

112TH CONGRESS }
2d Session

COMMITTEE PRINT

{ S. PRT.
112-35

**THE GULF SECURITY ARCHITECTURE:
PARTNERSHIP WITH THE GULF CO-
OPERATION COUNCIL**

A MAJORITY STAFF REPORT

PREPARED FOR THE USE OF THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

JUNE 19, 2012



Printed for the use of the Committee on Foreign Relations

Available via World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PRINTING OFFICE

74-603 PDF

WASHINGTON : 2012

COMMITTEE ON FOREIGN RELATIONS

JOHN F. KERRY, Massachusetts, *Chairman*

BARBARA BOXER, California	RICHARD G. LUGAR, Indiana
ROBERT MENENDEZ, New Jersey	BOB CORKER, Tennessee
BENJAMIN L. CARDIN, Maryland	JAMES E. RISCH, Idaho
ROBERT P. CASEY, JR., Pennsylvania	MARCO RUBIO, Florida
JIM WEBB, Virginia	JAMES M. INHOFE, Oklahoma
JEANNE SHAHEEN, New Hampshire	JIM DEMINT, South Carolina
CHRISTOPHER A. COONS, Delaware	JOHNNY ISAKSON, Georgia
RICHARD J. DURBIN, Illinois	JOHN BARRASSO, Wyoming
TOM UDALL, New Mexico	MIKE LEE, Utah

WILLIAM C. DANVERS, *Staff Director*

KENNETH A. MYERS, JR., *Republican Staff Director*

CONTENTS

Letter of Transmittal	Page
Executive Summary	v
Historical Context	1
GCC Case Studies	7
Analysis and Recommendations	9
Conclusion	19
	30

LETTER OF TRANSMITTAL

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, June 19, 2012.

DEAR COLLEAGUES: Home to more than half of the world's oil reserves and over a third of its natural gas, the stability of the Persian Gulf is critical to the global economy. A confluence of events in the Middle East—the withdrawal of American troops from Iraq, the Arab Revolutions in 2011, and the ongoing concerns over Iran's nuclear program—have raised questions about the security of the Gulf region, as well as our relations with the six states of the Gulf Cooperation Council (GCC).

Last year, I instructed two of my staff members to examine the United States evolving security relations with the GCC countries, including the challenges and opportunities in promoting American interests and supporting regional security in the Gulf region. I hope that this report and the recommendations contained within will be useful to our colleagues in Congress and to the public in considering this strategically important region.

Sincerely,

JOHN F. KERRY,
Chairman.

THE GULF SECURITY ARCHITECTURE: PARTNERSHIP WITH THE GULF COOPERATION COUNCIL

EXECUTIVE SUMMARY

On 18 December 2011, the last convoy of American soldiers left Iraq in accordance with the 2008 bilateral security agreement.¹ With declarations of “America’s Pacific Century” signaling an overdue rebalancing of the United States’ strategic priorities, the departure of almost 50,000 U.S. troops raises questions about the security of the Gulf region they leave behind.

Home to more than half of the world’s oil reserves and over a third of its natural gas,² the stability of the Persian Gulf is critical to the global economy. However, the region faces a myriad of political and security challenges, from the Iranian nuclear program to the threat of terrorism to the political crisis in Bahrain.

In this volatile environment, the Obama administration is working to update the security architecture of the Persian Gulf to promote regional stability, provide a counterweight to Iran, and reassure partners and adversaries alike of American resolve. Iran and Iraq have long been the Gulf region’s preeminent military powers. But the centerpiece of this framework is deepening security cooperation, both bilateral and multilateral, with the six states of the Gulf Cooperation Council (GCC): Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE), and Oman. Though still in its nascent stages, this initiative is in many respects a continuation of the Gulf Security Dialogue, which began in 2006 as an effort to coordinate common defense initiatives between the United States and the GCC but was conducted mostly through bilateral channels. On 31 March 2012, the United States and the Gulf states participated in the inaugural session of the Strategic Cooperation Forum in Riyadh, Saudi Arabia, designed to formalize multilateral coordination on security and economic issues and further broaden strategic ties.

In an age of austerity, effective policymaking requires a careful calibration between means and ends. U.S. leaders should balance international security interests with domestic fiscal constraints. In the Gulf, a region of acute strategic importance to the United States, a security architecture should be erected on three pillars: (1) a small but capable U.S. military presence; (2) increased burden-sharing as GCC partners contribute to their own regional security and stability; and (3) steady diplomatic engagement with the GCC to promote improved governance, economic diversification, and human rights.

The United States maintains a relatively small but effective residual military footprint throughout the Gulf. To sustain this presence, the United States relies on access to bases such as Al Dhafra

Air Base in the UAE, Camp Arifjan in Kuwait, Al Udeid Air Base in Qatar, and Naval Support Activity in Bahrain. The Gulf states provide much of the infrastructure and transit authority essential to U.S. military missions, including NATO operations in Afghanistan. In return, they benefit from the American security presence. The Obama administration has sought to shape the U.S. force posture in the region to be both militarily effective and financially sustainable. However, policy makers are likely to face difficult decisions about the size of that presence in the future.

To maintain a right-sized American security footprint in the Gulf, the United States should continue to promote a degree of burden-sharing with GCC states. These partnerships are facilitated largely through U.S. security assistance—equipping and training foreign security forces through the sale, grant, loan, or transfer of defense articles or equipment. From Fiscal Year (FY) 2007 to 2010 alone, the six states of the GCC agreed to the purchase of more U.S. defense articles and services through the Foreign Military Sales (FMS) program—over \$26.7 billion—than any other region in the world.³ This trend is expected to continue: in FY 2011, the Obama Administration announced that it had agreed to a \$29.4 billion sale of fighter aircraft to Saudi Arabia, the single largest arms sale in the history of the United States.⁴ The United States provides security assistance not only to improve partner capacity but also to build relationships and interoperability through training and sustainment support. Security assistance can help promote burden-sharing and advance U.S. objectives in the region, but it is not a panacea. It must be carefully implemented to encourage regional stability and protect Israel's qualitative military edge.

The promotion of human rights and good governance is also important to Americans' self-identity and, thus, an element of any effort to develop a security architecture in the Gulf. The United States should not be silent on human rights issues but rather raise them in a consistent and appropriate manner. Governments that address the aspirations and grievances of their people are more stable over the long term and consequently better security partners for the United States. However, the United States Government should be prudent about interfering in other nations' domestic matters. Bahrain, in particular, presents Washington with a difficult policy challenge.

This report examines how the United States should seek to balance these dynamics to promote American interests and support regional security, at a time of unprecedented upheaval. Two Foreign Relations Committee staff members traveled to the six states of the Gulf Cooperation Council as well as Iraq in 2011 and 2012 to investigate the Persian Gulf security framework. Here are the principal policy challenges they have identified:

Challenge 1: Policymakers must strike a balance between security interests and the promotion of fundamental freedoms. While the United States has significant economic and security interests in the Gulf, it should not be seen as opposed to popular reform efforts.

Recommendation: The United States should leverage its strategic position to be a steady force for moderation, stability, and nonsectarianism, through patient and persistent engagement in

support of human rights. The United States should not be quick to rescind security assurances or assistance in response to human rights abuses, but should evaluate each case on its own merits. U.S. Government officials should use these tools to advance human rights through careful diplomacy. Consistency is a hallmark of a successful security partnership. Nonetheless, there should be redlines associated with the U.S. security agreements in the Gulf, like elsewhere. The United States should make clear that states must not use arms procured from the United States against their own people engaged in peaceful assembly or exploit the U.S. security umbrella as protection for belligerent action against their neighbors.

Challenge 2: While the GCC is becoming a more independent and effective actor, the United States remains crucial to the region's stability. The Gulf monarchies have for centuries depended on outside security guarantors, a role played by the United States since the British left in 1971. They have emerged from this historic dependency, and Saudi Arabia, Qatar, and the UAE, in particular, are playing more prominent roles on the regional and even global stage.

Recommendation: The United States should seek to remain a central part of the Gulf security framework. The administration should encourage the development of institutions like the GCC and Arab League, while seeking to strengthen bilateral ties. However, the GCC is not a monolith, and a multilateral architecture must accommodate the significant differences among the Gulf states. The United States has a unique diplomatic and security role to play in the GCC. To protect its regional security interests, the United States should seek to reinforce its position as a core interlocutor around which intra-GCC security is organized, through robust diplomatic and economic engagement, military-to-military cooperation, and security assistance. However, there is some concern in various GCC capitals that the United States has not been forthcoming enough in communicating its vision of how it would like this cooperation to evolve amidst the political turmoil of the Arab Awakening. American officials should seek to ameliorate these concerns by more clearly articulating to its GCC partners the United States vision for a Gulf security framework, as well as its strategic priorities for the broader region.

Challenge 3: The Gulf region's tremendous hydrocarbon resources and strong macroeconomic growth in recent years mask structural human capital and unemployment challenges that could cause longer term problems. The use of expatriate labor over the last several decades has helped the region to quickly develop an advanced infrastructure, but it has led to an underdevelopment of the region's local human capital.

Recommendation: The United States should work with GCC states to promote economic reform and diversification, as well as increased trade relations. The Gulf states have recognized this dilemma and to varying degrees have sought to diversify their economies and better prepare their workforces for the global marketplace. To help the GCC countries tackle their

structural unemployment and underemployment, the United States should focus on educational and labor reforms, as well as the promotion of entrepreneurship.

Challenge 4: The United States must carefully shape its military presence so as not to create a popular backlash, while retaining the capability to protect the free flow of critical natural resources and to provide a counterbalance to Iran. Earlier American deployments in Saudi Arabia and Iraq generated violent local opposition. What the West views as a deterrent against aggression could also be misconstrued or portrayed as an occupying presence.

Recommendation: The United States should preserve the model of “lily pad” bases throughout the Gulf, which permits the rapid escalation of military force in case of emergency. The Obama administration has adopted this architecture by retaining only essential personnel in the region while ensuring access to critical hubs such as Camp Arifjan, Al Udeid, Al Dhafra, Jebel Ali, and Naval Support Activity Bahrain. An agile footprint enables the United States to quickly deploy its superior conventional force should conflict arise, without maintaining a costly and unsustainable presence. Sustaining physical infrastructure and enabling functions such as intelligence, surveillance, and logistics, while keeping certain war reserve materiel forward positioned, is more important than deploying large numbers of U.S. forces.

Challenge 5: Although the UAE and Qatar have demonstrated a willingness to operate in the coalition environment, most Gulf states are not yet fully capable of independently sustaining significant tactical support to the United States in times of crisis. U.S. leaders should not expect more from the Gulf states than they are capable of or willing to provide. They must be careful not to upset a volatile region by introducing, through security assistance, overwhelming offensive military capabilities that could lead to an arms race.

Recommendation: The U.S. Government should continue to cultivate the capabilities of GCC partners in select defensive missions, such as missile defense, combat air patrol, and maritime security, while building capacity through deployments in other theaters such as Libya and Afghanistan. Burden-sharing does not imply that the United States is abandoning the region or relinquishing its role as a security guarantor. Rather, it is intended to deepen strategic ties with the Gulf by improving the competencies of the GCC states through joint exercises, security assistance, and training. Over time, these partnerships can improve the effectiveness of Gulf militaries, promote trust, and instill professional military values such as respect for civilian authority, human rights, and the rule-of-law. However, the Obama administration should carefully consider what missions it expects the Gulf states to execute effectively.

Challenge 6: The United States must determine how much security assistance to provide to its Gulf partners. The Gulf states—in particular, Saudi Arabia and the UAE—are prolific buyers of U.S. arms, but they are also willing to buy from other international sell-

ers. That does not mean however, the United States should grant whatever capabilities to the GCC states that they desire.

Recommendation: The United States should continue to supply Gulf partners with security assistance that supports a comprehensive strategy for regional arms sales to ensure a stable security architecture. The United States derives a number of benefits from supplying the GCC states with defense materiel and training: interoperability, access, leverage, relationships, and regional balance. But the United States should be scrupulous in determining which weapons systems to sell in order to (1) ensure that sales contribute to regional security and do not weaken the position of Israel, (2) support the legitimate defense requirements of Gulf partners, (3) prevent a regional arms race, and (4) protect its technological superiority.⁵

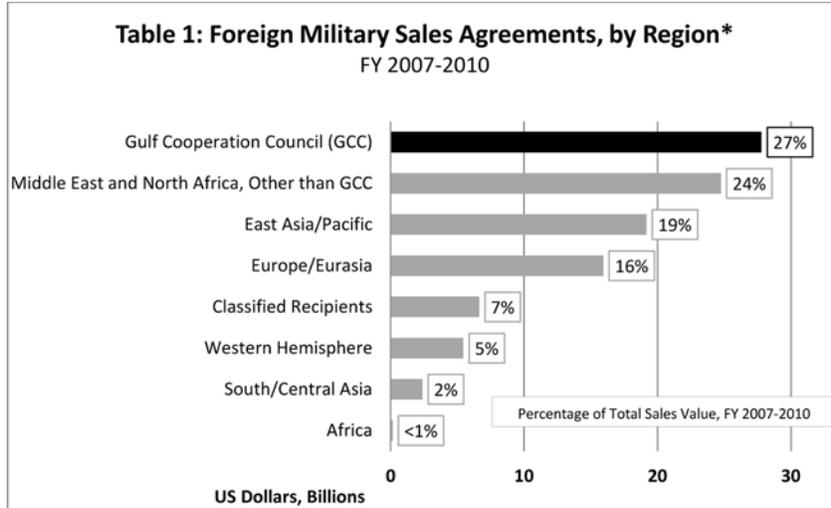
Challenge 7: Relations between the Gulf monarchies and Iraq remain cool. There has been a tendency of some Arab states to remain disengaged from Iraq, largely over its relations with Iran. Unfortunately, this tendency has had the effect of pushing Iraq closer to Iran.

Recommendation: The United States should promote the gradual political reintegration of Iraq into the Arab fold. Iraq's Arab League presidency in 2012 is an opportunity for the United States to promote a gradual rebalancing of the Gulf's security architecture, improved counterterrorism cooperation between Iraq and the GCC, and a reduction in sectarian tensions. In particular, in light of reciprocal visits by Kuwaiti Emir Sheikh Sabah and Iraqi Prime Minister Nouri al-Maliki, there may be opportunities for progress on the outstanding bilateral issues dating to the 1990 Iraqi invasion of Kuwait, including border demarcation, war reparations, and the disposition of missing Kuwaiti citizens.

MAP: The Gulf Cooperation Council

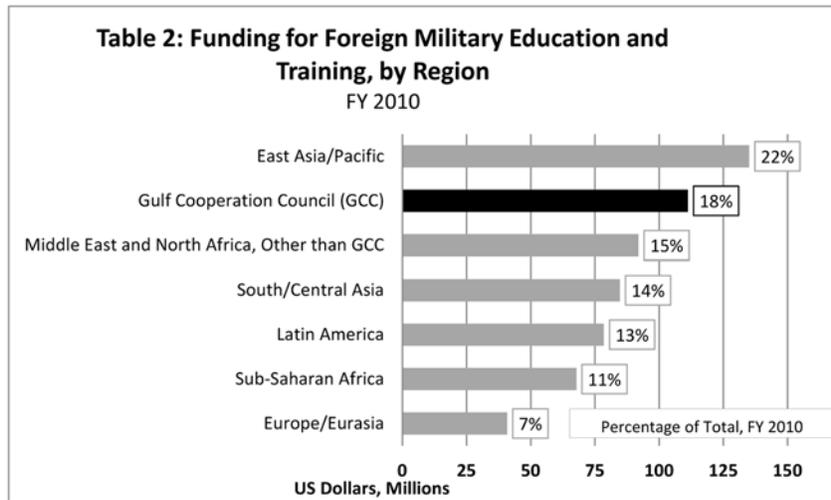


Source: The Perry-Castaeda Library Map Collection, The University of Texas at Austin, <http://www.lib.utexas.edu/maps/>



Source: Defense Security Cooperation Agency 2010 Report on Foreign Military Sales, Foreign Military Construction Sales and Other Security Cooperation Historical Facts

*With the exception of the “GCC” grouping, which is drawn out of the “Middle East and North Africa,” the regional categories are equivalent to those used by the U.S. State Department.



Source: 2010–2011 Report on Foreign Military Training and Department of Defense Engagement Activities of Interest

HISTORICAL CONTEXT

The sheikhdoms of the Arabian Peninsula date back hundreds of years, but with the notable exception of Oman, they only emerged as modern states in the 20th century. Lacking permanent borders and formal bureaucracies, the tribes relied upon outside protectors for the provision of security, including the Ottomans, the Portuguese, and for roughly 150 years, the British.

The British sought to protect trade routes between India and the United Kingdom, to expand their regional hegemony, and to project force against their “Great Game” rivals, the Russian and Ottoman empires. But the local sheikhdoms sought protection as well, as the British took on defense responsibilities through a series of treaties with all of the present-day GCC states, except Saudi Arabia.

Collectively, these treaties—with Oman in 1829, the Trucial States (now the UAE) in 1835, Bahrain in 1861, Kuwait in 1899, and Qatar in 1916—became known as the Maritime Truce. During this period, the local sheikhs generally benefited from increased trade and stability, and when the British left in 1971, it was to ease the financial burden of maintaining a presence in the Gulf, rather than at the insistence of the rulers.⁶

The U.S. presence in the Gulf is commonly dated to December 1879, when the USS *Ticonderoga*, a steam-powered veteran of the Civil War, transited the Strait of Hormuz into the Persian Gulf. Commercial quantities of oil were discovered in Bahrain in 1932 and Standard Oil arrived in the Gulf in 1933, beginning the dramatic regional transformation from desert shipping hub to global energy provider. In 1948, the United States established the Middle East Force—a small presence in Bahrain on a British naval base—to protect ships along the coast of Bahrain and Saudi Arabia. The force, although much evolved, remains to the present.⁷

The Gulf’s importance to U.S. strategic interests became apparent with the articulation of the Nixon Doctrine in 1969 and the Carter Doctrine in 1980. The Nixon Doctrine called on U.S. allies to contribute to their own security with the aid of American security assistance. The “Twin Pillars” policy was a natural outgrowth of the Nixon administration’s efforts to protect American power. Under this policy, the United States relied on Saudi Arabia and Iran to provide for much of the region’s security and serve as bulwarks against Soviet expansion. At his 1980 State of the Union address, in reaction to the 1979 Iranian revolution, President Carter articulated his own doctrine: “An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.”⁸ Together, these two doctrines provided a strategic framework for the growing arms sales to the region in the 1970s and the expansion of the U.S. military presence in the 1990s.

Prior to 1990, the Gulf states preferred an “over the horizon” American presence. That changed with the Iraqi invasion of Kuwait. Even though the six Gulf monarchies signed a mutual defense pact in 1990, they played a minor role in Operation Desert Storm to liberate Kuwait from Iraqi aggression in 1991. Afterward, the United States signed Defense Cooperation Agreements with

Bahrain in 1991 (the Fifth Fleet was reactivated in 1995), Qatar in 1992 (U.S. Central Command headquarters was established in 2002), and the UAE in 1994. Additionally, all six GCC states negotiated or re-negotiated access agreements for U.S. forces during this period.⁹

Although most of the Gulf states historically relied on outside security guarantors through bilateral relationships, they have in recent decades also sought closer regional coordination. The Gulf Cooperation Council (GCC) was formed in 1981, galvanized by regional events such as the Soviet invasion of Afghanistan, the Iranian revolution, and the Iran-Iraq “Tanker War.” But the Gulf states were careful not to offend their more powerful neighbors, Iran and Iraq. In fact, the GCC Charter, still in effect today, focused entirely on nonsecurity issues. In 1984, the Peninsula Shield Force was created, but it was a virtual coalition with no real integration.

Before the 1991 Persian Gulf War, there had been a tendency for successive administrations to seek a relative power balance between Iran and Iraq. However, in 1993 the Clinton administration concluded that both Iran and Iraq were hostile to American interests in the Gulf and announced a policy of “dual containment.” As a senior White House official described it at the time, “as long as we are able to maintain our military presence in the region, as long as we succeed in restricting the military ambitions of both Iraq and Iran, and as long as we can rely on our regional allies Egypt, Israel, Saudi Arabia and the GCC, and Turkey to preserve a balance of power in our favor in the wider Middle East region, we will have the means to counter both the Iraqi and Iranian regimes.”¹⁰

After the 2003 Iraq War, the United States effectively dismantled the Iraqi military. In 2006, the Bush administration began the Gulf Security Dialogue to coordinate common defense initiatives between the United States and the GCC and to promote more robust cooperation among the GCC states themselves. Today, Iraq remains politically volatile, while Iran has become politically isolated. At the same time, the GCC states are emerging from their historic security dependency. In particular, Saudi Arabia, Qatar and the United Arab Emirates are playing larger roles on the regional and even global stage, taking leadership roles in regional crises such as Libya, Syria, and Yemen. Their relationships with the United States are maturing even as they expand their economic ties with Asia.

This evolution takes place against the backdrop of a region in the midst of historic change. Bahrain faced a large-scale popular uprising in 2011 that continues, and protest movements have occurred in Kuwait, Saudi Arabia, and Oman. The UAE and Qatar are the only Arab countries that have not faced significant displays of public unrest since 2011. It does not seem a stretch to posit, however, that the Arab Awakening will have profound and lasting implications for the entire Arab world, including to varying degrees on all six Gulf monarchies.

The GCC remains a fundamentally asymmetric organization, with Saudi Arabia accounting for roughly half of the gross domestic product of the Arabian Peninsula, two-thirds its population, and four-fifths its landmass. Despite recent discussions among GCC

members about the possibility of transitioning to a Gulf union,¹¹ this asymmetry creates a structural constraint on the willingness of some of the smaller states to engage in further regional integration. Perhaps not accidentally, it is the smaller Gulf states—Qatar, Kuwait, the UAE, and Bahrain—that have a relatively larger U.S. military presence, particularly after the post-9/11 withdrawal of U.S. forces from Saudi Arabia.

GCC CASE STUDIES

As the Obama administration seeks to promote a regional security architecture in the Gulf, it faces a number of challenges. The GCC is becoming a more energetic actor on the regional stage, but at times, its states lag in the implementation of governance and human rights reforms. U.S. policymakers should continue to engage Gulf partners on these issues. A residual American military presence in the Gulf and increased burden-sharing with GCC states are fundamental components of such a framework. However, the United States must also carefully shape its military footprint to protect the free-flow of critical natural resources and promote regional stability while not creating a popular backlash. Through security assistance, the U.S. Government should provide its GCC partners with defense capabilities required to promote interoperability, but it must be careful not to destabilize the Gulf's security balance by provoking an arms race. The following case studies examine the individual Gulf states to further explore these dynamics.

Saudi Arabia

Saudi Arabia is the dominant power in the Arabian Peninsula—culturally, geographically, demographically, and economically. Home to Islam's two holiest sites in Mecca and Medina, the Kingdom exercises a unique influence throughout the Muslim world. Saudi Arabia's estimated proven reserves of oil are almost 265 billion barrels, nearly 20 percent of the world's total,¹² and, as the only country with significant spare production capacity, Saudi Arabia has also been referred to as the "central banker of oil."¹³

Saudi Arabia has no political parties, trade unions or an elected parliament, and almost no civil society. The United States has concerns about the status of women, the lack of religious freedoms, and human rights restrictions. Since September 11, U.S. officials have also expressed concern about Saudi support for religious groups outside the Kingdom which support intolerance. However, the socioeconomic transformation of the country in the 20th century was astounding considering that King Abdullah's father King Abdul-Aziz, who founded Saudi Arabia in 1932, reportedly carried the Kingdom's entire treasury in camel saddlebags.¹⁴

According to some observers in Saudi Arabia, the Kingdom may have reached a demographic inflection point.¹⁵ Sixty percent of the Saudi population is younger than 21 and for several years a majority of the Kingdom's college graduates have been women. Meanwhile, the Kingdom will likely face a generational shift in leadership in the years ahead that could have profound effects on the politics of the Arabian Peninsula.

The U.S.—Saudi relationship is symbolically dated to the landmark meeting between President Franklin Roosevelt and King

Abdul-Aziz on February 14, 1945 aboard the U.S.S. *Quincy* in the Suez Canal. However, like any long relationship, it has endured its ups and downs. The spring of 2011 was a period of relative strain, with the Saudis and Americans clearly pursuing differing policies in Egypt and Bahrain. This divergence however, was not nearly as severe as the 1973 Oil Embargo or the aftermath of the September 11 attacks. By most accounts, the relationship is back on more solid footing, though Saudi Arabia is keen to continue diversifying its relationships by expanding its ties with China and other East Asian economic powers.¹⁶

- **U.S. Military Presence:** Although the United States maintained a troop presence in Saudi Arabia prior to the Gulf War, the deployment reached its zenith in 1991, with over 550,000 coalition forces mobilized in support of operations in Iraq.¹⁷ From 1992–2003, U.S. forces continued to maintain a residual footprint in Saudi Arabia, but in August 1996, Osama bin Laden declared war against the United States in the Kingdom. Subsequently, U.S. forces were victims of significant terrorist attacks.¹⁸ Sensitive to perceptions of an overt American military presence in “the Land of the Two Holy Mosques,” U.S. personnel and combat equipment were withdrawn from Saudi soil by the end of 2003.¹⁹ Now security cooperation is facilitated by a relatively small contingent of U.S. military officers and contractors who work with the Saudi Ministry of Defense, Ministry of Interior, and the Saudi Arabian National Guard.
- **Saudi Military:** The Saudi military is by far the largest within the GCC, numbering approximately 233,500 active-duty troops.²⁰ The Saudi Arabian National Guard is a separate military force and a pillar of the regime, recruited predominantly from tribes loyal to the royal family and numbering over 100,000 members.²¹ Since the fall of Saddam, the Saudi military is the Gulf region’s geo-political counterweight to Iran, though the Kingdom has not historically sought to project military force outside the Arabian Peninsula. Despite employing some of the most advanced equipment in the region—Patriot missile defense batteries, Typhoon and F–15 fighter aircraft, airborne refueling capability, M1–A2 Abrams tanks, and AH–64 attack helicopters—the Saudi military continues to face challenges developing proficiency in defense planning and sustainment.
- **U.S. Security Assistance and Training:** Despite the sometimes-strained relationship, Saudi Arabia remains a major recipient of U.S. security assistance. In fiscal year 2010, Saudi Arabia agreed to over \$2 billion in U.S. Foreign Military Sales and \$409 million in Foreign Military Construction Agreements.²² From 2007 to 2010, Saudi Arabia agreed to purchase \$13.8 billion in U.S. defense articles and services—more than any other nation in the world.²³ These acquisitions included some of the most technologically advanced weapon systems available for export. In 2010, the Obama administration announced the potential sales of UH–60 Blackhawk and AH–64 Apache helicopters.²⁴ In December 2011, the administration announced that it had agreed to a foreign military sale with Saudi Arabia

consisting of 84 F-15SA fighter aircraft, upgrades to its existing fleet of 70 F-15s, and a significant air-to-air and air-to-ground ordnance package.²⁵ The sale, worth \$29 billion, is the largest to a single recipient in the history of the United States. Although Congress did not block the sale, 198 Members wrote the administration in November 2010 to express concern over how the transfer of such sophisticated arms would impact the regional security balance.²⁶

In fiscal year 2010, 1,571 Saudi students were trained at a value of \$69.5 million in such competencies as maintenance, English language, communications, logistics, financial management, and intelligence through U.S. security cooperation programs.²⁷ Ninety-four percent of the students were trained through the Foreign Military Sales programs. In past years, the Saudi Air Force has also participated in joint training such as Red Flag—a massive air combat exercise—at Nellis Air Force Base in Nevada.²⁸ Saudi Arabia has at times received a nominal amount of International Military Education and Training (IMET) assistance, typically \$10,000 or less, so that it can qualify for reduced pricing on U.S. training associated with Foreign Military Sales.²⁹

A May 2008 U.S.-Saudi technical cooperation agreement laid the groundwork for collaboration on critical infrastructure protection and border and maritime security. The agreement facilitated the Saudi's purchase of U.S. technical support through government contractors or U.S. private entities. The U.S. Central Command has also reportedly worked with Saudi Special Forces to improve their ability to protect oil infrastructure and future energy sites.³⁰

Kuwait

Kuwait's political culture has its roots in the diwaniya—traditional salons hosted by prominent members of society that remain important venues for discussing and debating social and political issues. Even prior to the Arab Awakening, Kuwait's National Assembly was among the more dynamic parliaments in the Arab world. In 2006, after the death of the long-ruling Emir Jaber al-Sabah, it effectively forced the incoming emir, who was seriously ill, to abdicate; in November 2011, Prime Minister Nasser al-Sabah resigned amid strong parliamentary pressure. While public protests also contributed to the Prime Minister's resignation, they centered on demands for transparency and reform rather than a replacement of the political order.³¹

Kuwait's geography renders it susceptible to external influence: it shares a long border with Iraq, and Kuwait City is only about 50 miles from Iran. Unlike other Arab Gulf states, Kuwait has traditionally perceived Iraq as its biggest security threat. Most Kuwaitis old enough to remember the August 1990 Iraqi invasion know someone who was killed, imprisoned, or injured. But in recent years, there has been a dramatic shift in Kuwait's threat perception; in line with the thinking in other Gulf states, concerns about Iran now predominate.³²

Kuwait takes a more restrained approach to regional affairs than some of its neighbors and generally aligns its foreign policy with that of Saudi Arabia. Its purchases of U.S. arms are significant, though modest in comparison to Saudi Arabia and the United Arab Emirates. Kuwait is especially keen to maintain a significant U.S. military presence. In fact, the Kuwaiti public perception of the United States is more positive than any other Gulf country, dating back to the U.S.-led liberation of Kuwait in 1991. Kuwait paid over \$16 billion to compensate coalition efforts for costs incurred during Desert Shield and Desert Storm and \$350 million for Operation Southern Watch.³³ In 2004, the Bush Administration designated Kuwait a major non-NATO ally.

- **U.S. Military Presence:** A U.S.-Kuwaiti defense agreement signed in 1991 and extended in 2001 provides a framework that guards the legal rights of American troops and promotes military cooperation. When U.S. troops departed Iraq at the end of 2011, Kuwait welcomed a more enduring American footprint. Currently, there are approximately 15,000 U.S. forces in Kuwait, but the number is likely to decrease to 13,500. Kuwaiti bases such as Camp Arifjan, Ali Al Salem Air Field, and Camp Buehring offer the United States major staging hubs, training ranges, and logistical support for regional operations. U.S. forces also operate Patriot missile batteries in Kuwait, which are vital to theater missile defense.³⁴
- **Kuwaiti Military:** The Kuwaiti military has made strides toward modernizing its force, and it is much improved in the area of missile defense, regularly competing against U.S.-manned Patriot batteries in training simulations. However, the small combined Army, Navy, and Air Force—close to 15,500 active duty troops³⁵—still relies on U.S. assistance in sustainment, logistics, maintenance, and intelligence fusion. To improve its capabilities, the Kuwaiti military is a willing recipient of U.S. training. In the words of one U.S. military officer, “Their appetite for partnership exceeds our ability to provide it.”³⁶ Kuwait has also increasingly demonstrated a willingness to participate in international coalitions. In 2012, ahead of their regularly scheduled rotation, Kuwait assumed the lead of Combined Task Force-152, a 25-nation coalition dedicated to maritime security operations in the Persian Gulf.³⁷
- **U.S. Security Assistance and Training:** Kuwait has procured major weapon systems from the United States including M1A2 tanks, Patriot air-defense missile systems, and F/A-18 fighter aircraft. In fiscal year 2010, Kuwait agreed to purchase \$1.6 billion of defense articles and services through the Foreign Military Sales program.³⁸

Kuwait is not a recipient of U.S. grant assistance such as International Military Education and Training (IMET). However, through the Foreign Military Sales program in fiscal year 2010, 216 Kuwaiti military students were educated in proficiencies from intelligence to pilot training at a value of \$9.7 million.³⁹ Moreover, the Kuwaiti Government often uses its na-

tional funds to send officials to attend professional military schools and short-term training courses in the United States.⁴⁰

Bahrain

Bahrain presents Washington with a difficult policy challenge. The Kingdom remains an important strategic partner—one of two Gulf countries designated as a major non-NATO ally. During the 13-year reign of King Hamad bin Isa al-Khalifa, Bahrain had undertaken some reform and managed to build a reputation as a regional trading and banking hub, attracting foreign companies, Gulf tourists, and an annual Formula One Grand Prix (which was cancelled in 2011). Yet, the unrest that began in 2011 shows few signs of abating.

Protests broke out in Bahrain on 14 February 2011, inspired by popular uprisings in Tunisia and Egypt. The protests began peacefully, but over time the situation deteriorated. On March 14, the six GCC nations unanimously agreed to deploy Peninsula Shield forces to Bahrain, and a state of emergency was declared. GCC forces remained garrisoned, but in the ensuing crackdown there were widespread reports of excessive violence against unarmed protestors.⁴¹

In his 19 May 2011 speech on the Middle East, President Obama was critical of the crackdown, noting “you can’t have a real dialogue when parts of the peaceful opposition are in jail.” Meanwhile, in September 2011, Congress was notified of the Obama administration’s intent to sell armored vehicles and optically-tracked wire-guided missiles to Bahrain for an estimated cost of \$53 million dollars.⁴² The announcement elicited significant opposition from activists and human rights groups in Washington and resolutions condemning the sale were introduced in both the Senate and House of Representatives. The U.S. State Department put a temporary hold on the vehicle and missile transfer and paused security assistance in general to Bahrain.⁴³ The Obama administration then determined it would proceed with the transfer of certain “equipment needed for Bahrain’s external defense and support of Fifth Fleet operations.”⁴⁴

Amid a growing international outcry, King Hamad appointed the Bahrain Independent Commission of Inquiry (BICI), comprised of prominent international experts and led by renowned Egyptian-American jurist M. Cherif Bassiouni. On 23 November 2011 the Commission released a 500-page report, examining in detail the events of February and March 2011. While the report found that the protesters shared some responsibility for the unrest, including targeting the Sunni community, security forces, and South Asian guest workers, the BICI report sharply criticized the government for subjecting detainees to “torture and other forms of physical and psychological abuse” and for a “culture of impunity” within Bahrain’s security forces. It also could not establish “a discernible link” between the events of February and March 2011 and Iran.⁴⁵

Human rights groups and political analysts remain concerned about Bahrain’s trajectory. According to a 16 April 2012 press release from International Crisis Group, “A genuine dialogue between the regime and the opposition and a decision to fully carry out the [BICI report]—not half-hearted measures and not a policy

of denial—are needed to halt this deterioration.”⁴⁶ The United States should continue to encourage efforts to start such a dialogue and to promote moderate figures within the ruling family, including Crown Prince Salman bin Hamad al-Khalifa, as well as within the political opposition.

- **U.S. Military Presence:** The United States security relationship with Bahrain dates back to 1948, with the establishment of the Middle East Force, a precursor to today’s Fifth Fleet. The U.S. Navy leased part of the former British base in 1971, when Bahrain achieved formal independence. During the Persian Gulf War, Bahrain was home to 17,500 U.S. troops and 250 aircraft.⁴⁷ Bahrain signed a defense agreement with the United States in 1991, which still provides U.S. forces extensive access to military facilities, permission to store munitions, and establishes the groundwork for joint military training and exercises. By 1995, the U.S. Fifth Fleet and U.S. Naval Forces Central Command, operating from their headquarters in Bahrain, were managing the Navy’s rotationally deployed assets to the Gulf.

Naval facilities in Bahrain, renamed Naval Support Activity, now span 60 acres and house roughly 6,000 military personnel and civilian employees.⁴⁸ The Kingdom’s ports regularly host U.S. carrier and amphibious battle groups and are the enduring home to U.S. Navy assets such as minesweepers and coastal patrol boats. The United States has made a significant investment in military facilities, commencing a 5-year \$580 million U.S.-funded construction project in 2010.⁴⁹ Additionally, Bahrain is the base of international coalitions Combined Task Forces 151 and 152—partnerships dedicated to counter-piracy and maritime security cooperation.

- **Bahraini Military:** Bahrain retains the smallest military force in the GCC at approximately 8,200 active duty troops,⁵⁰ many of whom are apparently noncitizens from South Asia. The Bahraini force employs a small fleet of American-made F-5s and F-16s; an American-made frigate; a number of coastal patrol vessels and amphibious landing craft; and transport and attack helicopters. Twice, in 2008 and 2010, the Bahraini military assumed command of Combined Task Force-152, and in 2009, they deployed 100 police officers on a 2-year rotation to Afghanistan—the only other GCC country besides the UAE to make such a commitment.⁵¹ Bahrain has also deployed its frigate in support of U.S. operations in the Gulf. However, the Kingdom remains dependent on the United States and its GCC allies for external security. Bahraini forces leverage U.S. expertise during joint exercises such as Neon Response, a November 2011 bilateral engagement that facilitated explosive ordnance and disposal training.⁵²
- **U.S. Security Assistance and Training:** The largest beneficiary of U.S. grant security assistance among the GCC States, Bahrain is slated to receive approximately \$500,000 in Non-proliferation, Anti-terrorism, Demining, and Related assistance (NADR); \$700,000 in International Military Education and

Training (IMET); and \$10 million in Foreign Military Financing (FMF) in fiscal year 2012.⁵³ Bahrain agreed to purchase close to \$91 million in U.S. defense equipment and training through Foreign Military Sales in fiscal year 2010,⁵⁴ and in fiscal year 2011, it was granted U.S. Excess Defense Articles (EDA) worth more than \$55 million.⁵⁵

Training has also been a significant component of U.S. security assistance to Bahrain. In fiscal year 2010, 253 students were trained in competencies such as maritime security, leadership, maintenance, and counterterrorism at a value of \$2.8 million.⁵⁶

Qatar

Qatar is the world's wealthiest state on a per-capita basis, with only about 250,000 citizens and the third-largest natural gas reserves. It has successfully translated this extraordinary wealth into outsized regional, and even global, political influence.

Home to al-Jazeera, Qatar presided over the United Nations General Assembly in 2011, and was recently awarded the 2022 FIFA World Cup. It applauded the resignation of Egyptian President Hosni Mubarak, played a critical role in supporting the Libyan Transitional National Council, and has been at the vanguard of Arab efforts to isolate Syria—despite previously enjoying warm bilateral relations. It has also played an important regional mediation role in places as varied as Sudan, Yemen, Lebanon, Eritrea, and Palestine.

Qatar shares with Iran the North Field/South Pars reservoir, the largest gas field in the world. As a result, Qatar seeks to minimize tensions with its northern neighbor. However, the two countries have been notably at odds over Syria, which could raise bilateral tensions over time.

- **U.S. Military Presence:** In the aftermath of the liberation of Kuwait in 1991, Qatar granted U.S. forces substantial access to its military facilities.⁵⁷ The following year, the two countries solidified their defense relationship by signing a cooperation agreement. Qatar invested \$1 billion in the 1990s to expand Al Udeid Air Base. Now, with its 15,000-foot runway and considerable store of war reserve material, it is a critical logistical hub for regional operations. Although Qatar subsidizes much of the American presence, the United States has also invested in Qatar's security infrastructure. From 2003 to 2010, Congress authorized over \$394 million for military construction projects.⁵⁸ Home to approximately 7,500 American troops,⁵⁹ Qatar is the forward deployed base of the U.S. Central Command and the Combined Air and Space Operations Center (CAOC). At the CAOC, U.S. military officials manage airspace authority, air defense, electronic warfare, and personnel recovery in 20 regional countries, including Afghanistan.
- **Qatari Military:** Qatar maintains a small but professional military force. With 11,800 active duty troops, it retains the second smallest active duty military in the GCC.⁶⁰ Qatar lacks an integrated air defense system, and with a small fleet of coastal combatants and fighter aircraft it relies on American capabili-

ties for its self-defense. Although its officers are well regarded, a military career is not highly sought after by Qatari youth. In an attempt to make military service more attractive, the officer corps recently received a pay increase of 120 percent.⁶¹

Qatar has demonstrated a willingness to operate in the coalition environment. After natural disasters in Haiti and Pakistan, Qatar was among the first to deploy humanitarian supplies aboard its American-made C-17s. In addition to supplying \$400 million to arm and train the Libyan resistance, Qatar provided Special Forces to lead the rebels in their August 2011 assault on Tripoli.⁶² Although Qatari fighter jets played a nominal part in air operations over Libya, one U.S. military official described Qatar's overall political and military contribution to the Libya effort as "nothing short of decisive."⁶³

- U.S. Security Assistance and Training: Qatar has traditionally relied on the French for its military equipment,⁶⁴ but as the relationship with the United States develops, it is increasingly willing to procure American-made weapons including fighter aircraft and missile defense systems. In fiscal year 2010, Qatar agreed to purchase \$16.8 million in U.S. defense goods through the Foreign Military Sales program.⁶⁵ Sensitive to what they perceive as costly administration fees, Qatar has been more inclined to acquire military equipment through the Direct Commercial Sales program although, with improved bilateral government-to-government relations, there are indications that this trend may be changing.⁶⁶

In fiscal year 2010, Qatar educated 205 students through U.S. military training programs, 35 percent of whom participated in programs through Foreign Military Sales at a value of \$5.8 million.⁶⁷ Qatar also spent a significant amount of its national funds to provide U.S. training for students in skills from operational planning to leadership.⁶⁸

The United Arab Emirates

The United Arab Emirates is a unique federal state, comprised of seven emirates ruled by hereditary royal families. Known as the Trucial States before the UAE became fully independent in 1971, the federation slowly emerged through a series of treaties signed between individual sheikhdoms and the United Kingdom during the 150 year British protectorate period.⁶⁹ Abu Dhabi, the capital, is the country's center of political, economic, and cultural gravity. Dubai is an open, cosmopolitan city that has emerged in recent decades as a global business and tourism hub, though it was hard hit by the global financial downturn.

On 12 April 2012, Iranian President Mahmoud Ahmadinejad visited the island of Abu Musa, one of three Gulf islands subject to a longtime territorial dispute between Iran and the UAE. In response to this provocative act, the UAE condemned the visit in the "strongest possible terms" and recalled its ambassador to Tehran.⁷⁰

The UAE has not faced significant public pressure since the Arab revolutions began in 2011, but a number of bloggers and activists have faced criminal charges.⁷¹ In March 2012, the National Democratic Institute closed its offices in Dubai after its license was re-

voked, and Gallup and the Konrad Adenauer Stiftung, a German organization affiliated with Chancellor Angela Merkel's Christian Democratic Party, announced the closure of their Abu Dhabi offices.

- **U.S. Military Presence:** The UAE first turned to the United States as a guarantor of security during the 1991 Persian Gulf War with Iraq. In 1994, the UAE signed a bilateral defense pact with the United States that outlined a status of forces agreement and laid the groundwork for increased defense cooperation.⁷² The relationship has since flourished, with the UAE's installations now home to a sizable U.S. footprint of almost 3,000 troops.⁷³ The Emirates directly support much of the American presence by subsidizing facilities expansion and upgrades. More U.S. Navy ships visit the port at Jebel Ali than any other port outside the United States, and Al Dhafra Air Base retains U.S. fighter, attack, and reconnaissance aircraft. Like a number of other GCC States, the UAE also hosts U.S. Patriot missile batteries.⁷⁴
- **Emirati Military:** With approximately 51,000 active duty troops,⁷⁵ the UAE's military capabilities are second to none in the region.⁷⁶ U.S. military officials assert that operators of the UAE Hawk surface-to-air missile system are "on par with their U.S. counterparts", and that UAE fighter pilots are "combat ready."⁷⁷ The UAE, which has NATO observer status, dedicated two squadrons of fighter aircraft to operations in Libya. In addition to the important statement made by the commitment, the UAE pilots proved to be capable tacticians and contributed to coalition air-to-ground strike operations. The UAE also retains a 250-troop contingent in Afghanistan dedicated to security, humanitarian aid, and development.⁷⁸ Despite a number of recent setbacks and a strained U.S.-Afghanistan relationship, the UAE is poised to assume additional responsibilities in support of coalition efforts.
- **U.S. Security Assistance and Training:** The UAE is a major recipient of U.S. defense equipment, having purchased in recent years F-16 fighter jets, Apache attack helicopters, Patriot and Terminal High Altitude Area Defense (THAAD) missile systems, and a bevy of advanced munitions.⁷⁹ From 2007 to 2010, the UAE agreed to acquire more U.S. defense articles and services through the Foreign Military Sales program—\$10.4 billion—than any other country in the world with the exception of Saudi Arabia.⁸⁰

The purchase of U.S. weapons systems also contributes to the training of Emirati military students. In fiscal year 2010, 359 students were trained at a cost of \$19.3 million through U.S. security cooperation programs—96 percent of whom received their training as part of the Foreign Military Sales program.⁸¹

At the Air Warfare Center in Al Dhafra, the UAE and U.S. forces conduct extensive training exercises focused on command and control, early warning, air and missile defense, intelligence, and logistics. Biannually, the UAE hosts an ad-

vanced aviation seminar in offensive and defensive tactics, which includes two weeks of academics and four weeks of flying.⁸² There are 7 participating nations, 42 fighter aircraft platforms, and 3 helicopter types, facilitated by U.S. and French refueling, command, communications, and control assets. Graduates of the course include Qatari, Emirati, and Jordanian pilots.

The UAE is also host to the Integrated Air Missile Defense Center, the region's premier training facility of its kind. It not only facilitates U.S.-UAE interoperability but also U.S.-GCC coalition building. The United States and the GCC train in advanced tactics against ballistic missile, cruise missile, and airborne threats.⁸³ In October 2011, for the first time, the GCC states participated in Falcon Shield, an integrated missile defense exercise with the United States.

The UAE has also hosted the Eagle Resolve multilateral exercise, which utilizes state of the art laboratory facilities to train participants in chemical, biological, and radiological defense and border security. The head of Central Command, General James Mattis said, "Eagle Resolve will allow us to operate together as a team—it brings the U.S. forces an opportunity to learn from our Gulf partners and they from us in this regard, practicing how we will protect the region's populations if threatened."⁸⁴

Oman

With a rich history little known in the United States, a strategic location whose territorial waters contain the major navigable shipping lanes of the Strait of Hormuz, and a population that is neither predominantly Sunni nor Shiite, the Sultanate of Oman has carved out a unique position within the GCC.⁸⁵ Sultan Qaboos bin Said is popular with the Omani people and enjoys a reputation in the region as a strategic thinker. During his 40-year reign, though a period which also coincides with its relatively modest oil discoveries, Oman has made noteworthy social and economic strides. It has quadrupled literacy rates and increased life expectancy by some 27 years. Oman was rated by the United Nations Development Programme (UNDP) as having enjoyed the greatest improvement in its Human Development Index score of any country in the world between 1970 and 2010.⁸⁶

Oman generally seeks accommodation with its neighbors, though it occasionally breaks with the Arab consensus. For example, unlike most Arab League members, Oman maintained relations with Egypt after the 1979 Peace Treaty with Israel. Oman is one of the few states that enjoys close relations with both Iran and the United States, demonstrated by the Sultanate's role in securing the release of the three American hikers who were imprisoned in Iran.⁸⁷

- U.S. Military Presence: Oman formalized defense ties with the United States—the first Gulf country to do so—after the 1979 Iranian Revolution. It was from the Omani air base on Masirah Island in 1980, that the Carter administration staged a failed attempt to rescue American hostages held in Iran. During the 1980's Iran-Iraq War, U.S. forces used Omani in-

stallations as a base for maritime patrol and tanker support. In the early stages of Operation Enduring Freedom in Afghanistan, over 4,000 American troops and critical equipment, including a B-1 bomber aircraft, were positioned in Oman. A 2010 security agreement permits the United States to retain a small military footprint and grants U.S. forces access, on a pre-arranged basis, to military facilities in Masirah, Muscat, and Thumrait.⁸⁸

- **Omani Military:** Numbering approximately 43,000, the Omani military is the third-largest among GCC states.⁸⁹ With historical ties to the British, much of the Omani military inventory comes from the United Kingdom. However, Oman's forces are increasingly looking for American equipment and training. For example, in 2012, U.S. Army forces teamed with the Royal Army of Oman during a 2-week training exercise—Inferno Creek—that focused on infantry tactics at the squadron and platoon level.⁹⁰
- **U.S. Security Assistance and Training:** Oman, unlike most of its Gulf partners, is a recipient of U.S. grant security assistance, albeit at modest levels. In fiscal year 2012, the U.S. committed approximately \$1.5 million in Non-Proliferation, Anti-Terrorism, Demining, and Related (NADR) funds, \$1.65 million in International Military Education and Training (IMET) assistance, and approximately \$8 million in Foreign Military Financing (FMF) to Oman.⁹¹

Compared to its GCC counterparts, Oman has historically procured fewer U.S. weapons systems. In fiscal year 2010, Oman agreed to purchase \$13.9 million in defense articles and services through the Foreign Military Sales program.⁹² However, a number of larger potential transfers were notified to Congress in 2010 and 2011 with a more significant price tag and a more robust support and training package. These agreements include missile components of a ground-based integrated air defense system totaling \$1.2 billion and new acquisitions of F-16 fighter aircraft for as much as \$3.5 billion.⁹³

The Sultanate's forces are regular participants in U.S. training evolutions. The Royal Air Force of Oman hosts exercises with the U.S. Navy and Air Force, and there is a possibility the Omanis will participate in advanced airborne combat exercises held in the United States. In fiscal year 2010, 291 Omani military students were trained through U.S. security cooperation programs in intelligence, leadership, logistics, procurement, maritime security, and counter-terrorism at a value of \$2.8 million.⁹⁴

ANALYSIS AND RECOMMENDATIONS

The U.S. Government cannot rely on a single policy prescription to promote regional stability in the Gulf region. Instead, it will have to assess complicated intra-GCC dynamics to formulate a comprehensive strategy that promotes American values and supports regional security—in the midst of extraordinary tumult.

CHALLENGE 1: PRESERVING U.S. SECURITY INTERESTS
AND PROMOTING DEMOCRATIC VALUES

Policymakers must strike a balance between security interests and the promotion of fundamental freedoms. While the United States has significant economic and security interests in the Gulf, it should not be seen as opposed to popular reform efforts.

The United States and the world's primary strategic interest in the Persian Gulf is economic. Fifty-four percent of the world's proven oil reserves and 40 percent of its proven natural gas reserves are located in the Gulf region. In 2011, only about 16 percent of the United States imported crude oil originated from the GCC or Iraq.⁹⁵ But crude oil is an international commodity, and in recent years the market has been tight. Given the political volatility of the Middle East and the volume of oil originating there—in 2011, almost 20 percent of all traded oil transited the Strait of Hormuz⁹⁶—oil markets seem to be particularly sensitive to political developments in the Gulf. Thus, at a time of tenuous economic recovery in the United States and globally, there is a correlation between stability in the Gulf and the United States economic health.

Energy security is not the only American interest in the Gulf region. The promotion of human rights and good governance is undeniably an important component of American self-identity. Because of the Gulf states' enormous petrochemical wealth and relatively small populations, calls for democratic reform had, at least until the Arab Awakening, been relatively muted. But communities of activists and reformers exist in all of the countries and they have often been poorly treated. U.S. officials should be cautious about engaging in domestic affairs of other countries, but should not shy away from speaking out publicly on behalf of those seeking reform. Indeed, governments that address the aspirations and grievances of their people are more stable over the long term and consequently better security partners for the United States.

However, the United States needs to be careful not to be perceived as undertaking a capricious or erratic policy. Abandoning allies is a strategy that is unlikely to advance the United States long-term interests. The United States derives significant leverage from being the prime security provider for the Gulf region. While American military hardware remains the most desirable in the world, European, Russian or Chinese equipment may be seen as more appealing if it does not come with strings attached. Pressure and disengagement are important tools in the diplomatic toolkit, but if used improperly, they can also lead to a loss of influence.

Amid relatively high sectarian tensions in the Middle East—a consequence of violence in Iraq and, more recently, in Syria, and growing concerns about Iran—the United States should encourage its partners, including in the Gulf region, to pursue nonsectarian policies. While the United States relationship with Iran is antagonistic, it should continue to emphasize its desire for a diplomatic outcome and be careful to avoid being drawn into a sectarian rivalry. Just as senior American officials distinguish between the Iranian people and their government, so too must they be careful not to view Arab Shiites as a monolithic community.

Recommendation: The United States should leverage its strategic position to be a steady force for moderation, stability, and nonsectarianism, through patient and persistent engagement in support of human rights. The United States should not rush to rescind security assurances or assistance in response to human rights abuses, but should evaluate each case on its own merits. U.S. Government officials should use these tools to advance human rights through careful diplomacy. Consistency is a hallmark of a successful security partnership. Nonetheless, there should be redlines associated with the U.S. security agreements in the Gulf, like elsewhere. The United States should make clear that states must not use arms procured from the United States against their own people engaged in peaceful assembly or exploit the U.S. security umbrella as protection for belligerent action against their neighbors.

CHALLENGE 2: THE COMPOSITION OF THE GULF SECURITY FRAMEWORK

While the GCC is becoming a more independent and effective actor, the United States remains crucial to the region's stability. The Gulf monarchies have for centuries depended on outside security guarantors, a role played by the United States since the British left in 1971. Recently, they have emerged from this historic dependency. Saudi Arabia, Qatar and the UAE, in particular, are playing more prominent roles on the regional and even global stage.

While the GCC's role in the 1991 liberation of Kuwait was fairly marginal, Qatar's and the UAE's participation in the 2011 NATO campaign in Libya was more robust, even though the campaign was of far less strategic significance to the Gulf states. The GCC is also becoming more active politically, emerging as a critical subgroup of the Arab League. The GCC pushed for Arab endorsement for military action in Libya, was instrumental in the political transition in Yemen, and has been at the vanguard of Arab action in Syria. The GCC's Peninsula Shield action in Bahrain is another example of the Gulf states operating together, though this operation seems to have complicated prospects for political compromise in Bahrain.

However, intra-GCC security cooperation is still heavily reliant on American leadership. For the GCC to be effective, it will have to become increasingly interoperable. But there are significant limitations on Gulf states' willingness to integrate. Thus, the emerging Gulf security architecture is likely to involve the United States in a significant role coordinating regional cooperation. That role makes the United States crucial to the viability of a security framework, a position the U.S. Government should seek to reinforce in a region where so many vital national security interests are at stake.

U.S. diplomatic engagement with the GCC will be vital to the future of the Gulf, but security cooperation is likely to be the cornerstone of a stable regional framework. Through joint exercises, training evolutions, bilateral exchanges, and security assistance the United States can build the capacity of GCC partners to shape the Gulf security architecture to be mutually beneficial to American and regional interests. As the world's predominant power, the United States should regularly facilitate such interaction on a mul-

tilateral and bilateral basis. Although much of the U.S. engagement to foster a symbiotic relationship takes place between militaries, the State Department's Bureau of Political-Military Affairs should continue to play a central role. Diplomats must coordinate the final policy determinations for the region by effectively gauging the dynamics that contribute to U.S. national security interests, including economics, security, human rights, development, and governance.

Recommendation: The United States should seek to remain a central part of the Gulf security framework. The administration should encourage the development of institutions like the GCC and Arab League, while seeking to strengthen bilateral ties. However, the GCC is not a monolith, and a multilateral architecture must accommodate the significant differences among the Gulf states. The United States has a unique diplomatic and security role to play in the GCC. To protect its regional security interests, the United States should seek to reinforce its position as a core interlocutor around which intra-GCC security is organized, through robust diplomatic and economic engagement, military-to-military cooperation, and security assistance. However, there is concern in various GCC capitals that the United States has not been forthcoming enough in communicating its vision of how it would like this cooperation to evolve amidst the political turmoil of the Arab Awakening. American officials should seek to ameliorate these concerns by more clearly articulating to its GCC partners the United States vision for a Gulf security framework, as well as its strategic priorities for the broader region.

CHALLENGE 3: ECONOMIC DIVERSIFICATION

The Gulf region's tremendous hydrocarbon resources and strong macroeconomic growth in recent years mask structural human capital and unemployment challenges that could cause longer term problems. The use of expatriate labor over the last several decades has helped the region to quickly develop an advanced infrastructure, but it has led to an underdevelopment of the region's local human capital.

The Gulf is the world's richest region and has enjoyed strong macroeconomic growth in recent years, due primarily to high oil prices. On the surface, the Gulf economies are booming. While the unrest in Bahrain caused significant economic damage and the continuing fall-out of Dubai's 2008 real estate crash has slowed the UAE's growth, as a whole the GCC region enjoyed an estimated 6.8 percent growth in real GDP in 2011 and forecasts suggest approximately 4 percent growth in 2012 and 2013. With the exception of Bahrain, the GCC countries have recorded large budget surpluses in recent years, and are likely to remain in surplus in 2012, despite lower oil prices.⁹⁷

But this wealth is unevenly distributed and has led to undiversified economies. Bahrain and to a lesser extent Oman lack the immense hydrocarbon wealth of their neighbors. Even in Kuwait, Qatar and the UAE, an extraordinarily high standard of living masks structural human capital and unemployment challenges that could cause longer term problems. Because the economies are

heavily dependent on hydrocarbons, sectors other than construction, consumables and finance are crowded out, leading to concerns that the region is spending beyond its means.

According to Mahmoud El-Gamal and Amy Jaffe of Rice University, the Gulf states are “consuming the region’s nonrenewable capital, instead of finding smooth paths for sustainable consumption and investment.” El-Gamal and Jaffe argue that the spending of hydrocarbon rents results in stark inequalities in wealth and perpetuates the cycle of speculative financial and construction bubbles based on the volatility of oil and gas markets.⁹⁸

Bahrain, Oman, the UAE and Saudi Arabia all suffer from double-digit unemployment.⁹⁹ For example, according to a 2010 study by Booz and Company, 48 percent of Saudi citizens aged between 20 and 24, and 31 percent between 25 and 29, were unemployed.¹⁰⁰ Unemployment disproportionately affects women and those under 30 years old, and often lasts for extended periods of time. Public spending alone is unlikely to meet the social and economic demands of these constituencies.

Multiple factors contribute to this structural unemployment problem. While small and medium enterprises constitute a majority of private firms in developed countries, they account for only a minimal share of the overall economic output of the Gulf region.¹⁰¹ Public sector employment across the GCC crowds out the private sector, especially when vast numbers of expatriates from across the Middle East and beyond, many of them highly skilled, are willing to work for lesser wages. This use of expatriate labor over the last several decades has helped the region to quickly develop an advanced infrastructure, but it has also contributed to a significant under-investment in the region’s indigenous human capital.¹⁰²

The Gulf states have recognized this dilemma and to varying degrees have sought to diversify their economies and better prepare their workforces for the global marketplace. Across the region, a number of high-profile educational initiatives have been undertaken, including the founding of Saudi Arabia’s first coeducational university, King Abdullah University of Science and Technology; the creation of Education City in Qatar, which hosts branch campuses of six American universities, including Georgetown, Carnegie Mellon and Northwestern Universities; and the establishment of a number of American branch campuses in the UAE, including New York University and Rochester Institute of Technology.

Dubai’s economy was originally built on the hydrocarbon sector, but oil and gas sales now account for less than 6 percent of the economy.¹⁰³ Although it will take the city several years to fully recover from the 2008 real estate crash, the city has managed to transform itself into an international hub for commerce, finance and tourism, boasting a world-class airline and the largest man-made harbor on the planet. While Dubai’s model is unlikely to be fully replicated elsewhere, it is an indication that the creation of free trade zones and reducing barriers to entry can stimulate the non-hydrocarbon sector.

Similarly, while Oman is culturally more conservative than Dubai, the country has made noteworthy social and economic strides in the last four decades. It has quadrupled literacy rates and increased life expectancy by approximately 27 years. Oman

was rated by the United Nations Development Programme (UNDP) as having enjoyed the greatest improvement in its Human Development Index score of any country in the world between 1970 and 2010.¹⁰⁴

Recommendation: The United States should work with GCC states to promote economic reform and diversification, as well as increased trade relations. To help the GCC countries tackle their structural unemployment and underemployment challenges, the United States should focus on educational and labor reforms, as well as the promotion of entrepreneurship. Trade promotion is also an important tool for the administration. The United States currently has Free Trade Agreements with Bahrain and Oman, and Ambassador Ronald Kirk, the U.S. Trade Representative, has cited the need to increase trade with the GCC, as it “continues to develop as a regional organization, aiming to harmonize standards, import regulations, and conformity assessment systems affecting U.S. trade.”¹⁰⁵ At the first meeting of the Strategic Cooperation Forum between the United States and the GCC in Riyadh on 31 March 2012, progress was made toward a “GCC–U.S. Framework Agreement on Trade, Economic, Investment, and Technical Cooperation.”¹⁰⁶

CHALLENGE 4: U.S. MILITARY PRESENCE IN THE GULF

The United States should carefully shape and balance its military presence to protect the free-flow of critical natural resources and to provide a counterbalance to Iran.

Even as the war in Iraq has come to an end and the coalition footprint in Afghanistan is on a downward trajectory, the Persian Gulf remains a focal point for the American military. Bases located throughout the region provide staging and logistical functions and serve as command and control nerve centers.

Amid the possibility of a conflict against Iran in the region, it is imperative that the U.S. military appropriately shape the size and structure of its presence in the Gulf. A 2010 Department of Defense report illustrates that Iran retains a significant conventional military. Iran’s population is twice that of the combined GCC countries, and with ground forces numbering over 350,000, approximately 1,800 tanks, over 300 fighter aircraft, and capable air defenses, the Iranian military would pose a significant threat to the Gulf states should conflict arise.¹⁰⁷ Iran also has a ballistic missile capability with enough range to target regional allies, including Israel, and a number of coastal defense cruise missiles designed to prevent access to the Persian Gulf. Perhaps Iran’s most viable capability is its ability to wage asymmetric warfare throughout the region. The Iranian Revolutionary Guard Corps’ elite unit, the Quds Force, is an active sponsor of terrorist activity, aiding Shia militants in Iraq, insurgents in Afghanistan, and Hezbollah and Hamas in the Levant. Iran’s fleet of small patrol craft is also capable of mining the Strait of Hormuz and conducting swarming maritime tactics.

From its height in 1991, with over half a million forces, the American military footprint in the Persian Gulf is now much reduced. Thousands of military personnel remain in Kuwait, Bahrain, the UAE, and Qatar. But more important than the number

of U.S. forces in the region is the access that the United States retains to critical basing infrastructure.

Kuwait is home to facilities including Camp Arifjan, Ali Al Salem Air Field, and Camp Buehring which offer the United States major staging points and training ranges for regional operations. In Qatar, Al Udeid Air Base is a major logistical hub and operation center. In the UAE, American forces use Al Dhafra Air Base to stage fighter, attack, and reconnaissance aircraft. The UAE port at Jebel Ali, large enough to accommodate an aircraft carrier, is host to more American military ship visits than any other port outside the United States. Even the smallest GCC country, Bahrain, houses naval facilities that span 60 acres and is a regular host to U.S. carrier and amphibious battle groups, minesweepers, and coastal patrol craft. The United States also maintains an integrated missile defense system in the Gulf with Patriot batteries located in a number of GCC States. Moreover, GCC partners subsidize much of the U.S. presence on their soil.

The governments of Kuwait, Qatar, the UAE, and Bahrain are pleased to accommodate U.S. forces, but care must be taken to ensure that U.S. forces keep a low profile and do not violate traditional local social mores. Historically, U.S. troops stationed in the Gulf have been victim to terrorist attacks and central to Osama bin Laden's argument that the United States was an occupier of sacred Muslim lands. While the American presence extends a security umbrella, it is also important to maintain the appearance of an "over the horizon" force—one that stays just far enough out of sight to avoid the image of an occupying power.

Recommendation: The United States should preserve the model of "lily pad" bases throughout the Gulf, which permits rapid escalations of military force in case of emergency. The Obama administration has adopted this architecture by retaining only essential personnel in the region while ensuring access to critical hubs such as Camp Arifjan, Al Udeid, Al Dhafra, Jebel Ali, and Naval Support Activity Bahrain. Such an agile footprint enables the United States to quickly deploy its superior conventional force should conflict arise, without maintaining a costly and unsustainable presence. Sustaining physical infrastructure and enabling functions such as intelligence, surveillance, and logistics, while keeping certain war reserve materiel forward positioned, is more important than deploying large numbers of U.S. forces.

CHALLENGE 5: BURDEN-SHARING WITH GCC PARTNERS

Although the UAE and Qatar have demonstrated a willingness to operate in the coalition environment, most Gulf states are not yet fully capable of independently providing tactical support to the United States in times of crisis. U.S. leaders should not expect more from the Gulf states than they are capable of or willing to provide, and they must be careful not to upset a volatile region by introducing, through security assistance, overwhelming offensive military capabilities that could lead to an arms race.

After a decade of war and unbridled spending on defense as the world's primary security guarantor, the United States will have to chart a more sustainable course. The U.S. military retains a signifi-

cant advantage in conventional capability relative to allies and adversaries alike. Technologically, U.S. equipment is state-of-the-art; its troops are the most well-trained in the world; and only the U.S. military can integrate coalition efforts on a broad scale with its unique command and control structure. Yet, even the U.S. military cannot be everywhere at once. The foundation for a sustainable security architecture will be continued American military dominance, but U.S. leaders must also leverage the support of regional allies. Burden-sharing lightens the yoke of U.S. responsibility and represents a more financially justifiable model of international security.

There is a new equilibrium in the Middle East, as the Arab Awakening, immense oil and gas reserves, and the war in Iraq have shifted the center of gravity towards the Gulf states. The GCC has shown an increased willingness to operate on the international scene. In support of NATO efforts in Libya, the UAE demonstrated it was a capable ally in strike operations. Qatari forces, although still evolving as an air power, played a critical role on the ground, aiding the Libyan opposition in their march towards Tripoli. Kuwaiti missile defense capabilities are much improved as operators have made significant strides in their training. With a significant threat from al Qaeda still in the region, Saudi Arabia and Oman are vital partners in counterterrorism operations. Even the small Kingdom of Bahrain has shown the ability to operate in the maritime coastal patrol environment.

The United States can leverage the burgeoning capabilities of its GCC allies, but there are potential pitfalls. U.S. leaders must be sensitive not to expect more from the Gulf states than they are capable or willing to provide. They must be careful not to upset a volatile region by introducing, through security assistance, overwhelming offensive military capabilities that could lead to an arms race. The GCC States are still developing faculties to maintain equipment, logistically support forces, and provide command, control, and intelligence fusion. Although the relationship has grown, the Gulf states' interests are not always aligned with those of the United States. Nevertheless, an equilibrium can exist between regional security responsibilities and the role Gulf states are willing and able to play. Developing key defensive proficiencies in the Gulf states will allow them to provide for their own legitimate security needs, while contributing to U.S. theater plans.

Foremost among these capabilities is missile defense, an inherently defensive mission. Interoperability in this regime will improve U.S. defense-in-depth. In other words, U.S. capabilities will become more robust by supporting partner capacity. However, when U.S. leaders transfer security responsibility to GCC partners, they must make sure technical agreements are firmly in place to provide the necessary access to U.S. operators.

At the Integrated Air Missile Defense Center in the UAE, the United States is building the capacity of its GCC partners to engage it advanced tactics against ballistic missile, cruise missile, and airborne threats. In October 2011, all the GCC states took part in Falcon Shield, an integrated missile defense exercise showcasing these skills with the United States.

Another capability that can be improved is airpower such as airlift, combat air patrol and, in select circumstances where adept allies prove their competency, air strike. Airpower can be used both defensively and offensively, so it must be developed cautiously. However, Gulf states such as the UAE and Qatar have already contributed airpower to coalition efforts, and therefore, merit additional training to improve their capacity for future internationally sanctioned initiatives. Airlift is another niche competency that GCC states can develop. Qatar deployed humanitarian supplies—aboard its American-made C-17s—to countries like Pakistan, Haiti, and Sudan suffering catastrophes. With additional assets and training, the Gulf states can expand their role in these types of missions. Finally, the GCC States can improve in the innately defensive role of air combat patrol—the use of fighter aircraft to safeguard international borders and national assets. At the Air Warfare Center in Al Dhafra, the United States is helping to build these skills through joint exercises and training.

GCC allies can also effectively contribute to maritime security by developing competencies in demining, coastal patrol, and counter-piracy. These aptitudes are necessary to maintain the free flow of commerce, undergird counterterrorism efforts, and protect the coastal borders of the Gulf states. Based in Bahrain, Combined Task Force 151—dedicated to counter-piracy in the Gulf of Aden and off the coast of Somalia—and Combined Task Force 152—responsible for theater security cooperation and maritime security—are international efforts to share maritime security responsibilities in the Gulf. Through these coalitions, the United States is establishing common tactics, techniques, and procedures that advance the GCC States' ability to operate in coalition environments.

Recommendation: The U.S. Government should continue to cultivate the capabilities of GCC partners in select defensive missions, such as missile defense, combat air patrol, and maritime security, while building capacity through deployments in other theaters such as Libya and Afghanistan. Burden-sharing does not imply that the United States is abandoning the region or relinquishing its role as a security guarantor. Rather, it is intended to deepen strategic ties with the Gulf by building the competencies of the GCC States through joint exercises, security assistance, and training. Over time, these partnerships can improve the effectiveness of Gulf militaries, promote trust, and provide for the transfer of American political-military values such as respect for civilian authority, human rights, and the rule-of-law. However, the Obama administration should carefully consider what missions it expects the Gulf states to execute effectively.

CHALLENGE 6: SECURITY ASSISTANCE

The United States should carefully determine how much security assistance to provide to its Gulf partners. The Gulf states—in particular Saudi Arabia and the UAE—are prolific buyers of U.S. arms, but they are also willing to buy from other international sellers. That does not mean however, the United States should grant whatever capabilities to the GCC States that they desire.

Security assistance—the equipping or training of foreign security forces through the sale, grant, loan, or transfer of defense articles or equipment—is a central means by which the United States will build an effective security framework in the Gulf. Since the Second World War, the United States has used its industrial capability to provide for the legitimate defense needs of friendly countries and further its national security objectives abroad.

Traditional forms of security assistance afford the U.S. Department of State with management and oversight responsibility and the U.S. Department of Defense with implementation authority. Congress plays an important role in the security assistance process as well. In addition to authorizing and appropriating grant funding, it must be notified if arms sales exceed certain monetary thresholds.¹⁰⁸ This oversight role provides Congress with the ability to influence, and potentially block, arms sales. Thus, while the process can be cumbersome and time-consuming, there is an essential whole-of-government approach to the policy formulation, implementation, and oversight of security assistance.

Traditional forms of security assistance include Foreign Military Sales (FMS), Direct Commercial Sales (DCS), Foreign Military Financing (FMF), International Military Training and Education (IMET), and Non-proliferation, Anti-terrorism, Demining, and Related assistance (NADR).¹⁰⁹ The FMS program allows countries to purchase U.S. arms, equipment, services, and training with the U.S. government acting as a broker between the recipient nation and U.S. defense contractors. DCS affords foreign buyers the ability to negotiate directly with U.S. defense contractors for the purchase of military equipment, which is ultimately licensed by the U.S. Government for sale.¹¹⁰ FMF is grant funding for use by recipient nations to purchase U.S. defense goods through FMS or DCS. IMET is grant funding that provides training to foreign security forces and officials. Finally, NADR is grant assistance that aids in a variety of initiatives from arms control to counterterrorism.

From 2007–2010, the six states of the GCC agreed to the purchase of more U.S. defense articles and services through the Foreign Military Sales program—over \$26.7 billion—than any other region in the world. The United States has sold or granted significant military capabilities to the Gulf states including fighter-attack aircraft, airlift, missile defense systems, tanks, armored vehicles, and a panoply of advanced armaments. In fiscal year 2010 alone, the United States licensed hundreds of millions of dollars in defense articles and services to the Gulf states through Direct Commercial Sales,¹¹¹ and through foreign military education the United States trained over 2,900 students from the GCC States at an estimated value of \$111 million.

Recommendation: The United States should continue to supply Gulf partners with security assistance that supports a comprehensive strategy for regional arms sales to ensure a stable security architecture. However, the United States should be scrupulous in determining which weapons systems to sell in order to (1) ensure that sales contribute to regional security and do not weaken the position of Israel, (2) support the legitimate de-

fense requirements of Gulf partners, (3) prevent a regional arms race, and (4) protect its technological superiority.¹¹²

The United States derives five principal benefits from the transfer of defense equipment and training:

- **Interoperability:** Security assistance allows the United States to leverage the manpower, regional expertise, and willingness of GCC States to conduct joint operations. When the United States provides regional allies with military equipment that is interoperable with American systems, it can improve the effectiveness and situational awareness of both the recipient and the United States. Moreover, the training and sustainment services that accompany these sales convey to allies the common tactics and procedures that become the foundation of coalition operations.
- **Access:** Security assistance is a powerful lever that provides U.S. security forces access to basing rights and privileged passage through critical transit routes. This access has allowed the United States to support operations in Iraq and Afghanistan and permits an enduring presence in the region in support of U.S. national interests.
- **Leverage:** The “total package” approach that includes the transfer of U.S. weapons and technology to GCC partners incorporates not only equipment but also training, supplies, and replacement parts. Thus, reliance on U.S. support becomes vital for the continued effective operation of defense articles. This provision allows the U.S. Government to reevaluate if a particular arms sale is in the best interest of national security long after the initial transfer occurs.
- **Relationships:** Training associated with security assistance provides the foundation of the military-to-military cooperation and reinforces political relationships. These associations help U.S. trainers impart values to recipient military officials such as respect for civilian authority. Moreover, such cooperation gives the United States a keen awareness of the competencies of its partners.
- **Regional Balance:** The provision of security assistance to the GCC States can help balance regional security. The infusion of certain weapons and competences could prove to be an effective deterrent against Iran. However, security assistance should be offered with caution to avoid compromising U.S. technological advantages, exacerbating intrastate conflict, or provoking a regional arms race. The United States must maintain the quantitative military edge of Israel by carefully weighing all potential arms sales to the region.

CHALLENGE 7: IRAQ INTEGRATION

Relations between the Gulf monarchies and Iraq remain cool. There has been a tendency of some Arab states to remain disengaged from Iraq, largely over its relations with Iran. Unfortunately, this tendency has had the effect of pushing Iraq closer to Iran.

Since the 1990 invasion of Kuwait, the GCC has generally had poor relations with Iraq. Despite their animosity towards Saddam Hussein, most Gulf states had reservations about the 2003 invasion of Iraq, and since then, Saudi Arabia in particular has been deeply concerned about Iran's influence on Baghdad.¹¹³ Unfortunately, this tendency to disengage from Iraq seems to have actually reinforced Iran's role, since it leaves Turkey, which is not inclined to pursue sectarian policies, as the only other regional power deeply engaged in Iraq.

In recent months, however, there have been signs that the Gulf states are slowly changing their policies out of necessity due to the withdrawal of American troops from Iraq. Additionally, Iraq itself has modified some of its foreign policy positions in order to have a successful Arab League presidency, which it took over in March.¹¹⁴

In April, the annual Arab League summit was held in Iraq for the first time since 1990, during which Iraq joined the Arab League consensus on Syria. While Iraq is unlikely to join Gulf states in directly providing assistance to the Syrian opposition, the move does suggest that Iraq has moved away from Iran, which continues to provide unconditional support for President Bashar al-Assad. Though most GCC countries sent relatively low-level delegations, the Kuwaiti Emir, Sheikh Sabah al-Sabah, attended and was warmly welcomed by Iraqi Prime Minister Nouri al-Maliki, a symbolically important gesture that marked the first visit by a Kuwaiti Emir to Iraq since the 1990 invasion. Earlier this year, Saudi Arabia named a nonresident ambassador, also for the first time since 1990, and the UAE has undertaken a nascent security dialogue with Iraq.

Recommendation: The United States should promote the gradual political reintegration of Iraq into the Arab fold. Iraq's Arab League presidency in 2012 is an opportunity for the United States to promote a rebalancing of the Gulf's security architecture, improved counterterrorism cooperation between Iraq and the GCC, and a reduction in sectarian tensions. In particular, in light of reciprocal visits by Kuwaiti Emir Sheikh Sabah and Iraqi Prime Minister Nouri al-Maliki, there may be opportunities for progress on the outstanding bilateral issues dating to the 1990 Iraqi invasion of Kuwait, including border demarcation, war reparations, and the disposition of missing Kuwaiti citizens.

CONCLUSION

As extraordinary change sweeps the Middle East, the United States is confronted with a shifting security landscape in the Persian Gulf region. Despite this transformation, the rationale for continued American engagement in the region is compelling. The world's energy security is inextricably linked to the Gulf's abundant supply of hydrocarbons. Iran, one of the United States most pressing security threats, continues to defy international condemnation in its pursuit of a nuclear capability. The Arabian Peninsula remains both a potential target and dangerous source of international terrorism. Many of the Gulf states are still a base of

operations for some of the U.S. military's most critical missions from the war in Afghanistan to counter-piracy in the Gulf of Aden to antiterrorism efforts throughout the Middle East.

With the withdrawal of American forces after more than 8 years of war in Iraq, U.S. policymakers need to erect a security framework to protect American strategic interests and signal to allies that the United States is not abandoning the region. The United States is still a predominant power, but it should not seek to establish stability in the Gulf on its own. Thus, a Gulf security architecture should rely not only on the U.S. military but also, the burgeoning security forces of the GCC States.

However, as it increasingly looks to share security burdens with GCC partners, the U.S. Government should be pragmatic in developing capabilities that Gulf states can effectively execute and that do not upset the regional balance of power. The United States should carefully apportion security assistance to the GCC States to buttress their capacity to undertake defensive missions. Added benefits will accrue from the provision of security assistance including increased interoperability and access to basing infrastructure and transit routes.

Even as partnerships with Gulf states improve, the U.S. military should maintain a foothold in what is still a dangerous neighborhood. The United States remains the only country capable of coalescing disparate security forces into a cohesive alliance.

U.S. interests are not limited to security alone. Intrinsic to American exceptionalism is the persistent pursuit of fundamental human rights. In a Gulf region where security interests do not always converge with human rights concerns, this requires delicate policy decisions. Through security cooperation, U.S. officials have a forum to consistently engage with GCC partners not only on defense issues, but also with respect to key principles like civilian authority and the rule-of-law. Through robust diplomacy, Americans can hope to gradually change the regional landscape, and in turn promote U.S. interests.

End Notes

¹ Though implemented by the Obama Administration, the bilateral security agreement was negotiated by the Bush administration and signed in November 2008, shortly before the Obama Administration took office.

² According to the 2011 BP Statistical Review of World Energy, at the end of 2010, the six GCC states plus Iraq and Iran had 747 billion of the world's 1,383 billion barrels of proven oil reserves (54%) and 75 trillion of the world's 187 trillion cubic meters of proven natural gas reserves (40%). See: BP, "Statistical Review of World Energy June 2011," <http://www.bp.com/statisticalreview>, accessed 28 February 2012.

³ See tables 1 and 2 after the executive summary. These figures are based on data provided from the Defense Security Cooperation Agency. See: Defense Security Cooperation Agency, *Foreign Military Sales, Foreign Military Construction Sales and Other Security Cooperation, Historical Facts as of 30 September 2010*, <http://>

www.dsca.mil/programs/biz-ops/factsbook/FiscalYearSeries-2010.pdf, accessed 10 November 2011.

⁴U.S. Department of State, Press Releases: 2011, Special Joint Press Briefing on U.S. Arms Sales to Saudi Arabia, 29 December 2011, <http://www.state.gov/r/pa/prs/ps/2011/12/179777.htm>, accessed 29 December 2011; Christopher Blanchard, *Saudi Arabia: Background and U.S. Relations*, Report RL33533 (Washington, DC: Congressional Research Service, 10 March 2011), 9.

⁵The Arms Export Control Act explicitly states that no defense articles or services shall be sold or leased to foreign recipients unless “the President finds that the furnishing of defense articles and defense services to such a country or international organization will strengthen the security of the United States and promote world peace.” See *Eligibility for Defense Services or Defense Articles, U.S. Code* 22 (1976), § 2753.

⁶1A James Onley, “Britain and the Gulf Shaikhdoms, 1820–1971: The Politics of Protection,” *Occasional Paper* no. 4 (Center for International and Regional Studies, Georgetown University School of Foreign Service in Qatar, 2009), <http://www12.georgetown.edu/sfs/qatar/cirs/JamesOnleyCIRSOccasionalPaper2009.pdf>, accessed 13 April 2012.

⁷ Robert Schneller, Jr. *Anchor of Resolve: A History of U.S. Naval Forces Central Command/Fifth Fleet* (Washington DC: Naval Historical Center, Department of the Navy, 2007), <http://www.history.navy.mil/pubs/AnchorofResolve—web.pdf>, accessed 13 April 2012.

⁸Jimmy Carter, “The State of the Union Address Delivered Before a Joint Session of the Congress. January 23, 1980,” *The American Presidency Project*, University of California, Santa Barbara, <http://www.presidency.ucsb.edu/ws/index.php?pid=33079#axzz1spb4HZYc>, accessed 22 April 2012.

⁹Martin Indyk, “U.S. Policy Priorities in the Gulf: Challenges and Choices,” in *International Interests in the Gulf Region* (Abu Dhabi, UAE: Emirates Center for Strategic Studies and Research, 2004), <http://www.brookings.edu/views/articles/indyk/20041231.pdf>, accessed 13 April 2012.

¹⁰Martin Indyk, “The Clinton Administration’s Approach to the Middle East,” *Soref Symposium Keynote Address* (Washington Institute for Near East Policy, Washington DC, 18 May 1993), <http://www.washingtoninstitute.org/policy-analysis/view/the-clinton-administrations-approach-to-the-middle-east>, accessed 13 April 2012.

¹¹At the GCC consultative summit in Riyadh in May, Saudi Arabia proposed an evolution from cooperation council towards union and a study of the proposal was approved. Though Bahrain has publicly supported the idea, other GCC leaders have been more cautious.

¹²BP, “*Statistical Review of World Energy June 2011*,” accessed 28 February 2012.

¹³As of March 2012, Saudi Arabia’s daily oil production averaged 9.9 million barrels per day. Saudi officials have stated that the country is capable of producing 12.5 million barrels per day. Martin Baccardax, “Saudi Oil Minister Ali al-Naimi Ready to Lift Crude Output, Calls Current Prices ‘Unjustified,’” *International Business*

Times, 20 March 2012, <http://www.ibtimes.com/articles/316880/20120320/oil-economy-saudi-arabia-brent-crude.htm>, accessed 13 April 2012.

¹⁴Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon & Schuster, 1991), 284.

¹⁵SFRC staff discussions, Riyadh, January 2012.

¹⁶SFRC staff discussions, Riyadh, January 2012, and Washington DC.

¹⁷Sharon Otterman, *Saudi Arabia: Withdrawal of U.S. Forces* (New York: Council on Foreign Relations, Publications, 2 May 2003), <http://www.cfr.org/saudi-arabia/saudi-arabia-withdrawl-us-forces/p7739>, accessed 11 February 2012.

¹⁸PBS, “Osama bin Laden v. the U.S.: Edicts and Statements,” in *Frontline: Hunting Bin Laden*, <http://www.pbs.org/wgbh/pages/frontline/shows/binladen/who/edicts.html#ixzz1piMOCaXR>, accessed 13 April 2012. In 1995, a car bomb in Riyadh killed five U.S. servicemen, and in 1996, 19 troops were killed in the bombing of the Khobar Towers. Frequent deadly, though less spectacular, attacks continued against American commercial and diplomatic interests—as well as against Saudi and international interests—until 2004, when Saudi counter-terrorism efforts against al-Qaeda began to get the upper hand. See also Sharon Otterman, *Saudi Arabia: Withdrawal of U.S. Forces*.

¹⁹Kenneth Katzman, *The Persian Gulf States: Issues for U.S. Policy, 2006*, Report RL31533 (Washington, DC: Congressional Research Service, 21 August 2006), 8.

²⁰The International Institute for Strategic Studies, *The Military Balance 2011* (London: Routledge, 2011), 328.

²¹F. Gregory Gause III, “Saudi Arabia in the New Middle East,” *Council Special Report No. 63* (New York: Council on Foreign Relations, 2011), 6–7. King Abdullah commanded the National Guard for more than three decades, until his son Prince Mutaib was appointed.

²²Defense Security Cooperation Agency, *Foreign Military Sales, Foreign Military Construction Sales and Other Security Cooperation, Historical Facts as of 30 September 2010*.

²³Richard Grimmett, *U.S. Arms Sales: Agreements with and Deliveries to Major Clients, 2003–2010*, Report R42121 (Washington, DC: Congressional Research Service, 16 December 2011), 3.

²⁴Defense Security Cooperation Agency, *Arms Sales Notifications*, <http://www.dsca.mil/PressReleases/36-b/36b—index.htm>, accessed 17 March 2012.

²⁵U.S. Department of State, *Press Releases: 2011, Special Joint Press Briefing on U.S. Arms Sales to Saudi Arabia*, 29 December 2011, <http://www.state.gov/r/pa/prs/ps/2011/12/179777.htm>, accessed 29 December 2011.

²⁶Christopher Blanchard, *Saudi Arabia: Background and U.S. Relations*, Report RL33533 (Washington, DC: Congressional Research Service, 10 March 2011), 9.

²⁷U.S. Departments of Defense and State, *Joint Report to Congress Pursuant to the Foreign Assistance Act of 1961, As Amended, and*

the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008: Foreign Military Training, Fiscal Years 2010 and 2011, <http://www.state.gov/t/pm/rls/rpt/fmtrpt/2011/index.htm>, accessed 23 January 2012.

²⁸“Saudi Aircraft Join in Air Force Exercise,” *Air Force Times*, 9 February 2008, <http://www.airforcetimes.com/news/2008/02/airforce—red—flag—080209w>, accessed 11 March 2012.

²⁹U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Annex: Regional Perspectives, Fiscal Year 2013*, Washington DC, <http://www.state.gov/documents/organization/185015.pdf>, accessed 28 February 2012, 571; and Defense Security Cooperation Agency, Security Assistance Management Manual, <http://www.dsca.mil/samm/Chapter%2010%20-%20International%20Training.pdf>, 427.

³⁰Robert Burns, “U.S. Quietly Expanding Defense Ties with Saudis,” *Air Force Times*, 19 May 2011, <http://www.airforcetimes.com/news/2011/05/ap-us-quietly-expanding-defense-ties-with-saudis-051911>, accessed 20 January 2012.

³¹SFRC staff discussions, Kuwait, February 2012 and Washington, DC.

³²SFRC staff discussions, Kuwait, February 2012.

³³Kenneth Katzman, *Kuwait: Security, Reform, and U.S. Policy*, Report RS21513 (Washington, DC: Congressional Research Service, February 8, 2012), 10–11.

³⁴The International Institute for Strategic Studies, *The Military Balance 2011*, 318.

³⁵*Ibid.*, 317–318.

³⁶SFRC staff discussions, Kuwait, February 2012.

³⁷Combined Maritime Forces, *Kuwaiti Navy Leads Stakenet Exercise*, 16 February 2012, <http://combinedmaritimeforces.com/2012/02/16/kuwaiti-navy-leads-stakenet-exercise>, accessed 16 February 2012.

³⁸Defense Security Cooperation Agency, *Foreign Military Sales, Foreign Military Construction Sales and Other Security Cooperation, Historical Facts as of 30 September 2010*.

³⁹*Joint Report to Congress Pursuant to the Foreign Assistance Act of 1961, As Amended, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008: Foreign Military Training, Fiscal Years 2010 and 2011*.

⁴⁰SFRC staff discussions, Kuwait, February 2012.

⁴¹SFRC staff discussions, Bahrain, April 2011.

⁴²Defense Security Cooperation Agency, *Bahrain – M1152A1B2 HMMWVs and TOW–2A and TOW–2B Missiles*, www.dsca.mil/PressReleases/36-b/2011/Bahrain—10—71.pdf, accessed 17 March 2012.

⁴³John Donnelly, “Amid the Arab Spring, A Balancing Act in Bahrain,” *Congressional Quarterly*, 5 November 2011, <http://public.cq.com/docs/weeklyreport/weeklyreport-000003976649.html>, accessed 17 March 2012.

⁴⁴U.S. Department of State, Press Releases: 2012, *Bahrain Security Assistance*, 27 January 2012, <http://www.state.gov/r/pa/prs/ps/2012/01/182695.htm>, accessed 27 January 2012.

⁴⁵Bahrain Independent Commission of Inquiry, *Report of the Bahrain Independent Commission of Inquiry*, 23 November 2011, <http://www.bici.org.bh/BICIreportEN.pdf>, accessed 12 April 2012, paragraphs 1240, 1584, 1694, and 1698.

⁴⁶International Crisis Group, *Conflict Risk Alert: Bahrain*, 16 April 2012, <http://www.crisisgroup.org/en/publication-type/media-releases/2012/mena/conflict-risk-alert-bahrain.aspx>, accessed 22 April 2012.

⁴⁷Kenneth Katzman, *Bahrain: Reform, Security, and U.S. Policy*, Report 95–1013 (Washington, DC: Congressional Research Service, 29 December 2011), 20–21.

⁴⁸Commander Navy Installations Command, *CNIC/ Naval Support Activity Bahrain*, <http://www.cninc.navy.mil/bahrain/>, accessed 20 February 2012.

⁴⁹*Bahrain: Reform, Security, and U.S. Policy*, 20.

⁵⁰The International Institute for Strategic Studies, *The Military Balance 2011*, 305; SFRC staff discussion, Bahrain, April 2011.

⁵¹*Bahrain: Reform, Security, and U.S. Policy*, 21.

⁵²Krishna Jackson, *Press Release #151–11: U.S. Navy EOD and Divers and Bahrain Defense Forces Strengthen Partnerships*, U.S. Naval Forces Central Command, 1 December 2011, <http://www.cusnc.navy.mil/articles/2011/151.html>, accessed 29 December 2011.

⁵³U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Annex: Regional Perspectives, Fiscal Year 2013*, <http://www.state.gov/documents/organization/185015.pdf>, accessed 10 March 2012.

⁵⁴In past years, Bahrain has purchased advanced U.S. defense equipment such as F–16s and air-to-air missiles. Defense Security Cooperation Agency, *Foreign Military Sales, Foreign Military Construction Sales and Other Security Cooperation, Historical Facts as of 30 September 2010*.

⁵⁵In previous years, Bahrain received a U.S. frigate through this program. U.S. Department of State, *Report By The Department of State Pursuant to Section 655 of the Foreign Assistance Act of 1961, As Amended: Annual Report of Military Assistance and Military Exports, Fiscal Year 2011*.

⁵⁶*Joint Report to Congress Pursuant to the Foreign Assistance Act of 1961, As Amended, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008: Foreign Military Training, Fiscal Years 2010 and 2011*.

⁵⁷Christopher Blanchard, *Qatar: Background and U.S. Relations*, Report RL31718 (Washington, DC: Congressional Research Service, 16 May 2011), 8–9.

⁵⁸*Ibid.*, 11–12.

⁵⁹U.S. Department of Defense, *News Transcript: Media Availability with Secretary Panetta en Route to Bali, Indonesia*, 21 October 2011, <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4907>, accessed 15 December 2011.

- ⁶⁰ *Qatar: Background and U.S. Relations*, 9.
- ⁶¹ SFRC staff discussions, Qatar, February 2012.
- ⁶² Hugh Eakin, "The Strange Power of Qatar," *The New York Review of Books*, 27 October 2011, <http://www.nybooks.com/articles/archives/2011/oct/27/strange-power-qatar/>, accessed 15 April 2012.
- ⁶³ SFRC staff discussion, Qatar, February 2012.
- ⁶⁴ *Qatar: Background and U.S. Relations*, 9.
- ⁶⁵ Defense Security Cooperation Agency, *Foreign Military Sales, Foreign Military Construction Sales and Other Security Cooperation, Historical Facts as of 30 September 2010*.
- ⁶⁶ SFRC staff discussions, Qatar, February 2012.
- ⁶⁷ Department of Defense and the Department of State, *Joint Report to Congress Pursuant to the Foreign Assistance Act of 1961, As Amended, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008: Foreign Military Training, Fiscal Years 2010 and 2011*.
- ⁶⁸ SFRC staff discussion, Qatar, February 2012.
- ⁶⁹ The seven Emirates are: Abu Dhabi, Dubai, Ajman, Fujairah, Ras al-Khaimah, Sharjah, and Umm al-Quwain. During the Trucial period, there existed a number of other Sheikdoms, which were incorporated over time into these seven.
- ⁷⁰ The three small islands of Abu Musa and Lesser and Greater Tunb, which are strategically located near the Strait of Hormuz, have been the subject of dispute since the formation of the UAE in 1971. The UAE has called upon Iran to resolve the dispute through direct negotiations or through the International Court of Justice, but Iran has argued that the Court does not have jurisdiction. See, Sultan al-Qassemi, "Iran Picks Awkward Time to Escalate Gulf Tensions," *Al-Monitor*, 13 April 2012, <http://www.al-monitor.com/pulse/contents/articles/opinion/2012/al-monitor/iran-picks-awkward-time-to-escal.html>, accessed 22 April 2012.
- ⁷¹ After spending eight months in jail, the five were pardoned and released one day after being convicted of anti-state crimes. *Al Jazeera*, "UAE pardons jailed activists," 28 November 2011, <http://www.aljazeera.com/news/middleeast/2011/11/20111128135953601809.html>, accessed 10 April 2012.
- ⁷² Kenneth Katzman, *The United Arab Emirates (UAE): Issues for U.S. Policy*, Report RS21852 (Washington, DC: Congressional Research Service, 23 December 2011), 11–12.
- ⁷³ U.S. Department of Defense, *News Transcript: Media Availability with Secretary Panetta en Route to Bali, Indonesia*.
- ⁷⁴ The International Institute for Strategic Studies, *The Military Balance 2011*, 335.
- ⁷⁵ *Ibid.*, 333.
- ⁷⁶ Despite its tactical prowess, the UAE's military is still developing logistics, maintenance, and support capabilities to sustainment its modern military force.
- ⁷⁷ SFRC staff discussion, UAE, February 2012.
- ⁷⁸ *The United Arab Emirates (UAE): Issues for U.S. Policy*, 14.

⁷⁹ Defense Security Cooperation Agency, *Arms Sales Notifications*, <http://www.dsca.mil/pressreleases/36b/36b—index.htm>, accessed 22 January 2012.

⁸⁰ Congressional Research Service, *U.S. Arms Sales: Agreements with and Deliveries to Major Clients, 2003–2010*, 3.

⁸¹ Department of Defense and the Department of State, *Joint Report to Congress Pursuant to the Foreign Assistance Act of 1961, As Amended, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008: Foreign Military Training, Fiscal Years 2010 and 2011*.

⁸² SFRC staff discussion, UAE, February 2012.

⁸³ *Ibid.*

⁸⁴ United States Central Command, *Eagle Resolve 2011 Begins in United Arab Emirates*, <http://www.centcom.mil/press-releases/eagle-resolve-2011-begins-in-united-arab-emirates>, accessed 15 March 2012.

⁸⁵ Self-governing since the 1740s, Oman maintained colonies in the 18th and 19th century as far afield as Zanzibar in present-day Tanzania and Gwadar in present-day Pakistan. A majority of Omanis practice a form of Islam known as Ibadism, distinct from both Sunni and Shi'a Islam. Ibadis trace their lineage to the early decades after the death of the prophet Mohammed.

⁸⁶ United Nations Development Programme, *Human Development Report 2010: 20th Anniversary Edition*, <http://hdr.undp.org/en/media/HDR—2010—EN—Complete—reprint.pdf>, pages 29 and 54. The Human Development Index is a composite measure of life expectancy, educational attainment and income.

⁸⁷ The three American hikers – Sarah Shourd, Shane Bauer, and Josh Fattal – were arrested on 31 July 2009 by Iranian officials in the border region between Iran and Iraq. Ms. Shourd was released on 14 September 2010, and Mr. Bauer and Mr. Fattal were released on 21 September 2011. In both instances, President Obama personally thanked Omani officials, as well as Swiss officials and others, for their efforts on the hikers' behalf. See The White House, Office of the Press Secretary, "Statement by the President on the Release of Shane Bauer and Josh Fattal," 14 September 2010, <http://www.whitehouse.gov/the-press-office/2011/09/21/statement-president-release-shane-bauer-and-josh-fattal>; and The White House, Office of the Press Secretary, "Statement by the President on the Release of Sarah Shourd," <http://www.whitehouse.gov/the-press-office/2010/09/14/statement-president-release-sarah-shourd>, accessed on 12 April 2012.

⁸⁸ Kenneth Katzman, *Oman: Reform, Security, and U.S. Policy*, Report RS21534 (Washington, DC: Congressional Research Service, 13 January 2012), 8–9.

⁸⁹ *Ibid.*

⁹⁰ Brian Bierwith, "Shaping the Environment: 1–94 Field Artillery platoon builds relationships with Omani allies ring combined training in a rugged landscape," *Northwest Guardian*, 1 March 2012, <http://www.nwguardian.com/2012/03/01/12375/shaping-the-environment.html>, accessed 10 March 2012.

⁹¹U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Annex: Regional Perspectives, Fiscal Year 2013*.

⁹²Defense Security Cooperation Agency, *Foreign Military Sales, Foreign Military Construction Sales and Other Security Cooperation, Historical Facts as of 30 September 2010*.

⁹³Defense Security Cooperation Agency, *Arms Sales Notifications*, <http://www.dsca.mil/PressReleases/36-b/36b—index.htm>, 28 February 2012.

⁹⁴Department of Defense and the Department of State, *Joint Report to Congress Pursuant to the Foreign Assistance Act of 1961, As Amended, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008: Foreign Military Training, Fiscal Years 2010 and 2011*.

⁹⁵According to U.S. Energy Information Agency data, the United States imported 4.1 billion barrels of oil, of which 670 million came from the Persian Gulf, including 436 million barrels from Saudi Arabia (10.5% of total imports), 168 million from Iraq (4%), 70 million from Kuwait (1.7%), and marginal amounts from Oman, the UAE, and Qatar. Other leading sources of imported crude in 2011 include: Canada, 988 million barrels (24%); Mexico, 440 million (10.6%); Venezuela, 345 million (8.3%); Nigeria, 298 million (7.1%); and Russia, 227 million (5.5%). See U.S. Energy Information Agency, U.S. Imports by Country of Origin, <http://205.254.135.7/dnav/pet/pet—move—impcus—a2—nus—ep00—im0—mbbl—a.htm>, accessed 11 April 2012.

⁹⁶U.S. Energy Information Agency, *Analysis Brief: World Oil Transit Chokepoints*, 20 December 2011, <http://www.eia.gov/countries/regions-topics.cfm?fips=WOTC#hormuz>, accessed 11 April 2012.

⁹⁷Simon Williams and Elizabeth Martins, “Middle East Economics Q1 2012: Who’s at risk in 2012?,” *HSBC Global Research*, March 2012, page 3, <https://www.research.hsbc.com/midas/Res/RDV?p=pdf&key=1HRpM5uplF&n=317973.PDF>, accessed 22 May 2012.

⁹⁸Mamoud el-Gamal and Amy Jaffe, “Oil, Dollars, Debt, and Crises: The Global Curse of Black Gold,” *Cambridge University Press*, 2010.

⁹⁹*Central Intelligence Agency, World Factbook*, “Country Comparison: Unemployment Rate,” 2012, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2129rank.html>, accessed 22 May 2012. Guillaume Desjardins, “UAE Unemployment Is High, but Not for Lack of Jobs,” *cnbc.com*, 27 September 2011, <http://www.cnbc.com/id/44690025/UAE—Unemployment—Is—High—but—Not—for—Lack—of—Jobs/print/1/displaymode/1098/>, accessed 22 May 2012.

¹⁰⁰Richard Shediak and Hatem Samman, “Meeting the Employment Challenge in the GCC: The Need for a Holistic Strategy,” Booz and Co., June 2010, page 3, <http://www.booz.com/media/uploads/Meeting—the—Employment—Challenge—in—the—GCC.pdf>, accessed 22 May 2012.

¹⁰¹*Ibid.*, page 7.

¹⁰²SFRC staff discussion, GCC, February 2012.

¹⁰³ Jonathan Sheikh-Miller, “Oil share dips in Dubai GDP,” AMEInfo.com, 9 June 2007, <http://www.ameinfo.com/cgi-bin/cms/page.cgi?page=print;link=122863>, accessed 22 May 2012.

¹⁰⁴ United Nations Development Programme, “*Human Development Report 2010: 20th Anniversary Edition*,” <http://hdr.undp.org/en/media/HDR—2010—EN—Complete—reprint.pdf>, pages 29 and 54. The Human Development Index is a composite measure of life expectancy, educational attainment and income.

¹⁰⁵ Ambassador Ronald Kirk, *2012 Trade Policy Agenda and 2011 Annual Report*, United States Trade Representation, March 2012, <http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-0>, page 137–138, accessed 22 May 2012.

¹⁰⁶ Royal Embassy of Saudi Arabia, *First Ministerial Meeting of GCC–U.S. Strategic Cooperation Forum Concludes*, 1 April 2012, <http://www.saudiembassy.net/latest—news/news04011202.aspx>, accessed 22 April 2012.

¹⁰⁷ U.S. Department of Defense, *Unclassified Report on Military Power of Iran*, April 2010, submitted pursuant to Section 1245 of FY2010 National Defense Authorization Act (P.L. 111–84).

¹⁰⁸ In the case of arms sales to most states, the President must notify Congress of an agreement to sell major defense equipment of \$14 million or more, defense articles or services for \$50 million or more, or any design and construction services for \$200 million or more. Congress must also be notified before the issuance of any export license for major defense articles in excess of \$14 million or other defense articles or services in excess of \$50 million. After receiving such notification, Congress has 30 days to adopt a resolution of disapproval objecting to the sale or the notification is considered approved.

¹⁰⁹ For additional information on U.S. security assistance, see <http://www.dsca.mil/pubs/29th%20Gbookv2.pdf>

¹¹⁰ The U.S. government designates certain sensitive military equipment as ‘Foreign Military Sale (FMS) only,’ thereby precluding its purchase through Direct Commercial Sale (DCS). If a defense item is available through both FMS and DCS, it is up to the recipient nation to determine which procurement route they prefer. The FMS program requires administrative fees that some countries view as burdensome. On the other hand, FMS sales are brokered as part of a more bounded process that some states favor to direct negotiations with U.S. contractors. FMS sales also carry the weight and security of the U.S. government behind them – a facet that some recipient countries find comforting.

¹¹¹ Although the U.S. State Department maintains a database of defense licenses granted to foreign recipients, the database does not separate those licenses from arms transfers authorized for U.S. entities in those countries. Therefore, this report does not capture the exact amount of defense articles and equipment transferred to GCC States through DCS. See U.S. Department of State, *Report by the Department of State Pursuant to Section 655 of the Foreign Assistance Act of 1961, As Amended – Direct Commercial Sales Authorizations for Fiscal Year 2010*, Washington, DC, <http://>

www.pmdt.c.state.gov/reports/documents/rpt655—FY10.pdf, accessed 10 January 2012.

¹¹²The Arms Export Control Act explicitly states that no defense articles or services shall be sold or leased to foreign recipients unless “the President finds that the furnishing of defense articles and defense services to such a country or international organization will strengthen the security of the United States and promote world peace.” See *Eligibility for Defense Services or Defense Articles*, U.S. Code 22 (1976), § 2753.

¹¹³Roy Gutman, “As U.S. departs Iraq, it leaves two allies that aren’t speaking,” *McClatchy Newspapers*, 18 December 2011, <http://www.mcclatchydc.com/2011/12/18/v-print/133219/as-us-departs-iraq-it-leaves-behind.html>. Accessed April 15, 2012.

¹¹⁴SFRC discussions, Baghdad, February 2012; Washington, April 2012.

