The Persian Gulf: Issues for U.S. Policy, 2002

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Summary

The September 11, 2001 terrorist attacks in the United States have expanded the security challenges facing the United States in the Persian Gulf region, although no major confrontations or crises have occurred in the Gulf since 1998. Since U.N. weapons inspectors left Iraq in December 1998, the United States has feared Iraq might reconstitute its banned weapons of mass destruction (WMD) programs. In the aftermath of September 11, the Bush Administration has expressed particular concern that Iraq might join forces with Islamic terrorist groups such as Al Qaeda or with other anti-U.S. groups, and might provide these groups with WMD expertise or technology.

Iran’s tacit cooperation with the United States against the Taliban regime in Afghanistan after September 11 had appeared to forecast an improvement in U.S.-Iran relations. However, the expected improvement did not materialize because of Iran’s stepped up support to Palestinian and other groups that are using violence against Israel. There is substantial U.S. concern about Iran’s WMD programs and the potential for Iran to transfer that technology or materiel to the terrorist groups it supports, although Iran has not been politically close to Al Qaeda. The lack of tangible moderation in Iran’s policies has led U.S. officials to lose hope that engaging Iran’s President Mohammad Khatemi would be productive.

The September 11 attacks have shaken U.S. relations with some of the Gulf states, particularly Saudi Arabia; those relations previously had been on relatively sound footing. Fifteen of the nineteen September 11 hijackers were of Saudi origin, as is Al Qaeda leader Osama bin Laden himself. Some of the funding for the September 11 attacks apparently was transferred from financial institutions in the United Arab Emirates, and several Islamic charities operating in the Gulf and the broader Islamic world have been accused of providing funds to Al Qaeda and other terrorist movements. However, the Gulf states, despite public sentiment that sympathizes with some aspects of Al Qaeda’s anti-U.S. views, have been supportive of the U.S. military effort against the Taliban and Al Qaeda. Several of them have allowed U.S. combat missions to be launched from their territory. The Bush Administration has credited the Gulf states with helping shut down some of the financial networks used by Al Qaeda.

The United States is applauding and encouraging political reform initiatives by some of the Gulf states that it hopes will encourage greater support for U.S. and Western values over the longer term. At the same time, greater political openness in the Gulf has made Gulf governments more aware of popular sympathy for the Palestinians in the context of ongoing Israeli-Palestinian violence. That sentiment could complicate future defense cooperation between the United States and the Gulf states and has already contributed to Gulf state opposition to possible large scale U.S. military action against Iraq.

This report will be updated, as warranted.
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Issues for U.S. Policy, 2002

The Persian Gulf region, rich in oil and gas resources but with a history of armed conflict that has necessitated occasional U.S. military action, remains crucial to United States interests. This report, which will be revised periodically, discusses U.S. efforts to manage both longstanding Gulf security interests as well the new challenges highlighted by the September 11 attacks on the United States. The report is derived from a wide range of sources, including press reports, unclassified U.S. government documents, U.N. documents, observations by the author during visits to the Gulf, and conversations with U.S., European, Iranian, and Gulf state officials, journalists and academics. For further reading, see CRS Issue Brief IB92117, Iraqi Compliance With Ceasefire Agreements; CRS Issue Brief IB94049, Iraq-U.S. Confrontations; CRS Issue Brief IB93033, Iran: Current Developments and U.S. Policy; and CRS Issue Brief IB93113, Saudi Arabia: Post-War Issues and U.S. Relations.

Threats and U.S. Interests in the Gulf

Iran, Iraq, and the six Gulf monarchy states that belong to the Gulf Cooperation Council (GCC, comprising Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman) possess about two thirds of the world's proven reserves of oil. The countries in the Gulf produced over 28% of the world's oil supply in 2001, according to the U.S. Energy Information Administration. Saudi Arabia and Iraq are first and second, respectively, in proven reserves. Iraq, which is relatively unexplored and in which new energy exploration is barred by U.N. sanctions, might ultimately be proven to hold more oil than does Saudi Arabia. Iran and Qatar, respectively, have the second and third largest reserves of natural gas in the world; gas is an increasingly important source of energy for Asian and European countries. Difficulties in the discovery and transportation of oil and gas from the Central Asian/Caspian Sea countries ensure that the Gulf will almost certainly be a major source of energy well into the 21st century, although many experts increasingly see the Central Asia/Caspian countries and Russia as energy sources likely to rival the Gulf. Each of the Gulf states, including Iran and Iraq, appears to have an economic interest in the free flow of oil, but past political conflict in the Gulf and broader Middle East has caused oil prices to rise sharply and has increased hazards to international oil shipping. Despite that economic interest, Iran and Iraq have sometimes, and without success, attempted to organize or been willing to join oil embargoes to protest U.S. policy in the Middle East.

Both Iran and Iraq have threatened U.S. security interests directly and indirectly. Iran and Iraq fought each other during 1980-1988, jeopardizing the security of the
Gulf states, and each has fought the United States, although in differing degrees of intensity. Iran and the United States fought minor naval skirmishes during 1987-88, at the height of the Iran-Iraq war — a war in which the United States tacitly backed Iraq. During one such skirmish (Operation Praying Mantis, April 18, 1988) the United States fought a day long naval battle with Iran that destroyed almost half of Iran’s largest naval vessels. On July 3, 1988, the United States mistakenly shot down an Iranian passenger aircraft flying over the Gulf (Iran Air flight 655), killing all 290 aboard. To liberate Kuwait from Iraq, which invaded and occupied Kuwait on August 2, 1990, the United States deployed over 500,000 U.S. troops, joined by about 200,000 troops from 33 other countries. That war (Operation Desert Storm, lasting from January 16 until February 27, 1991) resulted in the death in action of 148 U.S. service personnel and 138 non-battle deaths, along with 458 wounded in action. The Gulf war reduced Iraq’s conventional military capabilities roughly by half, but Iraq is still superior to Iran and the Gulf states in ground forces. Iran faces financial limitations, but there are no mandatory international restrictions on its imports of advanced conventional weapons, and Iran has been slowly rearming since 1990.

Both Iran and Iraq are on the U.S. list of state sponsors of terrorism, although annual State Department reports on international terrorism (“Patterns of Global Terrorism”) have consistently deemed Iran a larger terrorist threat than Iraq. The Islamic regime in Iran, which came to power in February 1979, held American diplomats hostage during November 1979-January 1981, and the pro-Iranian Lebanese Shia Muslim organization Hizballah held Americans hostage in Lebanon during the 1980s. Since then, Iran has supported groups (Hizballah and the Palestinian groups Hamas and Palestinian Islamic Jihad) that oppose the U.S.-sponsored Arab-Israeli peace process and carry out terrorist attacks against Israelis. Some pro-Iranian groups have sought to destabilize some of the Gulf states, although

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1The missiles were supplied by Russia but Iraq enhanced their range to be able to reach Tehran, which is about 350 miles from the Iraq border. The normal range of the Scud is about 200 miles.
Iran’s support for these groups has diminished since Iran’s relatively moderate President Mohammad Khatemi came into office in 1997 and subsequently improved relations with the Gulf states. U.S. law enforcement officials say Iranian operatives were involved in the June 1996 bombing in Saudi Arabia of the Khobar Towers housing complex for U.S. military officers, in which 19 U.S. airmen were killed. Iraq publicly supports Palestinian violence against Israel, but reports indicate that, over the past decade, Baghdad has had limited contact with the groups that are most active in violence and terrorism against Israel. According to publicly available information, neither Iran nor Iraq has been linked to the September 11 attacks, although press reports say that some Al Qaeda activists fleeing Afghanistan have transited or taken refuge in both countries.

Both countries have been accused by successive U.S. administrations as systematic violators of human rights. Iraq has long been considered by the U.S. Government as a gross violator of human rights based on its treatment of dissidents and ethnic minorities, and the Clinton Administration began pressing for a war crimes tribunal for Saddam Husayn and eleven other Iraqi officials. U.S. and U.N. human rights reports have accused Iran of numerous human rights abuses, although not to the degree cited for Iraq.

The Gulf states face internal threats not attributable to Iran or Iraq. All six Gulf states — Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates (UAE), Oman, and Qatar — are hereditary monarchies. They allow limited formal opportunity for popular participation in national decisionmaking, although several, particularly Bahrain, Qatar, and Oman, are opening up their political processes and earning U.S. official praise. Kuwait has had a vibrant, elected parliament for over four decades, although female suffrage is still banned there. Some of the Gulf states, including Saudi Arabia, Kuwait, and the United Arab Emirates, are undergoing leadership transitions, and Bahrain's leadership passed to a new generation in March 1999, when the long serving Amir (ruler) died suddenly. The September 11 attacks have heightened U.S. concerns about radical Islamic activists operating in the Gulf states. These activists, who might be linked to or sympathetic to Al Qaeda, do not currently appear to threaten the stability of any of the Gulf regimes, although the networks could be planning acts of terrorism against U.S. forces and installations there. See Appendix 1 for information on the religious and ethnic composition of the Gulf states.

**Iraq: U.S. Efforts to Contain and End the Threat**

In May 1993, shortly after taking office, the Clinton Administration articulated a policy of “dual containment” of Iran and Iraq. The Administration explained the policy as an effort to keep both Iran and Iraq strategically weak simultaneously, in contrast to past policies that sought to support either Iran or Iraq as a counterweight to the other. Iraq’s refusal to fully comply with post-Gulf war U.N. Security Council resolutions kept the United States and Iraq at odds, and in October 1998 the Clinton Administration publicly added a dimension to U.S. policy that went beyond containment – promoting the change of Iraq’s regime. The emphasis of Bush Administration policy toward Iraq, particularly after September 11, has been regime
change, although there appears to be a lack of consensus within the Administration over how to achieve that objective.

Administration efforts to keep Iraq strategically weak and politically isolated have undergone several adjustments since the Gulf war ended in 1991. During 1991-1997, the United States and its allies relied largely on U.N. weapons inspections (UNSCOM), chartered by U.N. Security Council Resolution 687 (April 3, 1991) to eliminate and prevent the rebuilding of Iraq’s WMD capabilities. U.N. Security Council resolutions, including 661 (August 6, 1990), which imposed a comprehensive embargo on Iraq, prohibit it from importing conventional weaponry.

Iraq accepted U.N. weapons inspections by the U.N. Special Commission on Iraq (UNSCOM) as long as Iraq believed that it would soon obtain a ruling from UNSCOM that all its WMD programs had been ended. Under Resolution 687 (April 3, 1991), such a ruling would open Iraq to the unrestricted exportation of oil. In 1997, Iraq apparently determined that it would not obtain a favorable U.N. Security Council decision to ease sanctions, and it reduced its cooperation with UNSCOM. Beginning in October 1997, Iraq obstructed the work of UNSCOM teams (designating certain sites “off-limits,” attempting to alter the composition of inspection teams) to the point where UNSCOM withdrew from Iraq (December 15, 1998). In response to Iraq’s non-cooperation, the United States and Britain conducted a 70 hour bombing campaign (Operation Desert Fox, December 16-19, 1998) against Iraq’s WMD Capable factories and other military installations. Since then, there have been virtually no independent WMD inspections in Iraq, with the exception of a few International Atomic Energy Agency (IAEA) visits to monitor Iraq’s compliance with its Nuclear Nonproliferation Treaty (NPT) obligations. See Appendix 2 for information on the accomplishments of UNSCOM.

The United States has had to rely on its own intelligence capabilities to determine whether Iraq is rebuilding WMD. The latest unclassified report to Congress by the Central Intelligence Agency, released in January 2002 and covering January - June 2001, says that Iraq is rebuilding facilities that could be used for prohibited WMD manufacture, but the report stops short of presenting hard evidence that Iraq has reconstituted its banned WMD programs. Defense Secretary Rumsfeld said in July 2002 that the United States has evidence that Iraq is using mobile facilities to develop biological weapons and has placed some WMD munitions and programs in deep, underground facilities.

To ensure that Iraq cannot use its still formidable conventional forces against its neighbors, the United States and Britain patrol “no fly zones” over northern and southern Iraq (see Appendix 3) in the “Northern Watch” and “Southern Watch” operations, respectively. Together, the zones cover approximately 62% of Iraq’s

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3In January 1997, following a U.S. confrontation with Iraq in August 1996, France ended its participation in Northern Watch. It ceased participating in Southern Watch following (continued...)
territory. The enforcement of the zones is not specifically authorized by U.N. Security Council resolutions, but they were set up by the United States, France, and Britain to monitor Iraq’s compliance with Resolution 688 (April 5, 1991), which demands that Iraq cease repressing its people. See Appendix 3 for a map of the no-fly zones over Iraq.

The Bush Administration, in the aftermath of September 11, has linked Iraq policy to the overall war on terrorism. In his January 29, 2002 State of the Union message, President Bush called Iraq part of an “axis of evil,” along with North Korea and Iran. He identified the key threat as Iraq’s potential to transfer WMD technology to terrorist groups. Administration policy has two major aspects:

! planning for a change of regime. This aspect of Administration policy has generated the most controversy, with reported options ranging from stepped up U.S. covert action within Iraq to an all-out ground invasion conducted by over 250,000 U.S. troops. On August 10-11, senior Administration officials met with six major Iraqi opposition groups that might play roles in a post-Saddam regime. The outcome of the debate within the Administration and Congress might hinge on the results of the U.N.-Iraq weapons inspections talks, the strength of the anti-Saddam opposition inside Iraq, considerations of U.S. military casualties from a frontal assault, the willingness of the Gulf monarchies to host a large U.S. invasion force, and the degree of European support or opposition for U.S. plans. Discussions of possible war against Iraq appear to have contributed to Iraq’s decision in early 2002 to re-enter a dialogue with U.N. Secretary General Kofi Annan on the restart of inspections in accordance with U.N. Resolution 1284 (December 17, 1999). That resolution created a new inspection body, the U.N. Monitoring, Verification, and Inspection Commission (UNMOVIC) to replace UNSCOM, and slightly eased the conditions under which Iraq would obtain sanctions relief if it cooperated with the new inspection body. Three rounds of talks thus far in 2002 have not yielded agreement on the reentry of U.N. inspectors into Iraq, although in August 2002 Iraq offered new talks with UNMOVIC on the restart of inspections, and the United Nations is attempting to clarify the Iraqi offer to determine whether or not such talks would be productive.

! modifying sanctions to build international support for U.S. policy. Immediately after it took office, the Bush Administration claimed that international enforcement of the sanctions regime on Iraq was deteriorating because some countries viewed it as too punitive of the Iraqi people. To counter this criticism and attempt to shore up international enforcement, the Administration announced a “smart sanctions” proposal. Under that proposal, the regulations governing the U.N.-sponsored “oil-for-food” program—a U.N. supervised program under which Iraq sells its oil and uses the proceeds to buy needed goods—would be changed to ease the flow of civilian goods to Iraq.

The major element of the proposal, the easing of the regulations governing

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Operation Desert Fox (December 1998).
the export of civilian goods to Iraq, was agreed to in U.N. Security Council Resolution 1409 (May 14, 2002).

**Congressional Views.** Congress has generally supported the Administration throughout the various confrontations with Iraq, and has sometimes urged even stronger action against Iraq than the Administration appeared ready to take. Congress led the Administration in adding to U.S. containment policy a more ambitious dimension -- promoting the overthrow of Saddam Husayn. Congressional sentiment for a strategy of overthrow of Saddam Husayn was encapsulated in the Iraq Liberation Act, which passed the House on October 5, 1998 (360-38) and the Senate on October 7 (unanimous consent). The Act gave the President the discretion to provide up to $97 million in defense articles and services to Iraqi opposition organizations designated by the Administration. The President signed the bill into law (P.L. 105-338) on October 31, 1998, the same day Iraq cut off all cooperation with UNSCOM. Some in Congress criticized the Clinton and the Bush Administrations for refusing to provide lethal military equipment under the Act as contrary to congressional intent, but both administrations asserted that the Iraqi opposition is not ready to use such equipment effectively.

On the other hand, some Members do not appear enthusiastic about a large scale ground offensive against Iraq. A congressional resolution, H.J.Res. 75, which passed the House on December 20, 2001, called Iraq’s WMD capabilities a mounting threat to the United States, but did not authorize military action against Iraq. In press statements and other appearances during 2002, some congressional leaders have said that a ground attack on Iraq would need congressional authorization, and some have questioned whether other options, such as sanctions, less robust covert or military options, containment, or deterrence could reduce the threat from Iraq successfully without requiring a major offensive.

**Iran: Continued Concerns Limit Rapprochement**

The May 1997 election of a reformist, Mohammad Khatemi, as Iran’s President prompted the United States to attempt to end twenty years of mutual acrimony that had occasionally led to confrontation. However, Khatemi operates within a power structure established by the 1979 Islamic revolution, an establishment that is deeply suspicious of the United States and controls the coercive arms of the state (military, police, and judiciary). The establishment curbed Khatemi’s ability to improve relations with the United States and has slowed the momentum of internal reform to the point at which U.S. officials no longer believe that engaging Khatemi’s government would prove productive.4

Even before Khatemi’s election raised U.S. hopes for internal change in Iran, U.S. foreign policy experts had been arguing that improved relations with Iran could help the United States accomplish several goals, including: containing Saddam Husayn's Iraq; reducing the threat to the United States and to the Arab-Israeli peace process posed by Islamic terrorist groups; easing Iran's opposition to a large U.S.

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military presence in the Persian Gulf region; dissuading Iran of the need to acquire weapons of mass destruction; and curbing the regional threat from the Taliban regime in Afghanistan, which was at odds with Iran from the time it took power in Kabul in September 1996. U.S. business interests, meanwhile, argued that improved U.S.-Iranian relations could help open up new energy routes for Caspian/Central Asian energy resources, benefit U.S. exporters, and end trade disputes with U.S. allies precipitated by U.S. secondary sanctions laws. Others maintained that the United States could not and should not isolate a country of over 65 million people, with a location and resources as strategic as those of Iran.

U.S. hopes that Khatemi would quickly move to improve relations with the United States intensified when Khatemi agreed to a special Cable News Network interview on January 7, 1998, portrayed by Iran and CNN as an "address to the American people." However, Khatemi offered only people-to-people contacts with the United States, and the Clinton Administration subsequently stated that people-to-people contacts alone would not lead to a breakthrough in relations. On June 17, 1998, in a speech to the Asia Society, then Secretary of State Albright proposed that the two countries undertake mutual confidence-building measures that could form a "road map" to eventually normalizing relations. On March 17, 2000, Secretary Albright again attempted to induce Iran into a dialogue with a speech that announced an easing of U.S. sanctions on the imports of Iranian luxury goods, and an accelerated effort to resolve outstanding financial claims dating from the Islamic revolution. The Secretary also came close to an outright apology for past U.S. interference in Iran’s internal affairs – including the U.S.-backed ouster in 1953 of nationalist Prime Minister Mohammad Mossadeq and U.S. support for the Shah of Iran – as well as for the U.S. tilt toward Iraq in the Iran-Iraq war. The speech followed a July 1999 easing of the U.S. trade ban on Iran to allow commercial sales to Iran of food and medical products. The renewed overture still did not prompt Iran to accept the U.S. offer of an official dialogue, although Iran did begin broadening its contacts with Members of Congress.

In its attempts to forge a dialogue with Iran, the Clinton Administration asserted that there were no substantive preconditions for the beginning of talks with Iran but that the two sides openly acknowledge the dialogue, that both sides must be free to raise issues of respective concern, and that the Iranian interlocutors must be authoritative representatives of the Iranian government. The Clinton Administration said it would use the dialogue to press U.S. concerns, which it defined primarily as Iran’s attempt to acquire weapons of mass destruction and delivery means, opposition

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5 The most widely known example of U.S. secondary sanctions on Iran is the Iran-Libya Sanctions Act, P.L. 104-172, of August 5, 1996. For analysis of that and other U.S. sanctions on Iran, see CRS Report 97-231, Iran: U.S. Policy and Options.

6 The four category of goods that can be imported are caviar, dried fruit, nuts, and carpets.

7 The conference report on H.R. 4461, the FY2001 agriculture appropriation (H.Rept. 106-948), eases licensing procedures for food and medical sales to Iran and other terrorism list countries and authorizes the President to allow the use of U.S. export credits for these sales.

to the Arab-Israeli peace process, and support for international terrorism. Some believed that Iran’s human rights practices should also be a priority concern for the United States.

The Bush Administration, September 11, and Iran. The Bush Administration came into office espousing much the same policy toward Iran as the preceding administration - offering dialogue but stressing U.S. concerns. After the September 11 attacks, there was substantial optimism for a major breakthrough in relations when Iran largely cooperated with the U.S. effort to defeat the Taliban and install a new government. Some note that Iran had long wanted the Taliban ousted, so that backing the U.S. effort was in Iran’s own interests and did not necessarily represent a new effort to reach out to the United States or a turning away from support for international terrorism. Immediately after the defeat of the Taliban, revelations of an Iranian arms shipment to Palestinians linked to the Palestinian Authority (January 2002), and indications of Iranian meddling inside Afghanistan, reversed the warming trend and revived longstanding U.S. suspicions of Iran. President Bush included Iran in his “axis of evil” characterization contained in the January 29, 2002 State of the Union message. U.S. officials have since added that there is evidence some Al Qaeda activists have been allowed to transit or take refuge in Iran, although there is no evidence that this is official Iranian policy. Several trends and developments in Iran concern U.S. officials:

! In the first few years of his presidency, Khatemi stated on several occasions that Iran opposes the interim accords reached between Israel and the Palestinians but that Iran would not actively try to derail their peace talks. Iran did not publicly oppose Syria’s decision to renew talks with Israel in December 1999, although those talks quickly broke down and have not resumed. Despite these public pronouncements, Iran, according to U.S. officials in 2002, has stepped up financial and materiel aid to anti-Israel terrorist groups, particularly Hizballah, Hamas, and Palestinian Islamic Jihad, in the context of the ongoing Palestinian uprising against Israel and its occupation. Iran’s aid to Hizballah has continued, even at times increased, since Israel’s withdrawal from southern Lebanon in May 2000, a withdrawal certified by the United Nations. Hizballah asserts that the withdrawal was not complete, as do the governments of Syria and Lebanon.

! Khatemi has not sought to curb Iran’s WMD programs; all factions in Iran appear to agree on the need to continue developing these programs. They perceive that Iran is threatened on virtually all sides – by erstwhile adversary Iraq and a nuclear-armed Israel to the west; by a nuclear-equipped Pakistan and a now U.S.-dominated Afghanistan, to the east; by U.S. forces in the Gulf, to Iran’s south; and by U.S. forces now based in Central Asia and increasingly present in the Caucasus, to the north. U.S. government officials and reports say Iran is actively pursuing a long-range missile program, that it is building a chemical and biological weapons infrastructure, and that it is acquiring expertise and technology that could be used in a nuclear weapons program. Russia has rebuffed repeated U.S. efforts to persuade it to stop or limit work on the civilian nuclear power reactor it is building under contract to Iran at Bushehr, and there are increasing worries that the plant, when it becomes operational, will produce nuclear material that could fall into the hands of
terrorist groups for the production of a radiological “dirty” bomb. On the other hand, there are disagreements over the degree to which Iran should cooperate — or appear to cooperate — with international anti-proliferation regimes. Governing bodies of several international non-proliferation regimes, including the Nuclear Non-Proliferation Treaty and the Chemical Weapons Convention, say Iran is generally fulfilling its obligations under these agreements.

The United States is also watching the balance of factions inside Iran to determine whether or not more moderate forces might prevail, on the assumption that reformist elements might eventually shift Iran’s foreign policy course. President Khatemi has attempted to liberalize social and political life since taking office, but conservative forces in Iran appear to have gained the upper hand politically and are thwarting most of his internal reforms. U.S. officials say that they doubt that Khatemi can gain the upper hand in this power struggle, and a July 12 statement issued by President Bush indicated a shift in U.S. policy by expressing support for Iranian reformers and Iran’s people, not for Khatemi or his government. Since 2000, hardliners have repeatedly closed pro-reform newspapers and imprisoned some of their editors, although the newspapers usually reopen under new names. Some pro-Khatemi members of parliament have been arrested or questioned over the past year. Reformist efforts to curb the legislative powers of unelected bodies such as the Council of Guardians have failed.

The Persian Gulf Monarchies: Coping With Internal and External Threats

Over the past two decades, U.S. attempts to contain the threats from Iran and Iraq have depended on cooperation with the Persian Gulf monarchies of the Gulf Cooperation Council (GCC). The September 11 attacks have added a new dimension to U.S. relations with the Gulf states – pressing for their cooperation against Al Qaeda activists and financial channels located in their territories. The need for the United States to deal with all the security threats emanating from the Gulf gives the United States a stake in the political stability of the Gulf states. Despite the threats they face, the GCC states have proved more durable politically than some scholars had predicted, surviving attempts to subvert them by Iraq (1970s) and Iran (1980s and 1990s), the eight year Iran-Iraq war (September 1980-August 1988), the Iraqi invasion and occupation of Kuwait (August 1990 - February 1991), and post-Gulf war unrest and uncertain leadership transitions in a few of the GCC states. See Appendix 4 for a map of the Gulf region.

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Domestic Stability

Many of the Gulf monarchies face potential threats to political stability. Although some, such as Bahrain and Saudi Arabia, have experienced open unrest since the 1991 Gulf war, the Gulf governments appear to be firmly in power. Several are undergoing leadership transitions, while others are gradually opening up their political processes. Since September 11 the United States has heightened its attention to public attitudes in the Gulf in light of surveys and reports that many Gulf citizens are sympathetic to at least some of the goals of radical Islamic movements such as Al Qaeda. Al Qaeda leader Osama bin Laden is viewed by some in the Gulf as a revolutionary Islamic figure who is valiantly fighting to overcome U.S. influence over the Islamic world. Bin Laden supporters and other Islamic activists present in the Gulf do not appear to pose a major challenge to the other Gulf regimes at this time, but some U.S. officials are concerned that Al Qaeda, defeated in Afghanistan, might turn its attention to destabilizing pro-U.S. Arab governments in the Gulf or elsewhere.

Leadership Transition. Still governed by hereditary leaders, several of the GCC states are coping with current or imminent leadership transitions. Although few observers forecast bloody succession struggles in any of the Gulf states, succession uncertainties have already begun to cloud political or economic reform efforts under way or planned.

In Saudi Arabia, King Fahd suffered a stroke in November 1995 and, although still holding the title King, he has yielded day-to-day governance to his half-brother and heir apparent, Crown Prince Abdullah. Abdullah is the same age as Fahd (about 78) but he appears to be in reasonably good health. Abdullah has been more willing than Fahd to question U.S. policy in the region and U.S. prescriptions for Saudi security, which, together with his image of piety and rectitude, could account for his relative popularity among the Saudi tribes and religious conservatives.

In Bahrain, the sudden death of Amir (ruler) Isa bin Salman Al Khalifa on March 6, 1999 led to the accession of his son, Hamad bin Isa Al Khalifa, who was commander of Bahrain’s Defense Forces. In February 2002, he formally changed Bahrain into a kingdom and took the title King instead of Amir. King Hamad has moved decisively to try to address the grievances that caused Bahrain’s unrest in the mid-1990s, as discussed below.

The UAE is in transition from the ailing Shaykh Zayid bin Sultan al-Nuhayyan, ruler of the emirate of Abu Dhabi who helped found and became President of the seven-emirate UAE federation in 1971. His eldest son, Crown Prince Khalifa, is the likely successor, and Khalifa has been assuming a higher profile in the UAE over the past few years. Khalifa’s formal succession could become clouded if the rulers of the other six emirates of the UAE federation, or even factions within Abu Dhabi itself, oppose him as

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leader. However, the UAE is well placed to weather this transition because it has faced the least unrest of any of the Gulf states, its GDP per capita ($22,000 per year) is the highest in the Gulf, and there are few evident schisms in the society.

The reform-minded ruler of Qatar, Shaykh Hamad bin Khalifa Al Thani, overthrew his father in a bloodless coup in June 1995. Although the Amir accused his father and other GCC states of attempting a countercoup in early 1996, the Amir and his father reconciled to some extent in late 1996. The Amir’s reform agenda has garnered wide support and there has been little evidence of unrest. However, there are indications that, prior to September 11, Al Qaeda activists were present in or transited Qatar.

In Kuwait, virtually the entire top leadership – Amir Jabir al-Ahmad Al-Sabah, Crown Prince/Prime Minister Sa’d al-Abdullah Al-Sabah, and Deputy Prime and Foreign Minister Sabah al-Ahmad Al-Sabah – is ailing. This has created significant delays in making key political economic decisions, such as allowing foreign investment in the energy sector, and fostered an image of political stagnation. There are several younger potential successors with significant experience in government, but they have not sought to persuade the existing leaders to step down. Islamic fundamentalist opposition to the ruling Al Sabah family is contained within the context of Kuwait's elected National Assembly, and virtually no anti-regime violence has occurred there since the Gulf war.

With the exception of an alleged Islamist plot in 1994 that led to a few hundred arrests, Oman has seen little unrest since Sultan Qaboos bin Said Al Said took power from his father in 1970. Qaboos is about 63 years old and in good health, but the royal family in Oman is relatively small and there is no heir apparent or clear successor, should he pass from the scene unexpectedly. Like his colleagues in Qatar and Bahrain, Qaboos has undertaken numerous reforms, although at a more gradual pace than the other two.

**Political Liberalization.** Some of the Gulf leaders are gradually opening the political process, in part to help them cope with the challenges of modernization and globalization. The Gulf leaders undertaking these steps hope that political liberalization will ensure stability, although some fear that this process could backfire by providing Islamic extremists a platform to challenge the incumbent regimes. Since the 1991 Gulf war, the United States has encouraged the Gulf states to open their political systems, although U.S. officials imply that political liberalization is clearly subordinate to defense and security issues on the U.S. agenda for the Gulf. U.S. officials also stress that they are not pressing the Gulf states to adopt a U.S. or European concept of democracy, but rather to widen popular participation within their own traditions. U.S. diplomats are pressing for adherence to the rule of law, economic transparency, judicial reform, and the opening of the media. The Bush Administration is promoting these reforms with U.S. Agency for International Development (USAID) programs as well as those funded by the State Department’s Near East Bureau and its Bureau of Democracy, Human Rights, and Labor.
Kuwait has traditionally been at the forefront of political liberalization in the Gulf, but it has not moved forward on this front in the past few years. In response to popular pressure after liberation, Kuwait revived its elected National Assembly in October 1992, after six years of suspension. Kuwait’s Assembly still has more influence in decisionmaking and more scope of authority than any representative body in the GCC, with the power to review and veto governmental decrees. However, on two separate occasions in 1999, a long awaited effort by the government to institute female suffrage was rebuffed by a coalition of conservative tribal deputies and Islamists in the National Assembly. The U.S. Administration expressed support for the government’s effort. The government has not aggressively renewed the push for female suffrage since.

In March 1999, Qatar held elections to a 29-member municipal affairs council. In a first in the Gulf, women were permitted full suffrage and 6 women ran for the council, but all six lost. In late 1998, the Amir of Qatar announced that a constitution would be drafted providing for an elected National Assembly to replace the appointed 35-member consultative council in place since independence in 1971. The draft constitution was presented to the Amir in early July 2002; its approval would pave the way for elections to a one-chamber assembly, to be held in 2004. Thirty of the seats are to be elected, with the remaining fifteen appointed. The constitution will also provide for an independent judiciary. Qatari officials say the assembly’s proceedings will be public.

On September 14, 2000, Oman held the first direct elections to its 83-seat Consultative Council. The electorate consisted of 115,000 men and women elites in their districts, far short of a genuine popular electorate. However, the process represented a clear contrast with past elections (1994 and 1997) in which a smaller and more select electorate chose two or three nominees per district and the Sultan then selected the final membership. Two women were elected to the Council in the September 2000 elections. Qaboos also formed a 53-seat State Council to serve, in part, as a check and balance on the elected Consultative Council. Its members tend to be somewhat older than those in the Consultative Council; many are former government officials. In October 2000, Qaboos named five women to the State Council, up from four in the previous State Council.

The new King of Bahrain has largely abandoned his late father’s refusal to accommodate opposition demands to restore an elected national assembly. In February 2002, Bahrain held a referendum on a new “national action charter” that will establish an elected, 40-member national assembly. Those elections will be held in October 2002, and election preparations are already under way. There will also be an appointed upper body of the same size which, according to some observers, is intended to check the influence of the Shia Muslims that, because of Bahrain’s majority Shia population, are expected to dominate the elected assembly.
In the other Gulf states, political liberalization has been somewhat slower. Saudi Arabia expanded its national consultative council to 90 seats from 60 in 1997, and again to 120 seats in 2001, but it continues to rule out national elections or the appointment of women to the Council. On the other hand, within the past few years, the Saudi government has parted with tradition by naming two women to high ranking government positions, and it now allows women to observe the proceedings of the Council. The UAE has not moved to broaden the authority of its forty seat advisory Federal National Council, and has undertaken few, if any political reforms, although some observers say the press has become increasingly open. The wife of UAE President Shaykh Zayid bin Sultan al-Nuhayyan said in January 1999 that women will participate in the political life of the UAE in the future. A few weeks after that statement, Shaykh Zayid appointed a woman to be undersecretary of the Ministry of Labor and Social Affairs, the first woman to hold such a high-ranking government post.

Despite the move toward political openness in some of the Gulf states, the United States believes that the Gulf states continue to rely heavily on repression and denial of internationally recognized standards of human rights to maintain political stability. Even the moves toward political liberalization in the Gulf states do not give Gulf citizens the right to peacefully change their government, and the foreign workers on which their economies rely have virtually no political rights at all. Almost all the Gulf states are cited by human rights organizations and U.S. human rights reports for arbitrary arrests, religious discrimination, suppression of peaceful assembly and free expression, and the denial of popular ability to peacefully change the government. Saudi Arabia actively prohibits the practice of non-Muslim religions on its territory, even in private, with limited exceptions. Qatar prohibits public non-Muslim worship but tolerates it in private. In Kuwait, Bahrain, the UAE, and Oman, there are functioning Christian churches and congregations. Small Jewish communities in some Gulf countries are generally allowed to worship freely.

Economic Reform. At the same time the Gulf states are coping with political change, some are taking steps to reform their economies and to shore up their key asset, energy resources, by inviting foreign investment in that sector. As noted in Table 1 below, oil export revenues constitute a high percentage of GDP for all of the states of the Gulf, including Iran and Iraq. The health of the energy infrastructure of the Gulf producers is also a key concern of the United States – Gulf petroleum comprises almost one quarter of the United States’ approximately 10 million barrels per day (mbd) net imports.

---

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Oil Exports (mbd)</th>
<th>Oil Exports to U.S. (mbd)</th>
<th>Oil Revenues as % GDP</th>
<th>GDP (billion dollars, 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>2.6</td>
<td>0</td>
<td>45%</td>
<td>99.0</td>
</tr>
<tr>
<td>Iraq</td>
<td>2.0</td>
<td>0.78</td>
<td>100%</td>
<td>15.0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1.8</td>
<td>0.26</td>
<td>50%</td>
<td>33.4</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>7.4</td>
<td>1.66</td>
<td>40%</td>
<td>185.0</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.8</td>
<td>negligible</td>
<td>30%</td>
<td>12.4</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>2.1</td>
<td>negligible</td>
<td>33%</td>
<td>58.0</td>
</tr>
<tr>
<td>Oman</td>
<td>0.9</td>
<td>0</td>
<td>40%</td>
<td>17.7</td>
</tr>
<tr>
<td>Bahrain</td>
<td>0.02</td>
<td>0</td>
<td>30%</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17.82</strong></td>
<td><strong>2.70</strong></td>
<td><strong>N/A</strong></td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

**Source:** DOE, Energy Information Agency (EIA), OPEC Revenue Fact Sheet. Some figures from supporting EIA data.

A sharp oil price decline in 1997-98 prompted the Gulf monarchy states to reevaluate their longstanding economic weaknesses, particular the generous system of social benefits they provide to their citizens. However, the strong expectation in these countries of continued benefits led the Gulf regimes to look to other ways to reform their economies. Rather than cut benefits, institute or raise taxes, or dramatically reduce their defense budgets, some of the Gulf states have chosen to try to reduce economic vulnerability by attracting international capital to the energy and other sectors. Qatar invited foreign investors to develop its North Field, the world’s largest non-associated gas field, which now has customers in Asia and sells some liquified natural gas (LNG) to the United States.

Kuwait and Saudi Arabia have begun discussions with Western oil companies, including several American firms, about further developing their oil and gas reserves. International firms bring technology and capital that are now in short supply to the Gulf’s state-owned oil companies, such as Saudi Aramco and Kuwait Petroleum Company (KPC). However, sensitivity about a possible loss of sovereignty have complicated these efforts. The Kuwaiti government has not obtained National Assembly approval for opening the energy sector to foreign investment, and, as a result, “Project Kuwait,” a plan under which foreign investors would develop Kuwait’s northern oil fields, has not moved forward. Similarly, Saudi Crown Prince Abdullah’s initiative to open the Kingdom’s gas reserves to foreign development, has stalled. Saudi Arabia and eight foreign firms signed a preliminary agreement in June 2001 to develop three Saudi gas fields; two of the three would be led by Exxon Mobil. However, the agreement has not been finalized. Factors contributing to the delay reportedly include obstructions by Saudi officials who do not want Saudi Aramco to lose influence, and differences between Saudi Arabia and the foreign investors on commercial terms of the deal.
As part of the process of attracting international investment, the Gulf states are starting to open their economies. The Gulf states have passed laws allowing foreign firms to own majority stakes in projects, and easing restrictions on repatriation of profits. U.S. officials have recognized progress by the GCC states in eliminating the requirement that U.S. firms work through local agents, and protecting intellectual property rights of U.S. companies. Oman was admitted to the World Trade Organization (WTO) in October 2000, and Saudi Arabia, the last GCC state not a member of that body, is in negotiations to join it. Some Saudi officials blame the United States for insisting on terms of entry that are too strict, and U.S. officials say that Saudi Arabia is seeking terms that are overly generous and which would allow it to avoid required reforms. In 1994, all six GCC countries relaxed their enforcement of the secondary and tertiary Arab boycott of Israel, enabling them to claim that they no longer engage in practices that restrain trade (a key WTO condition).

Gulf Foreign Policy and Defense Cooperation with the United States

Even with a weakened Iraq, most experts believe the GCC countries cannot face their security challenges alone or in concert, should either Iran or Iraq turn toward aggression. The GCC countries have chosen to ally with the United States and, to a lesser degree, other outside powers. Although their combined forces might be equipped as well as or better than Iran or Iraq (see Table 2 below), the GCC countries suffer from a shortage of personnel willing to serve in the armed forces or commit to a military career, and they lack much combat experience.
## Table 2. Comparative Military Strengths of the Gulf States

<table>
<thead>
<tr>
<th>Country</th>
<th>Military Personnel</th>
<th>Tanks</th>
<th>Surface-Air Missiles</th>
<th>Combat Aircraft</th>
<th>Naval Units</th>
<th>Patriot Firing Units</th>
<th>Defense Budget (billion dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Surface Combatants</td>
<td>Submarines</td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>201,000 (incl. 75,000 Saudi National Guard)</td>
<td>1,055 (incl. 315 M-1A2 Abrams)</td>
<td>33 batteries, (about half I-Hawk)</td>
<td>348 (incl. 174 F-15)</td>
<td>34</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>UAE</td>
<td>64,500</td>
<td>411 (incl. 330 Leclerc)</td>
<td>5 (I-Hawk batteries)</td>
<td>101</td>
<td>18</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Oman</td>
<td>43,400</td>
<td>153</td>
<td>2 batteries</td>
<td>40</td>
<td>13</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Kuwait</td>
<td>15,500</td>
<td>385 (incl. 218 M-1A2 Abrams)</td>
<td>10 batteries (incl. 4 Hawk)</td>
<td>82 (incl. 40 FA-18)</td>
<td>10</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Qatar</td>
<td>12,300</td>
<td>35</td>
<td>75 SAM’s (incl. 12 Stinger)</td>
<td>18</td>
<td>7</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Bahrain</td>
<td>11,000</td>
<td>106</td>
<td>2 batteries</td>
<td>34 (incl. 22 F-16)</td>
<td>11 (incl. 1 frigate)</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Iraq</td>
<td>424,000</td>
<td>2,200</td>
<td>1,500 launchers (incl. SA-2,3,6,7,8,9,13,14,16)</td>
<td>316</td>
<td>6</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Iran</td>
<td>513,600</td>
<td>1,565</td>
<td>76 batteries, (incl. I-Hawk) plus some Stinger</td>
<td>283</td>
<td>66 (incl. 10 Hudong) plus 40 Boghammer</td>
<td>6 (incl. 3 Kilo)</td>
<td>--</td>
</tr>
</tbody>
</table>

**Source:** International Institute for Strategic Studies, *The Military Balance 2001-2002*. (Note: Figures shown here do include materiel believed to be in storage)

Iraqi aircraft figures include aircraft flown from Iraq to Iran during 1991 Gulf war. Patriot firing unit figures do not include firing units emplaced in those countries by the United States. Six U.S. Patriot firing units are emplaced in Saudi Arabia, according to *Teal’s World Missiles Briefing*.
In return for providing protection to the Gulf states, the Administration and Congress have expected these states to provide tangible diplomatic and material support to all aspects of U.S. policy in the Middle East, including U.S. policy toward the Israeli-Palestinian dispute. However, the Gulf states often try to remain within a broader Arab consensus, and strains have widened since the latest Palestinian uprising began in September 2000. In the aftermath of the 1993 Israeli-PLO mutual recognition, the GCC states participated in the multilateral peace talks, but only Bahrain, Qatar, and Oman hosted sessions of the multilaterals. As noted above, in 1994 the GCC states ceased enforcing the secondary and tertiary Arab League boycott of Israel, and Oman and Qatar opened low-level direct trade ties with Israel in 1995-1996. A regional water desalination research center was established in Oman as a result of an agreement reached at the multilaterals. In November 1997, at a time of considerable strain in the peace process, Qatar bucked substantial Arab opposition and hosted the Middle East/North Africa economic conference, the last of that yearly event to be held. Diplomats from all six Gulf states met with Israeli diplomats during reciprocal visits or at the margins of international meetings.

Gulf state criticism of U.S. policy has increased as the Israeli-Palestinian peace process collapsed during 2000-2002. After the Palestinian uprising began in September 2000, Oman closed its trade office in Israel and ordered Israel’s trade office in Muscat closed. Qatar announced the closure of Israel’s trade office in Doha, although observers say the office has been tacitly allowed to continue functioning at a low level of activity. (Qatar did not open a trade office in Israel). Even though the Gulf states resent PLO leader Yasir Arafat for supporting Iraq in the Gulf war, the Gulf states have bowed to public sympathy for the plight of the Palestinians by giving financial assistance to Palestinian families that have lost members to Israeli military operations or in the course of perpetrating violence against Israelis. Although all the Gulf leaders have expressed sharp disagreement with Bush Administration policy that they believe is too heavily tilted toward Israel, the Gulf states have not, as was feared, taken steps to reduce defense cooperation with the United States. Saudi Crown Prince Abdullah has tried to guide and support U.S. policy on this issue; he engineered Arab League approval of a vision of peace between Israel and the Arab states at the March 2002 Arab summit.

The Bush Administration faces disagreements with the Gulf states on policy toward Iraq, even though the Gulf states have historically been the most threatened by Iraq. Disagreement is particularly sharp on the possibility that the United States might mount a military offensive to change Iraq’s regime. The Gulf states say they do not see the threat from Iraq as sufficiently clear to justify steps to change Iraq’s regime, although they do not appear to oppose U.S. covert action or limited military action to remove Saddam Husayn. The Gulf states agree with the United States that Iraq should readmit U.N. weapons inspectors and otherwise comply with all applicable U.N. resolutions, although the Gulf states also have tended to push for relatively lenient criteria for judging Iraqi compliance and for lifting international sanctions. Partly in an effort to defuse U.S. talk of military action against Iraq, Saudi Arabia arranged a move toward reconciliation between Iraq and Kuwait at the March 2002 Arab League summit, and the leaders adopted resolutions opposing a U.S. military attack on Iraq. Also that month, the Gulf leaders reportedly rebuffed U.S. efforts to elicit their support for robust action against Iraq when Vice President Cheney visited the Gulf. On the other hand, some experts and U.S. officials believe
the Gulf states would go along with U.S. military action, including providing basing, if the United States would ensure that a stable and more peaceful Iraq would result.

The September 11 attacks introduced new, but apparently manageable, frictions in U.S. relations with the Gulf states. The revelation that fifteen of the nineteen September 11 hijackers were of Saudi origin led to additional strain in U.S.-Saudi relations—which had already been tense because of the Israeli-Palestinian dispute—and to speculation that U.S. forces might be asked to leave the Kingdom. There were also reports that the hijackers had used financial networks based in the UAE in the September 11 plot. The Saudis reportedly have been offended by U.S. press articles that equated Saudi human rights practices to those of the Taliban, and that discuss Saudi funding of religious schools in Pakistan that were linked to the Taliban and Al Qaeda. There have been reports that some Bush Administration officials, weighing these and other criticisms of Saudi Arabia, now view the Kingdom as more an adversary than a friend of the United States.

Publicly, the Administration has responded to these reports by stressing that all the Gulf states strongly condemned the September 11 attacks, and have responded, to varying degrees, to U.S. requests that they shut down financial networks used by Al Qaeda and other terrorist groups. Virtually all of the Gulf states have at least tried to identify bank accounts of known or suspected terrorists or Islamic charities allegedly funding terrorist organizations, although they have been hesitant to actually begin freezing such accounts. The Gulf leaders defend Islamic charities as needed vehicles to help poor Muslims, and they have challenged some U.S. assertions that these funds are used for terrorism. During a visit to the Gulf in April 2002, Treasury Secretary Paul O’Neill praised Gulf state cooperation, particularly that of the UAE, with the United States on terrorism financing issues. Some Gulf states have made arrests of alleged Al Qaeda operatives; Saudi Arabia arrested seven Al Qaeda suspects in June 2002. Saudi Arabia said in August 2002 it is holding about 16 Al Qaeda fighters of Saudi origin captured transiting Iran and turned over to Saudi Arabia by the Iranian government.

**Defense Agreements and U.S. Forces in the Gulf.** In the aftermath of the 1991 Gulf war, the Gulf states, with the exception of Saudi Arabia, renewed or formalized defense agreements with the United States. The agreements provide not only for facilities access for U.S. forces, but also for U.S. advice, training, and joint exercises; lethal and non-lethal U.S. equipment prepositioning; and arms sales. The pacts do not formally require the United States to come to the aid of any of the Gulf states if they are attacked, according to U.S. officials familiar with their contents. Nor do the pacts give the United States automatic permission to conduct military operations from Gulf facilities—the United States must obtain permission on a case by case basis.

The September 11 attacks offered a new opportunity to put into practice the longstanding defense cooperation with the Gulf states. The Gulf states were asked, and most agreed, to host U.S. forces performing combat missions in Afghanistan in Operation Enduring Freedom (OEF, the war against the Taliban and Al Qaeda). Saudi Arabia did not offer to allow U.S. pilots to fly missions in Afghanistan from Saudi Arabia, but it did permit the United States to use the Combined Air Operations Center at Prince Sultan Air Base, south of Riyadh, to coordinate U.S. air operations
over Afghanistan. Published accounts indicate that the other Gulf states did allow such missions to fly from their territory, and they allowed the United States to station additional forces for OEF. Qatar publicly acknowledged the U.S. use of the large Al Udaid air base in OEF, and Bahrain publicly deployed its U.S.- supplied frigate naval vessel in support of OEF.

A baseline number of U.S. military personnel in the Gulf theater of operations is listed in Table 3 below, although the numbers may vary greatly in times of a crisis in the Gulf or nearby. During Operation Enduring Freedom, the numbers of U.S. troops in several of the Gulf states, particularly Qatar and Bahrain, have been appreciably higher than those listed in the table. The following is a brief overview of U.S. operations and presence in each of the six GCC states:

Concerned about internal opposition to a U.S. presence, Saudi Arabia has refused to sign a formal defense pact with the United States. However, it has entered into several limited defense procurement and training agreements with the United States. U.S. combat aircraft based in Saudi Arabia fly patrols of the no fly zone over southern Iraq, but Saudi Arabia does not permit preplanned strikes against Iraqi air defenses - only retaliation in case of tracking or firing by Iraq.

Bahrain has hosted the headquarters for U.S. naval forces in the Gulf since 1948, long before the United States became the major Western power in the Gulf. (During the 1970s and 1980s, the U.S. presence was nominally based offshore.) Bahrain signed a separate defense cooperation agreement with the United States on October 28, 1991. In June 1995, the U.S. Navy reestablished its long dormant Fifth fleet, responsible for the Persian Gulf region, and headquartered in Bahrain. No U.S. warships are actually based in Bahraini ports; the headquarters is used to command the 20 or so U.S. ships normally in the Gulf. About 850 U.S. Air Force personnel deployed to Shaykh Isa air base for duties in OEF.

An April 21, 1980 facilities access agreement with Oman provided the United States access to Omani airbases at Seeb, Thumrait, and Masirah, and some prepositioning of U.S. Air Force equipment. The agreement was renewed in 1985, 1990, and 2000. In keeping with an agreement reached during the 2000 access agreement renewal negotiations, the United States is funding the $120 million cost to upgrade another base near al-Musnanah. When completed in 2003, the base will be able to handle even the largest U.S. aircraft.

On September 19, 1991, Kuwait, which sees itself as the most vulnerable to Iraqi aggression, signed a 10-year pact with the United States (renewed in 2001 for another 10 years) allowing the United States to preposition enough equipment to outfit a U.S. brigade. Joint U.S.-Kuwaiti exercises are held

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almost constantly, meaning that about 4,000 U.S. military personnel are in Kuwait at virtually all times. The United States opened a Joint Task Force headquarters in Kuwait in December 1998 to better manage the U.S. forces in Kuwait. With few limitations, Kuwait allows the United States to conduct airstrikes on Iraq from its territory and to station additional air and ground forces in Kuwait during times of crisis, as happened during OEF. The United States has spent about $170 million since 1999 to upgrade the two Kuwaiti air bases that host U.S. aircraft – Ali al-Salem and Ali al-Jabir, and to upgrade the headquarters of U.S. Army troops in Kuwait. The U.S. prepositioning site is expected to move to southern Kuwait, at Arifjan, in the near future; the site is being expanded and can hold more equipment than the current site at Camp Doha. Relocating there also places U.S. equipment further from Iraq and thereby adds some strategic depth to the U.S. presence.

Qatar is building an increasingly close defense relationship with the United States, possibly to ensure that its neighbors do not try to encroach on its huge natural gas reserves. It signed a defense pact with the United States on June 23, 1992, and has thus far accepted the prepositioning of enough armor to outfit one U.S. brigade, and the construction of a facility (As-Saliyah site) that could accommodate enough equipment to outfit at least two U.S. brigades. The United States is currently helping Qatar expand a large air base (Al Udaid) at a cost of about $1 billion, and U.S. aircraft began using the base during OEF. Press reports say the United States is building an air operations center at Al Udaid that would supplement or eventually supplant the one in Saudi Arabia. Over 2,000 U.S. Air Force personnel deployed to Al Udaid in OEF.

The UAE did not have close defense relations with the United States prior to the 1991 Gulf war. The UAE then determined, however, that it wanted a closer relationship with the United States, in part to deter and balance out Iranian naval power. On July 25, 1994, the UAE announced it had signed a defense pact with the United States. The UAE allows some U.S. prepositioning, as well as U.S. ship port visits at its large man-made Jebel Ali port. It also hosts U.S. refueling aircraft participating in the southern no fly zone enforcement operation (al-Dhafra air base). Concerned about a perceived loss of sovereignty, the UAE also insisted on a clarification of the defense pact's provisions on the legal jurisdiction of U.S. military and other official personnel in the UAE; the issue was resolved in 1997.
### Table 3. U.S. Troops in Iraq Theatre/ Host Nation Support

<table>
<thead>
<tr>
<th>Country</th>
<th>U.S. Forces/Equipment Hosted (Pre-September 11)</th>
<th>Host Nation Support, 1999 (Millions)</th>
<th>U.S. Aid (FY2003 Request)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>- About 5,000, mostly Air Force&lt;br&gt; - Combined Air Operations Center at Prince Sultan Air Base&lt;br&gt; - About 160 U.S. aircraft&lt;br&gt; - No U.S. combat flights in Operation Enduring Freedom (OEF)</td>
<td>$2.16 direct&lt;br&gt;$78.29 indirect&lt;br&gt;$80.44: Total</td>
<td>$25,000 IMET</td>
</tr>
<tr>
<td>Kuwait</td>
<td>- About 3,600, roughly equally divided between Air Force and Army&lt;br&gt; - Joint Task Force/Kuwait&lt;br&gt; - About 40 U.S. aircraft&lt;br&gt; - Armor for one brigade (Camp Doha)&lt;br&gt; - U.S. combat flights in OEF</td>
<td>$172.09 direct&lt;br&gt;$4.90 indirect&lt;br&gt;$176.99: Total</td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>- About 370, mostly Air Force&lt;br&gt; - Port facilities at Jebel Ali&lt;br&gt; - Some U.S. support aircraft</td>
<td>$0.06 direct&lt;br&gt;$14.62 indirect&lt;br&gt;$14.68: Total</td>
<td>$350,000 IMET</td>
</tr>
<tr>
<td>Qatar</td>
<td>- About 50, mostly Army&lt;br&gt; - Some Air Force equipment at Al Udaid Air Base, U.S. use of Al Udaid in OEF&lt;br&gt; - Armor to outfit at least one brigade at As-Saliyah site</td>
<td>$0.00 direct&lt;br&gt;$11.00 indirect&lt;br&gt;$11.00: Total</td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>- About 200&lt;br&gt; - Some Air Force equipment, access to air bases at Seeb, Thuwrait, Masirah, and Musnanah&lt;br&gt; - Use of facilities in OEF</td>
<td>$0.00 direct&lt;br&gt;$34.91 indirect&lt;br&gt;$34.91: Total</td>
<td>$20 million FMF; $750,000 IMET; $150,000 NADR</td>
</tr>
<tr>
<td>Bahrain</td>
<td>- About 1,400, mostly Navy&lt;br&gt; - Fifth fleet headquarters&lt;br&gt; - Facilities used in OEF</td>
<td>$1.25 direct&lt;br&gt;$0.15 indirect&lt;br&gt;$1.40: Total</td>
<td>$450,000 IMET</td>
</tr>
<tr>
<td>Turkey</td>
<td>1,805 Air Force (Northern Watch)&lt;br&gt; About 24 aircraft (Northern Watch)</td>
<td>N/A</td>
<td>$17.5 million FMF; $2.8 million IMET; $600,000 NADR</td>
</tr>
<tr>
<td>Afloat in the Gulf</td>
<td>About 13,000 mostly Navy; 1 aircraft carrier plus about 10 associated ships, with about 70 aircraft. 2 U.S. ships help enforce Iraq embargo.</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Department of Defense, Active Duty Military Personnel Strengths by Regional Area and By Country, Department of Defense, Responsibility Sharing Report, March 2001.

**Note:** Direct support refers to financial payments to offset U.S. costs incurred. Indirect refers to in-kind support such as provision of fuel, food, housing, basing rights, maintenance, and the like. IMET is International Military Education and Training funds; FMF is Foreign Military Financing; NADR is Nonproliferation, Anti-Terrorism, Demining, and Related Programs.
**U.S. Arms Sales and Security Assistance.** A key feature of the U.S. strategy for protecting the Gulf has been to sell arms and related defense services to the GCC states. Congress has not blocked any U.S. sales to the GCC states since the Gulf war, although some in Congress have expressed reservations about sales of a few of the more sophisticated weapons and armament packages to the Gulf states in recent years. Some Members believe that sales of sophisticated equipment could erode Israel’s “qualitative edge” over its Arab neighbors, if the Gulf states were to join a joint Arab military action against Israel. Others are concerned that some U.S. systems sold to the Gulf contain missile technology that could violate international conventions or be re-transferred to countries with which the United States is at odds. Few experts believe that, absent a major Arab-Israeli war, the Gulf states would seek conflict with Israel. Even if they were to do so, successive administration have maintained that the Gulf states are too dependent on U.S. training, spare parts, and armament codes to be in a position to use sophisticated U.S.-made arms against Israel. The Foreign Relations Authorization Act of 1994-95 (P.L. 103-256, signed April 30, 1994) bars U.S. arms sales to any country that enforces the primary and secondary Arab League boycott of Israel. The Administration has waived the application of this law to the Gulf states every year since enactment.

Most of the GCC states are considered too wealthy to receive U.S. security assistance, including Foreign Military Financing (FMF) and excess defense articles (EDA). Only Bahrain and Oman – the two GCC states that are not members of the Organization of Petroleum Exporting Countries (OPEC) – receive significant amounts of U.S. assistance, which in Oman’s case will include Foreign Military Financing (FMF) in FY2003. Saudi Arabia is receiving a nominal amount of International Military Education and Training funds (IMET) in FY2002 and FY2003 to lower the costs to the Saudi government of sending its military officers to U.S. schools. The move is intended to preserve U.S.-Saudi military-to-military ties over the longer term, amid fears of recent erosion in those ties.

**Excess Defense Articles.** Bahrain and Oman are eligible to receive EDA on a grant basis (Section 516 of the Foreign Assistance Act) and the UAE is eligible to buy or lease EDA. In 1998-99, Oman received 30 and Bahrain 48 U.S.-made M-60A3 tanks on a "no rent" lease basis. The Defense Department subsequently transferred title to the equipment to the recipients. Since July 1997, Bahrain has taken delivery of a U.S. frigate and an I-HAWK air defense battery as EDA. Bahrain is currently seeking a second frigate under this program.

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

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16 Information in this section was provided by the Defense Security Cooperation Agency (DSCA) in *Security Assistance Program Summaries* (unclassified) for each of the Gulf (continued...)
The UAE historically has purchased its major combat systems from France, but UAE officials now appear to believe that arms purchases from the United States enhance the U.S. commitment to UAE security. In March 2000, the UAE signed a contract to purchase 80 U.S. F-16 aircraft, equipped with the Advanced Medium Range Air to Air Missile (AMRAAM), the HARM (High Speed Anti-Radiation Missile) anti-radar missile, and, subject to a UAE purchase decision, the Harpoon anti-ship missile system. The total sale value is estimated at over $8 billion, including a little over $2 billion worth of weapons, munitions, and services. The aircraft are in the process of being manufactured; deliveries have not begun. Congress did not formally object to the agreement, although some Members initially questioned the inclusion of the AMRAAM as a first introduction of that weapon into the Gulf region. The Clinton Administration satisfied that objection by demonstrating that France had already introduced a similar system in an arms deal with Qatar. On July 18, 2002, the Administration notified Congress it would upgrade the UAE’s 30 AH-64 Apache helicopter gunships (bought during 1991-94) with the advanced “Longbow” fire control radar. The UAE is evaluating the Patriot PAC-III theater missile defense system, as well as a Russian equivalent, to meet its missile defense requirements.

Saudi Arabia is still absorbing about $14 billion in purchases of U.S. arms during the Gulf war, as well as post-war buys of 72 U.S.-made F-15S aircraft (1993, $9 billion value), 315 M1A2 Abrams tanks (1992, $2.9 billion), 18 Patriot firing units ($4.1 billion) and 12 Apache helicopters. Few major new U.S. sales are on the horizon, and the Defense Security Cooperation Agency (DSCA) says Saudi Arabia is not, at this point, considering ordering any more F-15’s. In July 2000, the United States proposed a sale to Saudi Arabia of up to 500 AMRAAM missiles and related equipment and services, at an estimated cost of $475 million, to outfit their F-15s. Congress did not attempt to block the sale.

Based on comments from Kuwaiti officials in July 2002, a long-stalled agreement to sell Kuwait 16 Apache helicopters, equipped with the Longbow fire control system, is imminent. A U.S. offer to sell Kuwait 48 U.S.-made M109A6 "Palladin" artillery systems, (worth about $450 million) was withdrawn in July 2000. The sale had languished for about two years because of opposition from several members of Kuwait’s National Assembly, who believed that the purchase primarily represented an attempt to curry political favor with the United States. According to DSCA, Kuwait is considering purchasing additional F/A-18 aircraft to complement its existing fleet of 40 of those aircraft. Kuwait also bought 5 Patriot firing units in 1992 and 218 M1A2 Abrams tanks in 1993.

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16(...continued)


In 1998, Bahrain purchased 10 F-16s from new production at a value of about $390 million; delivery began in early 2001. In late 1999, the Administration, with congressional approval, agreed to sell Bahrain up to 26 AMRAAMS, at a value of up to $69 million, but delivery has been delayed by the war in Afghanistan, according to DSCA. Among the more controversial sales to a Gulf state, in August 2000 Bahrain requested to purchase 30 Army Tactical Missile Systems (ATACMs), a system of short-range ballistic missiles fired from a multiple rocket launcher. The Defense Department told Congress the version sold to Bahrain would not violate the rules of the Missile Technology Control Regime (MTCR), an effort to allay congressional concerns that the sale would facilitate the spread of ballistic and cruise missiles in the Gulf. In addition, the Administration proposed a system of joint U.S.-Bahraini control of the weapon under which Bahraini military personnel would not have access to the codes needed to launch the missile. Bahrain accepted that control formula, and delivery is to begin in July 2003. In March 2002, President Bush issued Presidential Determination 2002-10 designating Bahrain a “major non-NATO ally,” a designation that will open Bahrain to a wider range of U.S. arms that can be sold to it in the future.

Although Qatar has traditionally been armed by France and Britain, the Foreign Minister said in mid-1997 that it is "probable" that Qatar will buy arms from the United States in the future. No major U.S. sales seem imminent, but DSCA says that Qatar is expressing interest in a few U.S. systems including the Patriot (PAC-III), the M1A2 Abrams tank, a Low Altitude Surveillance System (LASS), and the Harpoon system. The United States has told Qatar it is eligible to buy the ATACM system (see above) because the Administration has approved Bahrain for purchases of that system, but Qatar has not requested to purchase the ATACM to date.

Oman has traditionally purchased mostly British weaponry, reflecting British influence in Oman’s military, and the British military’s mentoring and advisory relationship to Qaboos. In October 2001, in an indication of waning British influence, the United States announced that Oman will buy 12 F-16 A/B aircraft, at an estimated value of $1.1 billion. However, with its funds limited over the past few years, Oman has had to refurbish British-built aircraft already in its possession. Oman does not appear to be considering the purchase of any other major U.S. systems at this time, although it has requested some items be supplied as EDA, including patrol boats to combat smuggling.

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18The MTCR commits member states not to transfer to non-member states missiles with a range of more than 300 km, and a payload of more than 500 kilograms. Turkey, Greece, and South Korea are the only countries to have bought ATACMs from the United States.


20Ibid.
Joint Security/ "Cooperative Defense Initiative". The United States has encouraged the GCC countries to increase military cooperation among themselves, building on their small (approximately 5,000 personnel) Saudi-based force known as Peninsula Shield, formed in 1981. Peninsula Shield did not react militarily to the Iraqi invasion of Kuwait, exposing the force's deficiencies. After the war, manpower shortages and disagreements over command of the force prevented the GCC states from agreeing to a post-Gulf war Omani recommendation to boost Peninsula Shield to 100,000 men. Gulf state suspicions of Syria and Egypt prevented closer military cooperation with those countries, as envisioned under the March 1991 "Damascus Declaration." In September 2000, the GCC states agreed in principle to increase the size of Peninsula Shield to 22,000.\(^{21}\) It should be noted that the GCC states have announced similar agreements to expand Peninsula Shield in the past without implementation, and that no timetable has been set for reaching the targeted level of strength. In a further step, at their summit in December 2000, the GCC leaders signed a "defense pact" that presumably would commit them to defend each other in case of attack.

The GCC states have made some incremental progress in linking their early warning radar and communication systems. In early 2001, the GCC inaugurated its "Belt of Cooperation" network for joint tracking of aircraft and coordination of air defense systems, built by Raytheon. The Belt of Cooperation is expected to eventually include a link to U.S. systems. The project is part of the United States’ "Cooperative Defense Initiative" to integrate the GCC defenses with each other and with the United States. Another part of that initiative is U.S.-GCC joint training to defend against a chemical or biological attack, as well as more general joint military training and exercises.\(^{22}\) The Cooperative Defense Initiative is a scaled-back version of an earlier U.S. idea to develop and deploy a GCC-wide theater missile defense (TMD) system that could protect the Gulf states from Iran's increasingly sophisticated ballistic missile program and from any retained Iraqi ballistic missiles.\(^{23}\) The Department of Defense, according to observers, envisioned this system under which separate parts (detection systems, intercept missiles, and other equipment) of an integrated TMD network would be based in the six different GCC states. That concept ran up against GCC states’ financial constraints, differing perceptions among the Gulf states, some level of mistrust among them, and the apparent UAE preference for Russian made anti-missile/air defense systems.\(^{24}\) As noted in Table 3 above, Kuwait and Saudi Arabia have Patriot anti-missile units of their own; the other four GCC states have no advanced missile defenses.
Prospects and Challenges

U.S. Gulf policy faces numerous uncertainties as the Bush Administration moves toward decisions on how to implement its policy of regime change for Iraq. Fearing an imminent U.S. offensive, Iraq might decide to allow a resumption of U.N. weapons inspections, a move that could further undermine international support for major military action against Iraq. Alternately, Iraq might accelerate efforts to rebuild its WMD programs, hoping that doing so could deter a U.S. military attack. Some speculate Iraq might try to develop new terrorist options to deter or retaliate for U.S. military action.

In Iran, the Administration faces the consequences of its apparent decision to support reformists within or outside the political structure rather than try to engage Khatemi’s government directly. One possible consequence of the U.S. stance is that reformers might respond by seeking to overthrow the current political system entirely, throwing Iran into instability. Another possibility is that Khatemi’s authority might erode further in favor of factions who fear potential hostilities with the United States and who might want to accelerate Iran’s WMD programs. The Bush Administration is closely watching the construction of the nuclear plant at Bushehr. It may face a decision whether to prevent the plant from becoming operational - either through military or other means - or whether to accept the proliferation risks posed by the plant. Other questions remain about how to curb Iranian support to Palestinian and other groups engaged in violence or terrorism against Israel.

The Administration faces major questions about the course of its relations with the Gulf states. One significant unknown is whether or not Gulf public sympathies with the Palestinians and Iraq will cause the Gulf regimes to refuse to cooperate with any U.S. military offensive against Iraq. The Gulf states already have faced some internal pressure to downplay their involvement in containing Iraq, because Iraq is increasingly perceived in the Gulf as unjustly victimized by U.S. and international sanctions. The Iraq issue aside, the Gulf states’ long term commitment to cooperating with the United States against Al Qaeda is also uncertain. According to numerous but largely anecdotal accounts, Gulf publics tend to agree with Al Qaeda’s stated grievances against the United States, although not necessarily with its terrorist tactics.
## Appendix 1. Gulf State Populations, Religious Composition

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Population</th>
<th>Number of Non-Citizens</th>
<th>Religious Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>66.1 million</td>
<td>607,000</td>
<td>89% Shia; 10% Sunni; 1% Bahai, Jewish, Christian, Zoroastrian</td>
</tr>
<tr>
<td>Iraq</td>
<td>23.3 million</td>
<td>—</td>
<td>60-65% Shia; 32-37% Sunni; 3% Christian or other</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>22.7 million</td>
<td>5.3 million</td>
<td>90% Sunni; 10% Shia</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2.04 million</td>
<td>1.16 million</td>
<td>45% Sunni; 40% Shia; 15% Christian, Hindu, other</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>2.4 million</td>
<td>1.58 million</td>
<td>80% Sunni; 16% Shia; 4% Christian, Hindu, other</td>
</tr>
<tr>
<td>Bahrain</td>
<td>645,300</td>
<td>228,600</td>
<td>75% Shia; 25% Sunni</td>
</tr>
<tr>
<td>Qatar</td>
<td>769,000</td>
<td>516,000</td>
<td>95% Muslim; 5% other</td>
</tr>
<tr>
<td>Oman</td>
<td>2.6 million</td>
<td>527,000</td>
<td>75% Ibadhi Muslim; 25% Sunni and Shia Muslim, and Hindu</td>
</tr>
</tbody>
</table>

**Source:** Central Intelligence Agency World Factbook, 2001. Population figures are estimates as of July 2001. Most, if not all, non-Muslims in GCC countries are foreign expatriates.
## Appendix 2. UNSCOM Accomplishments and Unresolved Issues

<table>
<thead>
<tr>
<th>Weapons Category</th>
<th>Accomplishments</th>
<th>Unresolved Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Status: Nuclear</strong></td>
<td>IAEA reports Iraq's nuclear program dismantled and rendered harmless (April and October 1998 reports)</td>
<td>Questions remain about nuclear design drawings, documents, and fate of some equipment</td>
</tr>
<tr>
<td>Nuclear Fuel</td>
<td>All removed by IAEA</td>
<td>—</td>
</tr>
<tr>
<td>Nuclear Facilities</td>
<td>Dismantled by IAEA</td>
<td>—</td>
</tr>
<tr>
<td>Suppliers</td>
<td>IAEA says it has assembled a picture of Iraq's nuclear suppliers</td>
<td>Most of 170 technical reports from a German supplier unaccounted for</td>
</tr>
<tr>
<td><strong>Overall Status: Chemical</strong></td>
<td>Declared munitions, chemical precursors destroyed by UNSCOM</td>
<td>Most outstanding questions involve Iraqi production of VX nerve agent</td>
</tr>
<tr>
<td>VX nerve agent</td>
<td>Iraq admits producing 4 tons</td>
<td>No verification of the fate of the agent</td>
</tr>
<tr>
<td>VX precursor chemicals</td>
<td>191 tons verified as destroyed</td>
<td>About 600 tons unaccounted for, enough to make 200 tons of VX</td>
</tr>
<tr>
<td>Other chemical munitions</td>
<td>38,500 found and destroyed by UNSCOM</td>
<td>Fate of 31,600 munitions, 550 mustard shells, and 107,000 chemical casings unaccounted for</td>
</tr>
<tr>
<td>Chemical Weapons Agents</td>
<td>690 tons found and destroyed by UNSCOM</td>
<td>3,000 tons unaccounted for</td>
</tr>
<tr>
<td>Precursor Chemicals</td>
<td>3,000 tons found and destroyed by UNSCOM</td>
<td>4,000 tons unaccounted for</td>
</tr>
<tr>
<td>Chemical Monitoring</td>
<td>170 sites monitored during UNSCOM tenure</td>
<td>No monitoring since UNSCOM departure</td>
</tr>
<tr>
<td><strong>Overall Status: Biological Program</strong></td>
<td>UNSCOM has obtained Iraqi admissions that it had a biological warfare program</td>
<td>UNSCOM says most work remains in this category; no biological weapons found by UNSCOM</td>
</tr>
<tr>
<td>Biological Agents</td>
<td>Iraq admitted producing 19,000 liters of botulinum; 8,400 liters of anthrax; and 2,000 liters of aflatoxin and clostridium</td>
<td>No verification of destruction or amounts produced</td>
</tr>
<tr>
<td>Munitions</td>
<td>Iraq admits loading biological weapons onto 157 bombs</td>
<td>No verification of bomb destruction; fate of additional 500 parachute-dropped bombs unknown</td>
</tr>
<tr>
<td>Weapons Category</td>
<td>Accomplishments</td>
<td>Unresolved Issues</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Agent Growth Media</td>
<td>Supplier records show 34 tons imported</td>
<td>4 tons unaccounted for</td>
</tr>
<tr>
<td>Delivery Equipment</td>
<td>Iraq admits testing helicopter spraying equipment and drop tanks</td>
<td>Fate of these systems unknown</td>
</tr>
<tr>
<td>Production Facilities</td>
<td>Salman Pak facility buried by Iraq before inspections; Al Hakam bulldozed by UNSCOM</td>
<td>UNSCOM notes that biological agents can be produced in very small facilities</td>
</tr>
<tr>
<td>Monitoring</td>
<td>86 sites monitored during UNSCOM tenure</td>
<td>No monitoring since UNSCOM departure</td>
</tr>
<tr>
<td>Overall Status: Ballistic Missiles</td>
<td>Almost all imported missiles accounted for</td>
<td>Questions about Iraq's indigenous missile production remain</td>
</tr>
<tr>
<td>Imported Scud Missiles</td>
<td>UNSCOM says it has accounted for 817 of 819 Scuds imported from Russia</td>
<td>Two Scuds missing by UNSCOM accounting; U.S. and Britain believe 10-12 Scuds still unaccounted for</td>
</tr>
<tr>
<td>Chemical/Biological Warheads</td>
<td>75 warheads declared. 30 destroyed by UNSCOM, and at least 43 others, including 25 biological warheads, verified as destroyed</td>
<td>Two declared chemical warheads may be missing. Undeclared chem/bio warheads may exist</td>
</tr>
<tr>
<td>Importe Conventional Warheads</td>
<td>Iraq admits importing 50 Scud warheads for high explosives</td>
<td>Warheads unaccounted for</td>
</tr>
<tr>
<td>Indigenously-produced Missiles</td>
<td>—</td>
<td>30 warheads and 7 missiles unaccounted for</td>
</tr>
<tr>
<td>Missile Propellant</td>
<td>—</td>
<td>300 tons unaccounted for</td>
</tr>
<tr>
<td>Production Equipment</td>
<td>Iraq admits having 150 tons of equipment</td>
<td>Fate unknown</td>
</tr>
<tr>
<td>Monitoring</td>
<td>63 sites monitored during UNSCOM tenure</td>
<td>Missiles of up to 150 km range permitted. U.S. reports note permitted programs can benefit research on prohibited-range missiles.</td>
</tr>
</tbody>
</table>

**Source:** The information in this table is derived from reports to the U.N. Security Council by the U.N. Special Commission on Iraq (UNSCOM) and the International Atomic Energy Agency (IAEA).
Appendix 3. No Fly Zones in Iraq

Northern No Fly Zone Established April 1991
Southern No Fly Zone (South of 32nd Parallel) Established August 1992
Southern No Fly Zone Extended to 33rd Parallel Established September 1996
Appendix 4. Map of the Persian Gulf Region and Environs

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