likely continue to ally and cooperate with the United States in the global war on terrorism (GWOT). The Gulf states fear potential Iranian aggression or intimidation, they view the outcome of the ongoing violence and power struggles in Iraq as uncertain, and the Gulf governments – particularly Saudi Arabia -- have faced a threat from heightened activity by Al Qaeda or pro Al Qaeda activists in the Gulf states themselves. However, it is also reasonable to expect that, with the conventional military threat from Iraq now removed and the U.S. military presence in Iraq relatively unpopular in the Arab world, some of the Gulf states might move closer to a broad Arab consensus on issues such as the Israeli-Palestinian dispute, and will likely press the Bush Administration to elevate resolution of the Israeli-Palestinian dispute on the Administration's agenda.

It can also be argued that the Gulf states believe the U.S.-led war to overthrow Saddam Hussein's regime in Iraq has complicated the GWOT. The Bush Administration has asserted that its war in Iraq is part of the overall GWOT, although most experts on the region see Iraq as a separate issue because Iraq did not have operational links to Al Qaeda, according to the July 2004 report of the September 11 Commission and other analyses. Some of the Gulf states were initially reluctant to support the Bush Administration's pursuit of war with Iraq, believing that it could create the instability now evident in Iraq and strengthen Iran's leverage in the Gulf. Of the Gulf states, Saudi Arabia was the most vocally opposed to a U.S. offensive against Iraq, but even Saudi Arabia did quietly agree to host command centers for U.S. air operations in the war and some U.S. special



operations forces staging missions into Iraq.¹ For Saudi Arabia, the prospect of the overthrow of Saddam Hussein held out the possibility that the 6,000 U.S. personnel that were based there in anti-Iraq containment operations since 1991 would be able to depart – presumably removing a potential rallying point for radical Islamists in the Kingdom. That redeployment happened after Saddam’s fall.

In advance of the U.S. military action, all of the Gulf states wanted the United States to assure them that a stable and more peaceful Iraq would result from any military action. However, that U.S. pledge has not been fulfilled to date, leaving Gulf officials concerned that Iraq could still fragment, that Sunni insurgents in Iraq could try to infiltrate the Gulf states, and that Shiite Muslim populations in the Gulf could be emboldened to engage in opposition activity by the ascendancy of Iraqi Shiites. For the Gulf states, the U.S. action in Iraq has therefore replaced the threat from Saddam’s conventional arsenal with other threats – the threat that a new generation of Islamic militants is being incubated in Iraq.

There continue to be anecdotal reports from observers and experts that the Gulf states are assisting some parties and factions in Iraq to help them prevail in Iraq’s internal power struggle. The Gulf regimes are Sunni Muslim, and the Gulf states fear that Sunni Arabs in Iraq now face repression at the hands of majority Shiite Arabs. Kuwait was directly threatened by Iraqi Shiite activists during the 1980s, and it reportedly is engaging Iraq’s Shiite clerics to ensure that they do not emerge as a new threat to Kuwait. There

¹ Solomon, John. “Saudis Had Wider Role in War.” Philadelphia Inquirer, April 26, 2004



is little firm information on what, if any, official assistance or activities the Gulf states might be undertaking to affect internal events in Iraq, but Saudi officials say they are stepping up border security to try to prevent the movement of extremists from Iraq into the Kingdom. Kuwait is reportedly doing the same. The Bush Administration has sought to persuade all of Iraq's neighbors, including Syria, to seal off their borders with Iraq to prevent the flow of supporters for the insurgency.

The Gulf states are further concerned that the instability in Iraq has benefited Iran, which some states view as the greatest potential danger in the region – particularly at a time when the influence of moderate President Mohammad Khatemi has waned. The Bush Administration has identified Iran as part of an “axis of evil,” and still the most active state sponsor of terrorism, but the Bush Administration has not, to date, taken concrete action to extend the GWOT to Iran or those extremist groups supported by Iran, such as Hizbollah, Hamas, and Palestinian Islamic Jihad. Both the Gulf states and the Bush Administration appear less concerned about Iranian-sponsored terrorism than about Iran's growing strategic power, a function of its nuclear program. The Gulf state view is that U.S. policy in Iraq has only enhanced, not limited, Iran's growing strategic power in the Gulf.

Some Gulf states fear intimidation by Iran. In 1992, the UAE became alarmed at Iranian intentions when Iran asserted complete control of the largely uninhabited Persian Gulf island of Abu Musa, which Iran and UAE shared under a 1971 bilateral agreement. Qatar has been wary that Iran might try to encroach on its giant natural gas North Field, which the two



share. (The Iranian side of the field is South Pars, which Iran is now developing with the help of foreign investment.)

In addition to fearing Iranian state power, some Gulf states fear Shiite Muslim unrest in the Gulf, possibly inspired by Shiite ascendancy in Iraq. Gulf Shiites could try to assert themselves politically if Iraq's Shiites prevail in January 2005 elections for a national assembly. The fears resonate particularly loudly in Saudi Arabia and Bahrain, which have faced internal threats from pro-Iranian Shiite movements. Bahrain, in 1981 and again in 1996 – the latter a period of substantial Shiite-inspired unrest – openly accused Iran of plotting to destabilize that country by supporting radical Shiite movements there. Saudi Arabia has accused pro-Iranian Saudi Shiites of the June 1996 bombing of the Khobar Towers complex near Dhahran.

Fearing growing Iranian ascendancy in the Gulf, and sensing that the United States is too militarily embroiled in Iraq to contain Iran, the Gulf states might tend, as they often have in the past, to accommodate Iran. The Gulf states have not rejected outright Iranian calls for Iran to play a larger role in post-Saddam Gulf security. However, the Gulf states are reportedly monitoring their Shiite populations more closely for any signs of Iranian meddling, thus reducing the opportunities for Iran to support Shiite radicals in the Gulf. To reassure the Gulf states that it will not allow Iran to intimidate them, the Bush Administration will likely retain a robust U.S. conventional force in the Gulf, even if Iraq stabilizes. This reconfirms the degree to which the United States has become the ultimate power balancer and indispensable actor in the Gulf.



Arab-Israeli Issues. Like the other Arab states and many European countries, the Gulf states believe that settling the Israeli-Palestinian dispute is crucial to winning the GWOT. Islamic radicals, including those in Al Qaeda, view continued Israeli occupation of most of the West Bank as a key example of what the radicals believe is a U.S.-led effort to conquer and control Islamic land and resources. In his recent videotaped messages, Al Qaeda founder Osama bin Laden has increasingly emphasized Arab-Israeli issues as a justification for attacks on the United States, although apparently U.S. support for Israel did not prevent him from tacitly aligning himself with U.S. policy during the *mujahedin* struggle against the Soviet Union during the 1980s.

Since Iran's Islamic 1979 revolution began a 25 year period of instability and warfare in the Gulf, the Gulf states have not focused on the Arab-Israeli dispute to nearly the degree that "frontline states" such as Egypt, Syria, Jordan, and Lebanon have. Over that period, in return for an implicit promise of U.S. strategic protection, most of the Gulf states have muted their differences with U.S. policy on the Arab-Israeli dispute. In the aftermath of the 1993 Israeli-PLO mutual recognition, the Gulf states participated in multilateral peace talks, even though Syria and Lebanon boycotted those talks and urged other Arab countries to do so as well. Oman and Qatar openly hosted visits by Israeli leaders, although not since 1996. In November 1997, at a time of considerable strain in the peace process, Qatar bucked substantial Arab opposition and hosted the Middle East/North Africa economic conference, the last of that yearly event to be held. The Gulf states have all publicly endorsed the Bush Administration's "road map" for Israeli-Palestinian peace, although there was little movement on that issue



in the year prior to the November 2004 death of PLO leader Yasser Arafat. Saudi Crown Prince Abdullah has often tried to guide and support U.S. policy on this issue; he engineered Arab League approval of a vision of peace between Israel and the Arab states at a March 2002 Arab League summit.

At the same time, the Gulf states have tried not to wander far from a broader Arab consensus. Differences between the Gulf states and the United States on the Palestinian-Israeli dispute did widen after the latest Palestinian uprising began in September 2000. After that uprising began, Oman closed its trade office in Israel and ordered Israel's trade office in Muscat closed. Qatar announced the closure of Israel's trade office in Doha, although observers say the office has been tacitly allowed to continue functioning at a low level of activity. (Qatar did not open a trade office in Israel.) The Gulf leaders have expressed sharp disagreement with Bush Administration's efforts over the past three years to politically isolate Arafat, even though several Gulf states, particularly Kuwait, ostracized Arafat for his backing of Saddam Hussein in the 1990-91 Gulf crisis. The Saudi government has criticized U.S. endorsement of a unilateral plan by Israeli Prime Minister Ariel Sharon to withdraw from Gaza and some Israeli settlements in the West Bank while retaining other Israeli settlements there.

In one clear difference between U.S. and Gulf attitudes in the GWOT, wealthy Gulf individuals – although not governments – apparently continue to provide funds to Hamas.² Even though the United States has not acted militarily against Hamas, the United States continues to list Hamas (and

² U.S. Department of State. Patterns of Global Terrorism: 2003. Published April 2004. p.120.



Palestinian Islamic Jihad) as terrorist groups and has repeatedly attempted to persuade the Gulf governments to cut off private funding to Hamas. The populations of the Gulf see Hamas as a legitimate political movement that is steadfast in its opposition to the continued Israeli occupation of Palestinian-inhabited lands. U.S.-Gulf differences on Hamas could widen if Hamas becomes politically dominant in the Gaza Strip after Israel implements its “disengagement” from Gaza.

U.S.-Gulf Defense Cooperation in the GWOT

As noted above, the Gulf states see the United States as the strategic guarantor of Gulf security, and are likely to retain strong defense ties to the United States, regardless of any differences over Iraq policy, Iran policy, or differences over how best to pursue the GWOT. U.S. – Gulf success in the GWOT likely depends on continued defense cooperation, which enhances and cross-fertilizes close intelligence cooperation against terrorist leaders in or originating in the Gulf.

In the aftermath of the 1991 Gulf war, the Gulf states, with the exception of Saudi Arabia, renewed or formalized defense agreements with the United States. The agreements provide not only for facilities access for U.S. forces, but also for U.S. advice, training, and joint exercises; lethal and non-lethal U.S. equipment pre-positioning; and arms sales. The pacts do not include security guarantees that formally require the United States to come to the aid of any of the Gulf states if they are attacked, nor do the pacts give the United States automatic permission to conduct military operations from Gulf facilities. Reflecting their continuing security fears, none of the Gulf states



has moved to suspend or end these formal pacts now that Saddam Hussein is gone from power.

The September 11, 2001 attacks offered a new opportunity to exercise the longstanding defense cooperation. As noted above, the Gulf states willingly and openly hosted U.S. forces performing combat missions in Afghanistan in Operation Enduring Freedom (OEF), despite some sentiment in the Gulf region that saw the conflict as a U.S. war against Islam. Saudi Arabia did not offer to allow U.S. pilots to fly OEF missions in Afghanistan from Saudi Arabia, but it did openly permit the United States to use the Combined Air Operations Center at Prince Sultan Air Base, south of Riyadh, to coordinate OEF U.S. air operations. Published accounts indicate that the other Gulf states did allow such missions to fly from their territory, and they allowed the United States to station additional forces for OEF. Qatar publicly acknowledged the U.S. use of the large Al Udaid air base in OEF, and Bahrain publicly deployed its U.S.- supplied frigate naval vessel in support of OEF. Cooperation was far less extensive and open in Operation Iraqi Freedom (OIF), which was widely opposed among Gulf and broader Arab populations, although the Gulf states did host U.S. forces in that offensive. As noted above, OIF was not generally regarded in the Gulf, the Arab world, Europe, and among many Americans, as part of the GWOT.

Although there are fewer U.S. forces in most of the Gulf states than there were at the height of OEF and Operation Iraqi Freedom to oust Saddam (OIF), the aggregate is still higher than the 20,000 "baseline" during the 1990s - almost entirely due to the large numbers of U.S. personnel still in Kuwait supporting OIF. The "baseline" figure represents the number of U.S.



forces in the Gulf during the U.S.-led containment operations against Iraq of the 1990s. Currently, U.S. forces in Iraq itself number about 140,000. The following is a brief overview of U.S. operations and presence in each of the six Gulf states:

- Concerned about internal opposition to a U.S. presence, Saudi Arabia has not signed a formal defense pact with the United States. However, it has entered into several limited defense procurement and training agreements with the United States.³ During the period of U.S. containment of Iraq, U.S. combat aircraft based in Saudi Arabia flew patrols to enforce the no fly zone over southern Iraq (Operation Southern Watch, OSW), but Saudi Arabia did not permit preplanned strikes against Iraqi air defenses, only retaliation in case of tracking or firing by Iraq. OSW ended after the fall of Saddam Hussein and most of the 6,000 Saudi-based U.S. personnel, reportedly along with all Saudi-based U.S. combat aircraft, were withdrawn in September 2003. The 220 remaining U.S. personnel conduct longstanding training and advisory missions for the Saudi military and National Guard.
- Bahrain has hosted the headquarters for U.S. naval forces in the Gulf since 1948, long before the United States became the major Western power in the Gulf. (During the 1970s and 1980s, the U.S. presence was nominally based offshore.) Bahrain signed a separate defense cooperation agreement with the United States on October 28, 1991, and the pact remains in effect. In June 1995, the U.S. Navy reestablished its long

³ For more information on these agreements, see CRS Report 94-78, *Saudi Arabia: U.S. Defense and Security Commitments*. February 3, 1994, by Alfred Prados.



dormant Fifth fleet, responsible for the Persian Gulf region, and headquartered in Bahrain. No U.S. warships are permanently based in Bahraini ports; the headquarters is used to command the U.S. ships in the Gulf.

- An April 21, 1980 facilities access agreement with Oman provided the United States access to Omani airbases at Seeb, Thumrait, and Masirah, and some prepositioning of U.S. Air Force equipment. The agreement was renewed in 1985, 1990, and 2000. In keeping with an agreement reached during the 2000 access agreement renewal negotiations, the United States provided the \$120 million cost to upgrade another base near al-Musnanah, which can handle even the largest U.S. aircraft.⁴
- On September 19, 1991, Kuwait, which saw itself as the most vulnerable to Iraqi aggression, signed a 10-year pact with the United States (renewed in 2001 for another 10 years) allowing the United States to preposition enough equipment to outfit a U.S. brigade. Joint U.S.-Kuwaiti exercises were held almost constantly during the 1990s, and about 4,000 U.S. military personnel were in Kuwait at virtually all times during that time. In conjunction with OIF, the ground offensive of which was staged almost entirely from Kuwait, the United States moved most of its operations in Kuwait south of Kuwait City, to Arifjan. Arifjan can hold more equipment than the older site at Camp Doha, which is still used. About 50,000 U.S. military personnel are still in Kuwait supporting OIF, and it is a transit point for U.S. forces rotating into that theater.



- Even before OEF and OIF, Qatar was building an increasingly close defense relationship with the United States. It signed a defense pact with the United States on June 23, 1992, and accepted the prepositioning of enough armor to outfit one U.S. brigade, and the construction of a facility (As Saliyah site) that could accommodate enough equipment to outfit at least two U.S. brigades. (Most of that armor was moved from storage in Qatar for use in OIF.)⁵ The United States built an air operations center at Al Udaid that has largely supplanted the one in Saudi Arabia, and CENTCOM used its command headquarters at the As Saliyah site as its main command post during OIF. The United States helped Qatar expand Al Udaid air base at a cost of about \$1 billion, and U.S. support aircraft used it during OEF and OIF. (Over 2,000 U.S. Air Force personnel deployed to Al Udaid in those missions.) On December 11, 2002, Secretary of Defense Rumsfeld signed an accord with Qatar expanding U.S. access to Al Udaid and providing for additional upgrades to it.
- The UAE did not have close defense relations with the United States prior to the 1991 Gulf war. After that war, the UAE determined that it wanted a closer relationship with the United States, in part to deter and balance out Iranian naval power. On July 25, 1994, the UAE announced it had signed a defense pact with the United States. The UAE allowed some U.S. pre-positioning, as well as U.S. ship port visits at its large Jebel Ali port, and it hosted U.S. refueling aircraft participating in the OSW (al-Dhafra air base). Generally wanting to appear within an Arab consensus on major issues, the UAE hosted only minor amounts of additional U.S.

⁴ Sirak, Michael. USA looks to Expand Bases in Oman and Qatar. *Jane's Defence Weekly*, April 17, 2002.

⁵ U.S. briefing for congressional staff in Qatar, January 2003.



forces in OIF, although it did allow the United States to conduct air support operations, using equipment pre-positioned in UAE.

U.S. Arms Sales and Security Assistance

A key feature of the U.S. strategy for protecting the Gulf states has been to sell them arms and related defense services. However, now that the conventional military threat from Iraq has ended, the Administration focus is apparently turning to sales of equipment better suited to the GWOT than to conventional warfare – equipment such as night vision equipment, surveillance aircraft, and patrol boats that can better police borders and prevent smuggling and the possible movement of terrorists into the Gulf. Nonetheless, many U.S. sales to the Gulf still are conventional weapons used in classical warfare, and not necessarily anti-terrorism missions – such conventional armaments could still be useful to counter the growing strategic threat from Iran. Congress has not blocked any U.S. sales to the Gulf states since the 1991 Gulf war, although some in Congress believe that sales of sophisticated equipment could erode Israel’s “qualitative edge” over its Arab neighbors.⁶ Others are concerned that some U.S. systems sold to the Gulf contain missile technology that could violate international conventions or be re-transferred to countries with which the United States is at odds. Few experts believe that the Gulf states would play a major role in any new major Arab conflict with Israel and, even if they were to do so, successive U.S. administrations have maintained that the Gulf states are too

⁶ Towle, Michael. “Senators Say They Now Support F-16 Sale.” *Fort Worth Star-Telegram*. August 25, 1998.



dependent on U.S. training and spare parts to be in a position to use sophisticated U.S.-made arms against Israel.⁷

Most of the Gulf states are considered too wealthy to receive U.S. security assistance, including Foreign Military Financing (FMF) and excess defense articles (EDA). Only Bahrain and Oman, the two Gulf states that are not members of OPEC, receive significant amounts of U.S. assistance, including EDA on a grant basis. The UAE is eligible to buy or lease EDA. Saudi Arabia receives a nominal amount of International Military Education and Training funds (IMET) – \$25,000 in both FY2003 and FY2004 – to lower the costs to the Saudi government of sending its military officers to U.S. schools (approximately a 50% discount). The move is intended in part to preserve U.S.-Saudi military-to-military ties over the longer term, amid fears of recent erosion in those ties due to some U.S. - Saudi frictions following the September 11, 2001 attacks. Saudi Arabia sent 381 military personnel to study at U.S. military schools during FY2003, a figure far lower than the 2,100 students sent in FY2001.

Foreign Military Sales (FMS)

Some of the major U.S. arms sales (foreign military sales, FMS) to the Gulf states, either in progress or under consideration, include the following.⁸

⁷ Ratnam, Gopal and Amy Svitak. “U.S. Would Keep Tight Rein on Missile Sold to Bahrain.” *Defense News*, September 11, 2000.

⁸ Information in this section was provided by press reports and the Defense Security Cooperation Agency (DSCA) in *Security Assistance Program Summaries* (unclassified) for each of the Gulf states. March-May 2004.



- The UAE historically has purchased its major combat systems from France, but UAE officials apparently have come to believe that arms purchases from the United States enhance the U.S. commitment to UAE security. In March 2000, the UAE signed a contract to purchase 80 U.S. F-16 aircraft, equipped with the Advanced Medium Range Air to Air Missile (AMRAAM), the HARM (High Speed Anti-Radiation Missile) anti-radar missile, and, subject to a UAE purchase decision, the Harpoon anti-ship missile system. The total sale value, including weapons and services, is estimated at over \$8 billion.⁹ The aircraft are in the process of being delivered. The UAE is also considering buying the Army Tactical Missile System (ATACM).
- Saudi Arabia is still absorbing about \$14 billion in purchases of U.S. arms during the 1991 Gulf war, as well as buys of 72 U.S.-made F-15S aircraft (1993, \$9 billion value), 315 M1A2 Abrams tanks (1992, \$2.9 billion), 18 Patriot firing units (\$4.1 billion) and 12 Apache helicopters. Few major new U.S. sales are on the horizon, and the Defense Security Cooperation Agency (DSCA) says Saudi Arabia is not, at this point, considering ordering any more F-15's. Saudi Arabia is said to be considering buying additional Apache helicopters.
- In September 2002, the United States and Kuwait signed a long-delayed agreement for Kuwait to purchase 16 U.S. Apache helicopters, equipped with the Longbow fire control system - a deal valued at about \$940 million. The two countries are still negotiating some details of this

⁹ See CRS Report 98-436, *United Arab Emirates: U.S. Relations and F-16 Aircraft Sale*. Updated June 15, 2000, by Kenneth Katzman and Richard F. Grimmett. Transmittal notices to Congress, No. DTC 023-00, April 27, 2000;



agreement. According to DSCA, Kuwait is considering purchasing additional 10 F/A-18 aircraft to complement its existing fleet of 40 of those aircraft. Kuwait also bought 5 Patriot firing units in 1992 and 218 M1A2 Abrams tanks in 1993. On April 1, 2004, the Bush Administration designated Kuwait as a “major non-NATO ally” (MNNA), a designation that will facilitate the future U.S. sales of arms to Kuwait.

- In 1998, Bahrain purchased 10 F-16s at a value of about \$390 million. Among the more controversial sales to a Gulf state, in August 2000 Bahrain requested 30 Army Tactical Missile Systems (ATACMs), a system of short-range ballistic missiles fired from a multiple rocket launcher. The Defense Department told Congress the version sold to Bahrain would not violate the rules of the Missile Technology Control Regime (MTCR),¹⁰ an effort to allay congressional concerns that the sale would spread ballistic and cruise missiles in the Gulf.¹¹ In addition, the Administration proposed a system of joint U.S.-Bahraini control of the weapon;¹² Bahrain accepted that control formula, and delivery began in October 2002. In March 2002, President Bush designated Bahrain a “major non-NATO ally.”
- Although Qatar has traditionally been armed by France and Britain, the Foreign Minister said in mid-1997 that it is “probable” that Qatar will buy

and 98-45, September 16, 1998.

¹⁰ The MTCR commits member states not to transfer to non-member states missiles with a range of more than 300 km, and a payload of more than 500 kilograms. Turkey, Greece, and South Korea are the only countries to have bought ATACMs from the United States.

¹¹ Ratnam, Gopal and Amy Svitak. “U.S. Would Keep Tight Rein on Missile Sold to Bahrain.” *Defense News*, September 11, 2000.

¹² *Ibid.*



arms from the United States in the future. No major U.S. sales seem imminent, but DSCA says that Qatar is expressing interest in a few U.S. systems, including the ATACM. The United States has told Qatar it is eligible to buy the ATACM system because the weapon has been approved for sale to Bahrain. Qatar is also expressing active interest in the Patriot (PAC III) missile defense system.

- Oman has traditionally purchased mostly British weaponry, reflecting British influence in Oman's military. In October 2001, in an indication of waning British influence, the United States announced that Oman would buy 12 F-16 A/B aircraft, at an estimated value of \$1.1 billion. In April 2003, Oman decided to purchase a podded airborne reconnaissance system for the F-16's; a sale valued at \$46 million. Oman does not appear to be considering the purchase of any other major U.S. systems at this time, although it has requested some items be supplied as EDA, including patrol boats to combat smuggling.

Promoting Joint Security/"Cooperative Defense"

The United States has long encouraged the Gulf countries to increase military cooperation among themselves, building on their small (approximately 10,000 personnel) Saudi-based multilateral force known as Peninsula Shield, formed in 1981. Peninsula Shield did not react militarily to the Iraqi invasion of Kuwait, exposing the force's deficiencies. After years of debate, in September 2000 the Gulf states agreed in principle to increase



the size of Peninsula Shield to 22,000,¹³ but it should be noted that the Gulf states have announced similar agreements to expand Peninsula Shield in the past without implementation and no timetable has been set for reaching the targeted level of strength. In a further step, at their summit in December 2000, the GCC leaders signed a “defense pact” that presumably would commit them to defend each other in case of attack.

The GCC states have made some incremental progress in linking their early warning radar and communication systems. In early 2001, the Gulf states inaugurated their “Belt of Cooperation” network for joint tracking of aircraft and coordination of air defense systems. The Belt is part of the United States’ “Cooperative Defense Initiative” to integrate the Gulf defenses with each other and with the United States. Another part of that initiative is U.S.-Gulf joint training to defend against a chemical or biological attack, as well as more general joint military training and exercises.¹⁴ This is a growing aspect of joint exercises, and part of a post-September 11 U.S. attempt to make the joint exercises more relevant to the GWOT by focusing on applying force not against classical armies but against terrorists and terrorist organizations, who might at some point try to field weapons of mass destruction (WMD).

¹³ “GCC States Look to Boost ‘Peninsula Shield’ Force to 22,000.” *Agence France Press*, September 13, 2000.

¹⁴ Press Conference with Secretary of Defense William Cohen. Office of the Assistant Secretary of Defense (Public Affairs), April 8, 2000.



Cooperation Against Al Qaeda and Extremist Islam

The strategic concerns shared by the United States and the Gulf states limited any damage to U.S.-Gulf relations from the September 11 attacks, but September 11 has introduced some friction into previously harmonious U.S.-Gulf relations. Osama bin Laden's Saudi origins, coupled with the revelation that fifteen of the nineteen September 11 hijackers were Saudis,¹⁵ caused intensified scrutiny of the presence of Al Qaeda and other radical Islamists in the Gulf, and the past Gulf state policies toward the organizations, persons, and attitudes that produced the September 11 attacks. Many experts believe the Gulf states had been tolerant of the presence of militants in order to avoid a backlash among citizens that agree with the militant's anti-U.S., anti-Western stances. Others accept the official view of some Gulf states that they hoped to calm regional militancy through negotiations and by working with governments, such as the Taliban in Afghanistan as well as Pakistan, in the hopes that doing so would assist these governments in keeping the militants contained.

Saudi Arabia and the UAE were joined only by Pakistan in extending official recognition to the Taliban regime of Afghanistan during 1996-2001. All three broke ties with the Taliban only after the September 11, 2001 attacks. Prior to September 11, the UAE had refused repeated U.S. requests to break ties with the Taliban and to stop hosting Ariana (Afghan national airline) flights to and from Dubai emirate;¹⁶ these flights were one of the few connections between the Taliban and the outside world. The September 11 Commission

¹⁵ Two of the hijackers (Fayez Banihammed and Marwan al-Shehi) were UAE nationals.



report on the attacks says that the hijackers had made extensive use, among other means, of financial networks based in the UAE, in the September 11 plot.¹⁷ There has also been extensive public discussion about the use of Saudi charities and other Saudi-based networks to fund Al Qaeda and other terrorist networks, although the September 11 Commission found no evidence that the Saudi government or Saudi officials funded Al Qaeda.¹⁸

The September 11 Commission has reported that Khalid Shaykh Mohammad, alleged mastermind of the September 11 plot, lived in Qatar during 1992-1996 at the invitation of Shaykh Abdullah bin Khalid Al Thani, the current Interior Minister and a former Minister of Islamic Affairs.¹⁹ The report says that Khalid Shaykh was warned by Qatari officials in 1996 of a U.S. indictment, and fled.²⁰ Qatar also hosts an outspoken Islamic cleric of Egyptian origin, Shaykh Yusuf al-Qaradawi. In September 2004, in the latest of his hardline statements, Qaradawi said that it is a religious duty for Muslims to fight U.S. forces and civilians in Iraq. Despite his statements, Qaradawi meets with and sometimes appears at panel discussions with Qatari senior officials. Some Saudi clerics, and even some Saudi officials, such as Interior Minister Prince Nayef, have earned substantial criticism in the United States for similar statements that appear to blame the United States and U.S. policy for Islamic terrorism against the United States. Since late 2002, in Saudi Arabia and, to a lesser extent, Kuwait, there have been

¹⁶ P. 138 of the September 11 Commission final report.

¹⁷ P. 527 of the September 11 Commission final report.

¹⁸ For an extended discussion of this issue, see CRS Report RL32499. *Saudi Arabia: Terrorist Financing Issues*.

¹⁹ P. 146 of the September 11 Commission final report.

²⁰ Cleric Says It's Right to Fight U.S. Civilians in Iraq. Reuters, September 3, 2004.



attacks on Westerners and those perceived as linked to the U.S. military or the U.S.-led war in Iraq. In Saudi Arabia, some attacks have been carried out by cells and groups strongly believed to be directly linked to Al Qaeda; Saudi-based radical Islamic activism appears to be the best most extensive of any of the Gulf states at this time.

Gulf State and U.S. Responses

Immediately after September 11, the Saudis and some of the other Gulf states publicly took offense at some of the U.S.-based criticism that attributes, or implies attribution of responsibility for the September 11 attacks to the traditions and policies of the Gulf states. Publicly, the Bush Administration stressed that all the Gulf states strongly condemned the September 11 attacks. Official Bush Administration documents – particularly the State Department’s report on global terrorism in 2003 (*Patterns of Global Terrorism: 2003*, published April 2004) – as well as various press reporting, generally praise Gulf state cooperation, while noting some deficiencies. Among the examples of Gulf state cooperation:

- The Bush Administration credits all of the Gulf states with instituting new measures to combat terrorism financing, including freezing suspected terrorist assets, adopting anti-money laundering laws, and instituting laws and procedures to track suspicious financial transactions. The “Patterns” report singles out the UAE for particular praise, stating that “In 2003, the [UAE] continued to provide outstanding counter-terrorism assistance and cooperation...the UAE Central Bank continued to aggressively enforce anti-money laundering regulations.”



- Kuwait and Saudi Arabia receive U.S. praise for moving rapidly to detain and prosecute suspects in various suspected Al Qaeda attacks in those countries. The UAE is praised for providing assistance in several terrorist investigations; it assisted in the 2002 arrest of at least one senior Al Qaeda operative in the Gulf, Abd al-Rahim al-Nashiri.²¹ In August 2004, the UAE emirate of Dubai, in cooperation with Pakistani investigators, arrested an alleged senior Al Qaeda operative, Qari Saifullah Akhtar. Bahrain is cited for a February 2003 arrest of five terrorist suspects, although it released three of the five for insufficient evidence. A similar pattern occurred in June 2004, when Bahrain arrested six Al Qaeda suspects, released them for lack of evidence, but then rearrested them following some U.S. criticism of the release. Qatar is praised as a key ally, although the "Patterns" report says that Qatar's "security services traditionally have monitored extremists passively rather than attempting to penetrate or pursue them. Members of transnational terrorist groups and state sponsors of terrorism are present in Qatar."
- Saudi Arabia has significantly increasing its counter-Al Qaeda actions since the May 12, 2003 bombings in Riyadh against Western housing complexes. On June 19, 2004, Saudi authorities announced it had killed the purported leader of Al Qaeda's Saudi organization Abdul Aziz al-Muqrin. His group, calling itself "Al Qaeda in the Arabian Peninsula," had claimed responsibility for a number of attacks in the Kingdom, including the June 2004 beheading of seized Lockheed Martin employee in Riyadh, Paul M. Johnson. The group subsequently named a successor, ex-prison



guard Saleh al-Oufi. The operation against Muqrin was widely viewed as an indicator of growing aggressiveness and proficiency by Saudi security forces to root out Al Qaeda militants within the Kingdom. U.S. diplomats in Saudi Arabia say there is widespread public support for the security forces in their stepped up campaign against Al Qaeda or other Islamic militants in the Kingdom. Both Saudi and U.S. officials believe the Saudi campaign against these extremists, which involves reeducation and counseling as well as arrests and punishments, is having significant success.²²

Prospects, Challenges, and Recommendations

U.S. policy in the Gulf faces numerous uncertainties as the re-elected Bush Administration continues efforts to stabilize Iraq and address new security threats from Iran and the continuing threat from Al Qaeda. The Gulf states are relieved that the United States has eliminated the threat from Saddam Hussein, but they and the United States see unintended new threats emanating from continued instability in Iraq. Faced with uncertainty and the growing power of Iran, the Gulf states will likely remain strong allies of the United States. However, they are concerned that continuing U.S. casualties in Iraq might cause the United States to withdraw before Iraq is fully stabilized, leaving the Gulf states vulnerable to Iran. Some Gulf policymakers worry about the opposite possibility — that the United States might remain in Iraq militarily for many years, possibly turning Gulf popular opinion against the United States as a non-Muslim occupying power and

²¹ U.S. Embassy to Reopen on Saturday After UAE Threat. Reuters, March 26, 2004.

²² Conversations with U.S. and Saudi officials in Saudi Arabia, September 2004.



fueling pro-Al Qaeda extremism. On the other hand, the U.S. military presence in the Gulf has been restructured and – in most Gulf states – reduced; these defense re-deployments might reduce resentment over that presence among Islamists and other conservatives in the Gulf.

The United States and the Gulf states are also facing a broad range of GWOT agenda items that go beyond traditional discussions of the Gulf power balance and efforts to hunt Al Qaeda militants. The Bush Administration has identified political and economic reform as a high priority. The Gulf states see themselves moving in that direction, but at a pace that they believe suits their traditions, and not at the faster pace urged by the United States.

Policy Recommendations

The following are recommendations for the Bush Administration to promote cooperation with the Gulf in the GWOT:

- Focus greater efforts to promote a permanent settlement of the Israeli-Palestinian dispute following the death of PLO leader Arafat.
- Reassure the Gulf states that Iran will not be permitted to acquire a nuclear weapon or exercise hegemony in the Gulf. One component of the policy would be to retaining a robust U.S. force in the Gulf, whether or not Iraq stabilizes. Some believe the United States should conduct a major airstrike to set back Iran's nuclear capabilities, although such a move would not necessarily succeed and could provoke Iranian retaliation through terrorism.



- Continue to press the Gulf states to prevent the flow of funds not only to pro-Al Qaeda movements but to all terrorist groups including Hamas. However, limiting terrorism financing is difficult and the Administration probably should emphasize potentially more productive steps such as joint investigative work to track down alleged terrorist leaders transiting or living in the Gulf.
- The Administration probably should reinforce movements toward political openness already being pursued by most of the Gulf states, but without necessarily threatening any punishments for movement perceived by the Administration as too slow, or linking new steps to such U.S. steps as free trade agreements, arms sales, or other forms of cooperation with the Gulf states.
- The Administration should probably continue to shift more of its joint cooperation with the Gulf states to law enforcement and paramilitary training to help the Gulf states better track and combat terrorist leaders and movements.
- In Iraq, the Bush Administration might be tempted to openly side with Shiite parties that appear to want to cooperate with the Administration's Iraq road-map, including elections. Doing so will create concerns in the Gulf states that the United States is inadvertently strengthening Iran and permitting the establishment of a "Shiite belt" north of the Gulf states. To ease such concerns, the Administration probably needs to do more to bring Sunni Muslims into the political process, possibly including



encouraging the Iraqi interim government to conduct talks with groups and personalities representing the Sunni insurgency.

Comparative Military Strengths of the Gulf States, Iraq, and Iran

Country	Military Personnel	Tanks	Surface-Air Missiles	Combat Aircraft	Naval Units		Patriot Firing Units	Defense Budget (billion dollars)
					Surface Combatants	Submarines		
Saudi Arabia	201,000 (incl. 75,000 Saudi National Guard)	900 (incl. 315 M-1A2 Abrams)	33 batteries, (about half I-Hawk)	294 (incl. 174 F-15)	34	0	20	27.2
UAE	50,500	516 (incl. 360 Leclerc)	8 (3 Hawk batteries)	106	18	0	—	3.9
Oman	41,700	153	50	40	13	0	—	2.4
Kuwait	15,500	290 (incl. 218 M-1A2 Abrams)	10 batteries (incl. 4 Hawk)	81 (incl. 40 FA-18)	10	0	5	3.3
Qatar	12,300	30	75 SAM's (incl. 12 Stinger)	18	7	0	—	1.5



Country	Military Personnel	Tanks	Surface-Air Missiles	Combat Aircraft	Naval Units		Patriot Firing Units	Defense Budget (billions dollars)
					Surface Combatants	Submarines		
Bahrain	11,000	140	2 batteries	34 (incl. 22 F-16)	11 (incl. 1 frigate)	0	—	.315
Iraq	Iraq's conventional forces and armament are negligible in post-Saddam period. An army of 30,000 is planned, current force is about 10,000 mostly focused on internal security/counter-insurgency.							
Iran	540,600	1,565	76 batteries, (incl. I-Hawk) plus some Stinger	306	59 (incl. 10 Hudong) plus 40 Boghammer	3 Kilo	—	9.1

Source: International Institute for Strategic Studies, *The Military Balance 2003-2004*. (Note: Figures shown here do include materiel believed to be in storage); various press reports.

Iraqi aircraft figures include aircraft flown from Iraq to Iran during 1991 Gulf war. Patriot firing unit figures do not include firing units emplaced in those countries by the United States. Six U.S. Patriot firing units are emplaced in Saudi Arabia, according to *Teal's World Missiles Briefing*.



Gulf State Support for U.S. Forces²³

Country	U.S. Forces/Facilities Access	Host Nation Support, 1999 (Millions)	U.S. Aid (FY2004)
Saudi Arabia	<ul style="list-style-type: none"> - About 220 personnel. - Combined Air Operations Center at Prince Sultan Air Base 	\$80, mostly indirect support	\$25,000 IMET
Kuwait	- About 50,000 mostly Army, supporting OIF	\$177, mostly direct support	

²³ **Sources:** IISS, *The Military Balance: 2003-2004*; Various press reporting during 2004, and conversations with U.S. officials in Saudi Arabia, September 2004.

Note: Direct support: financial payments to offset U.S. costs incurred. Indirect: in-kind support such as provision of fuel, food, housing, basing rights, maintenance, and the like. IMET: International Military Education and Training funds; ESF: Economic Support Funds; FMF : Foreign Military Financing; NADR: Nonproliferation, Anti-Terrorism, Demining, and Related Programs.



UAE	<ul style="list-style-type: none"> - About 570, mostly Air Force - insignificant increase from pre- September 11 baseline - Port facilities at Jebel Ali; some U.S. refueling aircraft, and drones 	\$14.68, mostly indirect	
Qatar	<ul style="list-style-type: none"> - About 3,300, well above pre-September 11 baseline of under 100. - KC-10 and KC-135 refueling planes, equipment at Al Udaid Air Base, air command center there. - CENTCOM forward hq at As Saliyah 	\$11, all indirect	
Oman	<ul style="list-style-type: none"> - About 550, above pre-September 11 baseline of about 200. - Some Air Force equipment, access to Seeb, Thumrait, Masirah, Musnanah. 	\$35, all indirect	\$25 million FMF; \$1 million IMET.



Bahrain	<ul style="list-style-type: none">- About 4,500, mostly Navy.- Fifth fleet headquarters- Shaikh Isa air base	\$1.4, mostly indirect	\$25 million FMF; \$600,000 IMET
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