Security Challenges and Threats in the Gulf: A Net Assessment

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Both Gulf and US policymakers need to reassess the priorities in dealing with the threats to the Gulf. Regardless of the outcome of the war in Iraq, both the US and the Gulf Cooperation Council (GCC) states will need to adapt their forces to deal with the real-world threats in the region, and to make more effective efforts at cooperation, creating forces that are focused on real-world needs for deterrence and defense, and that examine the full range of threats and not the most obvious military and security issues.

This brief provides an overview of both the trends in the Gulf military balance, and in the threats that the GCC states and allied outside powers like the US, UK, and France must deal with. There are many areas that cannot be addressed in depth for reasons of space and classification, but a number of key issues and needs are clear.

The Evolving Range of Threats

The Gulf does not face abstract threats or abstract potential enemies. At this point in time, it faces seven very real security challenges:

- Conventional Military Threats and the Lack of Unity and Mission Focus in the GCC
- Asymmetric warfare and “Wars of Intimidation”
- Iranian Missiles and Proliferation
- Iraqi Instability
- Energy and Critical Infrastructure
- Terrorism
  - Region-wide impact of Neo-Salafi Islamist extremism. Franchising of Al Qa’ida, Sunni vs. Shi’ite tension, and its impact inside and outside the region
  - War in Afghanistan, potential destabilization of a nuclear Pakistan, and impact on proliferation and Islamist extremism in the Middle East
In every case, the GCC states have the resources to develop an effective mix of deterrent and defensive capabilities that will be reinforced by support from the US, UK, and France. The key issues are whether they will act and whether they will act with the necessary degree of unity.

**Conventional Military Threats and the Lack of Unity and Mission Focus in the GCC**

To be blunt, the present lack of unity and effective leadership is the main threat to the GCC states. Their problem is not the risk they will face a dominant foreign enemy, but rather that they will continue to bicker and fail to develop a proper degree of integration, interoperability, and effectiveness in performing key military missions. The main threat that the GCC state now face does not consist of Iran, Yemen, or terrorism, but their own leaders and their failure to look beyond petty feuding, fears of their own military and security forces, an obsession with buying different and better “glitter factor” weapons than their neighbors, and an unwillingness to come to grips with the details of creating effective joint forces.

This is not the fault of the GCC military, but rather of royal heads of state. Ever since the founding of the GCC, Gulf military officers have raised the need to look beyond national boundaries and create effective deterrence and defense throughout the Gulf. No nation can really defend itself unless its neighbors have equally effective capabilities. Maritime traffic, offshore facilities, borders and ports, and coastal facilities are all too vulnerable. Flight times from Iran and Yemen are a matter of minutes, and missile flight times are even shorter. National defense in depth is far too limited to be effective without integrated defense in breadth along the entire coastal area of the Gulf.

The problem is that Gulf heads of state have failed to properly react to these realities ever since the founding of the GCC, and have either ignored military advice or penalized those officers who speak out to call for more realistic military and national security policies. This has been coupled to a de facto acceptance of dependence on the US, rather than efforts to create an effective partnership based on creating effective local deterrent and defense capabilities mixed with reinforcement and support by US forces.

At the same time, it is almost absurd to describe Iran as a potential hegemon, or Yemen as a major threat, if the GCC states develop integrated battle management and command and control; intelligence, surveillance, and reconnaissance (IS&R), and mission-oriented interoperable or joint standing forces in critical areas like maritime security, mine warfare, and air and missile defense.
Yemen’s forces are now relatively small, poorly equipped with increasingly obsolescent equipment, lacking in readiness and sustainability, and are not trained or organized for power projection. Iran has a military advantage in only one largely meaningless area: total manpower. (p. 15) Iran cannot effectively use this advantage. It cannot hope to deploy large ground forces across the Gulf unless the GCC states and their allies remain passive, and – unless the GCC state fail to act to keep Iraq unified and under a national government – Iraq will act as a major buffer to any Iranian move to the West, and Kuwait will present the problem that any Iranian force concentration would have to cross a major water barrier, and any meaningful Iranian preparations for such action would be highly visible, provide extensive strategic warning, and be extremely vulnerable to air and missile attack.

The GCC has a lead in every other aspect of force building and conventional warfare capability. It has an almost incredible lead in military resources, and one that has steadily accelerated over time. During the last decade, the GCC states have spent an average of more than seven times as much on national security as Iran. (pp. 16 & 17) They have signed new arms import orders that are some 16 times larger since the end of the Gulf War ($89 billion for the GCC versus $5.6 billion for Iran). (p. 18)

In terms of ground forces, Iran not only faces major barriers in using its ground forces, it is sharply inferior in modern tank strength even if one uses a very generous definition of what is “modern” for Iran. (p. 20) The GCC has an even larger lead in overall armored vehicle strength (p. 21), and its inferiority in total artillery strength (p. 22) is offset by the fact that most of Iran’s inventory is towed artillery purchased for relatively static warfare in the Iran-Iraq War, and the GCC states have parity in self-propelled, maneuver weapons.

The GCC states have a striking advantage in combat capable fixed wing and rotary wing aircraft, and air force modernization (Again, even if a very generous definition is used of “high quality aircraft” for Iran. (pp. 24-25). The GCC states also have an advantage in modern air control and warning aircraft, IS&R aircraft, other special purpose aircraft and enablers. This advantage is compounded by the fact that most Gulf states have much more modern and capable surface-to-air missiles – some with limited ballistic missile defense capabilities – and in national sensor and battle management systems. If they choose to do so, The GCC states have the resources to create fully integrated air and missile defense systems that will remain far more sophisticated than those Iran can afford, and to develop an interoperable and integrated mix of air capabilities that will preserve a decisive edge over Iran in air-to-air, AirLand warfare, and sea-air warfare and surveillance.
The GCC lead in naval capabilities is less striking in ship numbers, and the GCC state have often wasted large amounts on over designed surface warfare vessels, while ignoring the need to deal with mine warfare and the defense of offshore and coastal facilities. (pp. 25-26 ) The fact remains, however, that much of the Iranian navy is obsolete, its submarines are vulnerable to US and British Navy attack, and its shore facilities are vulnerable to air and cruise missile attack. This is an area where the GCC states need to maintain an effective partnership with the US, British, and French navies to deal with worst-case naval threats, but has ample resources to deal with the more probable lower level and asymmetric threats discussed in the next section. (p. 27)

Moreover, all of the previous comparisons do not count US, British, or French forces in the balance, or talk about the rate of technology transfer open to the GCC states. As the brief shows (pp. 28-29), the US is committed to maintaining a decisive edge in military weapons and technology that will both enhance its own forces – particularly in areas like littoral warfare, IS&R, and the ability to penetrate any future air defenses Iran may acquire – and give the GCC states the ability to buy superior weapons and technology for their own use. Europe offers a wide range of additional weapons and technology, some in areas where the US does not have systems as well suited to GCC needs, and the GCC can buy from Russia and China. Moreover, the US is making major improvements in its ability to project ground forces into areas like the Gulf. Regardless of the outcome of the Iraq War, this will improve a key area of US ability to support the GCC states.

In short, the highest single priority for Gulf security is for the GCC heads of state to end the threat that they pose to their own countries and to focus on the priorities shown in p. 30:

- Leaders must take deterrence, conflict prevention, and defense as seriously as their militaries.
- End pointless intra-state feuding; create a real GCC
- Interoperability and standardization versus glitter factor and prestige buys. Coordinated requirements and procurement planning.
- Focus on key mission needs.
- Integrated battle management and IS&R.
- Standardized, demanding, real-world CPX and FTX training, contingency plans and doctrine.
- Joint warfare planning, end stove piping, and prepare for real time defense in breadth and width.
- Establish partnership with US, UK, and France; not just de facto dependence.
Asymmetric Warfare and “Wars of Intimidation”

The fact that the GCC is the major threat to the GCC does not mean that Iran does not pose real and tangible threats, or that the Southern Gulf states can ignore the risk that other neighboring states, or non-state actors, pose a threat in the form of asymmetric warfare.

The most likely real-world threats do not come from formal conflicts, but rather from a wide range of low level conflicts, threats or “wars of intimidation,” and unofficial wars of attrition. (p. 32 ). Many of these potential conflicts have already taken place in a previous form. (p. 33 ). The GCC states also cannot afford to ignore the particular threat posed by Iran’s Islamic Revolutionary Guards, particularly its naval branch and Al Quds force. (p. 34). These latter forces are particularly important because a number of their exercises – although nominally defensive – practice tactics and actions that lend themselves to the use of threats and asymmetric warfare against Southern Gulf states. While such threats are not most severe to the Strait of Hormuz, they affect the entire Gulf. There is no need to break a bottle at the neck. (p. 35-)

The GCC states also need to pay careful attention to the worst-case scenario for such Iranian action: major efforts to limit maritime traffic through or into the Gulf. (p. 36) As is the case with less severe scenarios, the problem is not that Iran has any clear intentions to initiate such conflicts today. It is rather that these are the most likely forms of Iranian attack in some unforeseen crisis, represent the most severe challenges to GCC forces organized to meet more conventional threats, and are the highest priority in terms of maintaining a high level of deterrence and rapid response capability. (p. 37 )

Iranian Missiles and Proliferation

US intelligence estimates, and IAEA reports, indicate that there will probably be several more years to attempt diplomatic solutions to Iran’s efforts to acquire nuclear weapons, although Iran is already actively acquiring long-range missiles and may be developing chemical and biological weapons for them.

While Iran has denied that it has a nuclear program, and has described its missile programs largely as threats to Israel and the US, it is clear that most of its current forces have ranges suited to strike targets in the Gulf, and that its efforts to strengthen such forces are largely directed towards enhancing its security presence in the Gulf region, and giving it more deterrent capability and leverage against the US and GCC states.
Accordingly, the GCC states need to begin now to address these threats and to examine their options for doing so. (p. 39) They also need to understand that the US NIE in no way said that this threat is less real because Iran seems to have abandoned a formal nuclear weapons program in 2003. Substantial new evidence has emerged since the NIE was issued. (p. 40) Moreover, the US Director of National Intelligence has provided important clarifications to the NIE that make it clear that this remains a key security problem. (pp. 41-43) There are also key features of Iran’s enrichment activities that raise a strong probability that they were designed for military purposes. (pp. 44-47)

As for Iran’s missile programs, it is clear that this is one of Iran’s highest military priorities. What is not clear is what missile forces Iran will create, or what their capabilities will be with or without a nuclear warhead. One key issue is how precise they will become in the future, and whether they will become accurate enough to hit critical targets in the Gulf with a conventional or non-nuclear warhead. (pp. 48-49)

In short, the GCC needs to begin military contingency planning, and to examine several major options: (p. 50)

- Prevention/preemption,
- Active and passive defense,
- Acquiring own nuclear weapons, and/or
- US extended deterrence.

The GCC can wait for diplomacy to determine whether there is a nuclear threat for time being, but its need to start considering the following alternatives now:

- Ballistic and cruise missile defenses maybe cost-effective simply to deal with conventional threat.
- A number of systems offer both improved air and missile defense.
- Need quiet talks with US on containment options; extended deterrence.
- Open support for IAEA and diplomatic options key passive approach.
Iraqi Instability

Regardless of what the GCC states think of the US invasion of Iraq, they will face a massive increase in their future threat level if Iraq does not remain unified, if the US fails to help Iraq achieve security and stability, and if Iraq does not move forward in political accommodation and development. (p. 52)

There has been major military progress in Iraqi during the last year, although it is uncertain and could be reversed. (pp. 53-55). Sectarian and ethnic divisions remain a major threat, and one that could create a power vacuum for Iran to exploit and/or lead to much broader sectarian tension between Sunni and Shi’ite outside Iraq. (pp. 56-61)

Helping Iraq build up its own forces, actively supporting efforts at political accommodation from within Iraq, and foreign aid are all key steps the GCC state could take to enhance their security and help the Iraqi people. (pp. 562-64)

Energy and Critical Infrastructure

The GCC states face special security problems because of the location and nature of their critical infrastructure. (p. 66) This increases their vulnerability to Iranian threats and use of asymmetric warfare, but also to terrorists and states using non-state actors as proxies. It is also critical that GCC states recognize that if they do not create effective deterrent and defense capabilities, outside states will come under extreme pressure to intervene to protect their energy supplies. (pp. 67-74) For all the reasons discussed earlier, GCC energy facilities and exports will also grow steadily more vulnerable with time, as will ships carrying Gulf cargoes, and Gulf crude, product, and LNG exports. (pp. 75-77)

Energy also is only part of the problem. The GCC states already have an extraordinary vulnerability because of their dependence on desalination and electric power facilities located on or near the Gulf coast. This vulnerability will increase readily, growing by some 60% by 2020. (p. 78).

As a result, the Gulf states need to give the active and passive defense of critical infrastructure, and suitable response capability, higher priority in the future, and examine ways to cooperate to reduce the vulnerability of any one set of facilities or GCC state. (p. 79)
Terrorism

The threat of terrorism remains a major problem, and one that requires steady improvements in GCC cooperation, both within the GCC and with outside states. It also requires a steady improvement in “jointness” between military, paramilitary, law enforcement, and intelligence forces.

Region-wide impact of Neo-Salafi Islamist extremism. Franchising of Al Qa’ida, Sunni vs. Shi’ite tension, and its impact inside and outside the region

While counterterrorism capabilities in the GCC states have improved strikingly since 2001, there is still a wide range of hostile organizations in the region. (p. 82). Al Qa’ida in the Peninsula also remains a serious problem, particularly in Saudi Arabia. (p. 83) Further major action is needed to:

- Directly engage in ideological struggle for the future of Islam and religious legitimacy.
- Continue to strengthen counterterrorism forces and capabilities.
- Improve cooperation in GCC in counterterrorism and intelligence.
- Strengthen border, coastal, and port security.
- Reduce sectarian tensions and discrimination.
- Fairer treatment of foreign labor.
- Strengthen bilateral cooperation with U.S. and Europe.
- Strengthen cooperation with Interpol, UN, and other regional counterterrorism centers.
- Aid Yemen and poorer regional states.
**War in Afghanistan, potential destabilization of a nuclear Pakistan, and impact on proliferation and Islamist extremism in the Middle East**

US intelligence estimates indicates that the center of Al Qa’ida activity remains in Afghanistan and Pakistan, and the fighting in Iraq is now almost peripheral to the broader threat that Al Qa’ida poses to the region. (pp. 86). The situation in Afghanistan and Pakistan is also deteriorating in spite of NATO/ISAF and US tactical victories in Afghanistan, (pp. 87-97)

The GCC states cannot intervene in this situation in a military sense, but they do have several options that can reduce this threat from outside the region:

- Help Afghanistan and Pakistan directly engage in ideological struggle for the future of Islam and religious legitimacy.
- Development aid to Afghanistan and Pakistan.
- Continued support for US and NATO/ISAF deployments.
- Act to prevent transfers of funds, “volunteers,” and suspect personal movements.

**Demographics, Foreign Labor, and Social Change**

Finally, the GCC states should not see security solely in terms of military threats or terrorism. GCC security depends at least as much on successful development, job creation and productive employment, and equitable income distribution. Much depends on meeting two key challenges: finding jobs for a wave of native young men and women that will steadily increase the size of the labor force through 2050. The second is to ensure that foreign labor is given proper wages and protection. (p. 100)

The GCC states face a steady near term population growth. Their population rose by 5 million during 2000 and 2005 and will rise by 6.6 million more between 2005 and 2010. At the same time, the GCC states already have the lowest native participation in the labor force in the world, and a nearly 40% overall dependence on foreign labor, (p. 101) There are also gross differences in per capita income even from state to state and these are even more acute within given states. (p. 102)

More broadly, population growth will continue to be a major problem through 2050 (p. 103), and a youth bulge will present major problems for job creation through at least 2030. (p. 104).
If the GCC states are to deal with security with any real effectiveness, they must also consider the following realities:

- There is no lasting hope of security that does not offer Gulf youth meaningful careers and fair distribution of income.
- Economic and social development are critical aspects of security and key aspects of counterterrorism.
- Job creation means reducing dependence on foreign labor, but security means give foreign labor more rights, protection, and fair wages.
- Education and private domestic and foreign investment are twin tools to making native labor globally competitive.
- Must develop the GCC, not leave some states with critical disparities in per capita income.
- No global competitiveness if exclude women.
The Evolving Range of Threats

- Conventional Military Threats and the Lack of Unity and Mission Focus in the GCC
- Asymmetric warfare and “Wars of Intimidation”
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  - War in Afghanistan, potential destabilization of nuclear Pakistan, and impact on proliferation and Islamist extremism in the Middle East
- Demographics, Foreign Labor, and Social Change
Conventional Military Threats and Lack of Unity and Mission Focus in the GCC
The GCC Threat to the GCC

- Vast lead in military spending and arms imports
- Support from US, Britain, France
- But,
- Poor Mission Focus with Limited Coordination
- Lack of Integration, Standardization
- Problems in Large-Scale Exercises and Training; Military Realism
- Problems in Jointness – including security services, police, and intelligence – and combined arms.
- Lack of Balanced Force Development: Manpower Quality and Sustainability
Comparative Military Manpower

<table>
<thead>
<tr>
<th>Country</th>
<th>Navy</th>
<th>Air Def</th>
<th>Air</th>
<th>Guard</th>
<th>Army</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>18,000</td>
<td>15,000</td>
<td>52,000</td>
<td>125,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Iraq</td>
<td>1,100</td>
<td>0</td>
<td>1,200</td>
<td>0</td>
<td>163,500</td>
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<tr>
<td>Saudi</td>
<td>15,500</td>
<td>4,000</td>
<td>20,000</td>
<td>100,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Bahrain</td>
<td>700</td>
<td>0</td>
<td>1,500</td>
<td>0</td>
<td>6,000</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2,000</td>
<td>0</td>
<td>2,500</td>
<td>6,600</td>
<td>11,000</td>
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<tr>
<td>Oman</td>
<td>4,200</td>
<td>0</td>
<td>5,000</td>
<td>6,400</td>
<td>25,000</td>
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<td>Qatar</td>
<td>1,800</td>
<td>0</td>
<td>1,500</td>
<td>0</td>
<td>8,500</td>
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<tr>
<td>UAE</td>
<td>2,500</td>
<td>0</td>
<td>4,500</td>
<td>0</td>
<td>44,000</td>
</tr>
<tr>
<td>Yemen</td>
<td>1,700</td>
<td>0</td>
<td>3,000</td>
<td>0</td>
<td>60,000</td>
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</tbody>
</table>

Derived from IISS, Military Balance, 2008
Comparative Iran vs GCC Spending: 1997-2007

Derived from IISS, Military Balance, 2008
Comparative Military Spending: 1988-2007

Derived from IISS, Military Balance, 2008
## Comparative New Arms Orders: 1988-2007

*(in $US Current Millions)*

### Data

0 = Data less than $50 million or nil. All data rounded to the nearest $100 million.


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### Derived from IISS, Military Balance, 2008

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Land Force Threats

- Iranian Threat to Kuwait and Iraq
- Iranian permissive amphibious/ferry operation.
- Iranian dominance of Iraq; Invited In to Replace US?
- Spillover of Iraqi Sunni-Shi’ite power struggles.
- Yemeni incursion into Saudi Arabia or Oman

But:
- Low near-term probability.
- High risk of US and allied intervention.
- Limited threat power projection and sustainability.
- Unclear strategic goal.
Comparative Modern Tank Strength

- Zulfiqar
- Chieftain Mk3/Mk5
- T-62
- M-60A1
- OF-40
- T-72
- M-84
- AMX-30
- Leclerc
- Challenger 2
- M-60A3
- M-60A1
- M-1A2

Derived from IISS, Military Balance, 2008
Comparative Armored Vehicle Strength

<table>
<thead>
<tr>
<th></th>
<th>APCs</th>
<th>AIFV/Recce/Lt. Tanks</th>
<th>Main Battle Tanks</th>
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</thead>
<tbody>
<tr>
<td>Iran</td>
<td>640</td>
<td>725</td>
<td>1,613</td>
</tr>
<tr>
<td>Iraq</td>
<td>352</td>
<td>1,210</td>
<td>77</td>
</tr>
<tr>
<td>Saudi</td>
<td>2,240</td>
<td>71</td>
<td>910</td>
</tr>
<tr>
<td>Bahrain</td>
<td>235</td>
<td>450</td>
<td>180</td>
</tr>
<tr>
<td>Kuwait</td>
<td>321</td>
<td>182</td>
<td>368</td>
</tr>
<tr>
<td>Oman</td>
<td>216</td>
<td>68</td>
<td>117</td>
</tr>
<tr>
<td>Qatar</td>
<td>226</td>
<td>619</td>
<td>30</td>
</tr>
<tr>
<td>UAE</td>
<td>880</td>
<td>619</td>
<td>471</td>
</tr>
<tr>
<td>Yemen</td>
<td>710</td>
<td>345</td>
<td>790</td>
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Derived from IISS, Military Balance, 2008
## Comparative Artillery Strength

<table>
<thead>
<tr>
<th>Type</th>
<th>Iran</th>
<th>Iraq</th>
<th>Saudi</th>
<th>Bahrain</th>
<th>Kuwait</th>
<th>Oman</th>
<th>Qatar</th>
<th>UAE</th>
<th>Yemen</th>
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<tbody>
<tr>
<td>Multiple Rocket Launcher</td>
<td>876</td>
<td>?</td>
<td>60</td>
<td>9</td>
<td>27</td>
<td>0</td>
<td>4</td>
<td>72</td>
<td>294</td>
</tr>
<tr>
<td>Assault and Coastal</td>
<td>0</td>
<td>?</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>Towed Tube</td>
<td>2,010</td>
<td>?</td>
<td>238</td>
<td>26</td>
<td>0</td>
<td>108</td>
<td>12</td>
<td>93</td>
<td>310</td>
</tr>
<tr>
<td>Self-Propelled Tube</td>
<td>310</td>
<td>?</td>
<td>170</td>
<td>13</td>
<td>113</td>
<td>24</td>
<td>28</td>
<td>181</td>
<td>25</td>
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Derived from IISS, Military Balance, 2008
Keeping a Decisive US Qualitative Edge in US Forces and Arms Transfers to the Gulf ($10.5B in FY087 & FY09)

<table>
<thead>
<tr>
<th>Joint Ground Capabilities</th>
<th>Joint Maritime Capabilities</th>
<th>Joint Air Capabilities</th>
<th>Space-based Capabilities</th>
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</thead>
<tbody>
<tr>
<td>Future Combat Systems:</td>
<td>CVN 21 Carrier Replacement</td>
<td>16 F-35 Joint Strike Fighters</td>
<td></td>
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<tr>
<td>119 Stryker Vehicles</td>
<td>1 Virginia Class Submarine</td>
<td>20 F-22A Raptors</td>
<td></td>
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<tr>
<td>5,249 High Mobility Multi-purpose Wheeled Vehicles</td>
<td>1 DDG-1000 Destroyer</td>
<td>36 V-22 Ospreys</td>
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</tr>
<tr>
<td>1,061 Heavy Tactical Vehicles</td>
<td>2 Littoral Combat Ships</td>
<td>23 F/A-18 Hornets</td>
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<tr>
<td>3,187 Medium Tactical Vehicles</td>
<td>2 T-AKE Auxiliary Dry Cargo Ships</td>
<td>22 E/A-18G Growlers</td>
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</tr>
<tr>
<td>29 M1A1 Abrams Tank Upgrades</td>
<td>CVN Refueling Complex Overhaul</td>
<td>16 CH-47 Chinooks</td>
<td></td>
</tr>
<tr>
<td>Chemical Weapons Demilitarization</td>
<td>2 Joint High Speed Vessels</td>
<td>VH-71 Helicopter</td>
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</tr>
</tbody>
</table>

**Space-based Capabilities**
- 2 Space Based Infrared Systems
- 4 Expendable Launch Vehicles
- GPS Satellite
- 1 Mobile User Objective System
- Transformational Satellite
- Advanced Extremely High Frequency Satellite
- Wideband Global SATCOM
- Ballistic Missile Defense

**Basic Research**
+$0.3B in FY 2009 (+$1.4B FY09-FY13)

*Budget strengthens joint capabilities to meet future threats*
## Increase Ground Capabilities

<table>
<thead>
<tr>
<th>Force</th>
<th>FY 07</th>
<th>FY 08</th>
<th>FY 09</th>
<th>FY 10</th>
<th>FY 11</th>
<th>FY 12</th>
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<tr>
<td><strong>Army</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td>+40K</td>
<td>+3K</td>
<td>+7K</td>
<td>+7K</td>
<td>+7K</td>
<td>+1K</td>
</tr>
<tr>
<td>Active</td>
<td>+11K</td>
<td>+3K</td>
<td>+5K</td>
<td>+5K</td>
<td>+3K</td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td>+2K</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td></td>
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<td>+4K</td>
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<tr>
<td>Marine Corps</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Active</td>
<td>+65K</td>
<td>+27K</td>
<td></td>
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</tr>
</tbody>
</table>

Source: FY 2009 DoD Budget Request; FY 2008 Budget; FY 2007 Supplemental

Numbers may not add due to rounding.
Air/Missile Threats

- Precision air strikes on critical facilities: Raid or mass attack.
- Terror missile strikes on area targets; some chance of smart, more accurate kills.
- Variation on 1987-1988 “Tanker War”
- Raids on offshore and critical shore facilities.
- Strikes again tankers or naval targets.
- Attacks on US-allied facilities

*But:*

- Low near-term probability.
- High risk of US and allied intervention.
- Limited threat power projection and sustainability.
- Unclear strategic goal.
Comparative Combat Air Strength

Derived from IISS, Military Balance, 2008
Comparative High Quality Fighter/Attack

- Mirage F-1
- MiG-29
- Su-25
- Su-24
- F-14
- F-7M
- F-5E
- F-4D/E
- Tornado ADV
- Tornado IDS
- F-15S
- F-15C/D
- Mirage 2000
- Hawk
- Jaguar

Derived from IISS, Military Balance, 2008
Naval Threats

- Iranian effort to “close the Gulf.”
- Iranian permissive amphibious/ferry operation.
- Variation on 1987-1988 “Tanker War”
- Raids on offshore and critical shore facilities.
- “Deep strike” with air or submarines in Gulf of Oman or Indian Ocean.
- Attacks on US facilities

**But:**

- Low near-term probability.
- High risk of US and allied intervention.
- Limited threat power projection and sustainability.
- Unclear strategic goal.
Comparative Major Naval Combat Ships

<table>
<thead>
<tr>
<th></th>
<th>Iran</th>
<th>Iraq</th>
<th>Saudi</th>
<th>Bahrain</th>
<th>Kuwait</th>
<th>Oman</th>
<th>Qatar</th>
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<th>Yemen</th>
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<tr>
<td>Major Missile Combat</td>
<td>3</td>
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<td>Major Other Combat</td>
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<td></td>
<td></td>
<td></td>
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<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

Derived from IISS, Military Balance, 2008
Ending the GCC Threat to the GCC

- Leaders must take deterrence, conflict prevention, and defense as seriously as their militaries.
- End pointless intra-state feuding; create a real GCC
- Interoperability and standardization versus glitter factor and prestige buys. Coordinated requirements and procurement planning.
- Focus on key mission needs.
- Integrated battle management and IS&R.
- Standardized, demanding, real-world CPX and FTX training, contingency plans and doctrine.
- Joint warfare planning, end stove piping, prepare for real time defense in breadth and width.
- Establish partnership with US, UK, and France; not just de facto dependence.
Asymmetric Warfare and “Wars of Intimidation”
Most Likely Foreign Threats Are Not Formal Conflicts

• Direct and indirect threats of using force. (I.e. Iranian efforts at proliferation)
• Use of irregular forces and asymmetric attacks.
• Proxy conflicts using terrorist or extremist movements or exploiting internal sectarian, ethnic, tribal, dynastic, regional tensions.
• Arms transfers, training in host country, use of covert elements like Quds force.
• Harassment and attrition through low level attacks, clashes, incidents.
• Limited, demonstrative attacks to increase risk, intimidation.
• Strike at critical node or infrastructure.
Some Tangible Examples

• Iranian tanker war with Iraq
• Oil spills and floating mines in Gulf.
• Libyan “stealth” mining of Red Sea.
• Use of Quds force in Iraq.
• “Incidents” in pilgrimage in Makkah.
• Support of Shi’ite groups in Bahrain.
• Missile and space tests (future nuclear test?).
• Naval guards seizure of British boat, confrontation with US Navy, exercises in Gulf.
• Development of limited “close the Gulf” capability.
• Flow of illegals and smuggling across Yemeni border.
The Islamic Revolutionary Guards Corps

• 125,000+, drawing on 1,000,000 Basij.
• Key is 20,000 Naval Guards, including 5,000 marines.
  • Armed with HY-3 CSS-C-3 Seersucker (6-12 launchers, 100 missiles, 95-100 km), and 10 Houdong missile patrol boats with C-802s (120 km), and 40+ Boghammers with ATGMs, recoilless rifles, machine guns.
  • Large-scale mine warfare capability using small craft and commercial boats.
  • Based at Bandar e-Abbas, Khorramshar, Larak, Abu Musa, Al Farsiyah, Halul, Sirri.
• IRGC air branch reported to fly UAVs and UCAVs, and control Iran’s strategic missile force.
  • 1 Shahab SRBM Bde (300-500-700 km) with 12-18 launchers, 1 Shahab 3 IRBM Btn (1,200-1,280 km) with 6 launchers and 4 missiles each.
“Closing the Gulf”

• 3 Kilo (Type 877) and unknown number of midget (Qadr-SS-3) submarines; smart torpedoes, (anti-ship missiles?) and smart mine capability.
• Use of 5 minelayers, amphibious ships, small craft, commercial boats.
• Attacks on tankers, shipping, offshore facilities by naval guards.
• Raids with 8 P-3MP/P-3F Orion MPA and combat aircraft with anti-ship missiles: (C-801K (8-42 km), CSS-N-4, and others).
• Free-floating mines, smart and dumb mines, oil spills.
• Land-based, long-range anti-ship missiles based on land, islands (Seersucker HY-2, CSS-C-3), and ships (CSS-N-4, and others). Sunburn?
• IRGC raids on key export facility(ties).
Hormuz: Breaking the Bottle at the Neck

- 280 km long, 50 km wide at narrowest point.
- Traffic lane 9.6 km wide, including two 3.2 km wide traffic lanes, one inbound and one outbound, separated by a 3.2 km wide separation median
- Antiship missiles now have ranges up to 150 km.
- Smart mines, guided/smart torpedoes,
- Floating mines, small boat raids, harassment.
- Covert as well as overt sensors.

Source: http://www.lib.utexas.edu/maps/middle_east_and_asia/hormuz_80.jpg
Planning for Asymmetric Warfare

• Deterrence and conflict prevention as critical as defense.

• Again, need integrated GCC force planning and war planning efforts.

• Must show GCC will act together. Cannot divide or exploit weakest link.

  Exercise realistic “red-blue” war games to determine common options and requirements.

• Follow-up with realistic CPXs and FTXs.

• Emphasize joint warfare approaches that tie in paramilitary and security forces.

• Demonstrate have exercised a retaliatory capability.

• Show can work effectively with US, UK, France.

• Strike at critical node or infrastructure.
Iranian Missiles and Proliferation
Nuclear Uncertainty

- Must plan to deal with possible Iranian force with unknown weapons characteristics, delivery systems, basing, and timelines.
  - Technology base now exists, enrichment to fissile levels is only limiting factor.
- Already a key factor in Iranian capability to conduct “wars of intimidation.”
- Clear Iran proceeding with extensive ballistic missile program regardless of whether it pursues the nuclear option.
- Cannot predict timeframe for nuclear threat. Worst case is 2009, but could well be 2015.
- Chemical and biological options as well.
Confusion Over the US NIE

- Not say Iran was not moving towards nuclear weapon.
  - Did say evidence that halted formal efforts at weapons development in 2003. (When US “victories” in Iraq and Afghanistan seemed most threatening to Iran,
  - Made it clear that Iran was pursuing enrichment technology that was the sole remaining barrier to Iran acquiring nuclear weapons.
- Since NIE was issued, new evidence has surfaced of weapons development efforts beyond initial “laptop” and “Green Salt” disclosures.
- Iran has also been discovered to have completed development of a new, far more advanced centrifuge.
- Iran has announced two new long-range missiles, and a “space” program that can be adapted to missile development.
DNI’s March 2008 Summary - I

Over the past year we have gained important new insights into Tehran’s activities related to nuclear weapons and the Community recently published a National Intelligence Estimate on Iranian intent and capabilities in this area. I want to be very clear in addressing the Iranian nuclear capability. First, there are three parts to an effective nuclear weapons capability:

1. Production of fissile material
2. Effective means for weapons delivery
3. Design and weaponization of the warhead itself

We assess in our recent NIE on this subject that warhead design and weaponization were halted, along with covert military uranium conversion- and enrichment-related activities. Declared uranium enrichment efforts, which will enable the production of fissile material, continue. This is the most difficult challenge in nuclear production. Iran’s efforts to perfect ballistic missiles that can reach North Africa and Europe also continue.

We remain concerned about Iran’s intentions and assess with moderate-to-high confidence that Tehran at a minimum is keeping open the option to develop nuclear weapons. We have high confidence that Iranian military entities were working under government direction to develop nuclear weapons until fall 2003. Also, Iranian entities are continuing to develop a range of technical capabilities that could be applied to producing nuclear weapons. Iran continues its efforts to develop uranium enrichment technology, which can be used both for power reactor fuel and to produce nuclear weapons. And, as noted, Iran continues to deploy ballistic missiles inherently capable of delivering nuclear weapons, and to develop longer-range missiles. We also assess with high confidence that even after fall 2003 Iran has conducted research and development projects with commercial and conventional military applications—some of which would also be of limited use for nuclear weapons.

We judge with high confidence that in fall 2003, Tehran halted its nuclear weapons design and weaponization activities, as well as its covert military uranium conversion and enrichment-related activities, for at least several years. Because of intelligence gaps, DOE and the NIC assess with only moderate confidence that all such activities were halted. We assess with moderate confidence that Tehran had not restarted these activities as of mid-2007, but since they comprised an unannounced secret effort that Iran attempted to hide, we do not know if these activities have been restarted.

We judge with high confidence that the halt was directed primarily in response to increasing international scrutiny and pressure resulting from exposure of Iran’s previously undeclared nuclear work. This indicates that Iran may be more susceptible to influence on the issue than we judged previously.
DNI’s March 2008 Summary - II

We do not have sufficient intelligence information to judge confidently whether Tehran is willing to maintain the halt of its nuclear weapons design and weaponization activities indefinitely while it weighs its options, or whether it will or already has set specific deadlines or criteria that will prompt it to restart those activities. We assess with high confidence that Iran has the scientific, technical and industrial capacity eventually to produce nuclear weapons. In our judgment, only an Iranian political decision to abandon a nuclear weapons objective would plausibly keep Iran from eventually producing nuclear weapons—and such a decision is inherently reversible. I note again that two activities relevant to a nuclear weapons capability continue: uranium enrichment that will enable the production of fissile material and development of long-range ballistic missile systems.

We assess with moderate confidence that convincing the Iranian leadership to forgo the eventual development of nuclear weapons will be difficult given the linkage many within the leadership see between nuclear weapons development and Iran’s key national security and foreign policy objectives, and given Iran’s considerable effort from at least the late 1980s to 2003 to develop such weapons.

We continue to assess with moderate-to-high confidence that Iran does not currently have a nuclear weapon. We continue to assess with low confidence that Iran probably has imported at least some weapons usable fissile material, but still judge with moderate-to-high confidence it has not obtained enough for a nuclear weapon. We cannot rule out that Iran has acquired from abroad—or will acquire in the future—a nuclear weapon or enough fissile material for a weapon. Barring such acquisitions, if Iran wants to have nuclear weapons it would need to produce sufficient amounts of fissile material indigenously—which we judge with high confidence it has not yet done.

Iran resumed its declared centrifuge enrichment activities in January 2006, despite the 2003 halt in its nuclear weapons design and weaponization activities. Iran made significant progress in 2007 installing centrifuges at Natanz, but we judge with moderate-to-high confidence it still faces significant technical problems operating them.

- We judge with moderate confidence that the earliest possible date Iran would be technically capable of producing enough highly enriched uranium (HEU) for a weapon is late 2009, but that is very unlikely.

- We judge with moderate confidence Iran probably would be technically capable of producing enough HEU for a weapon sometime during the 2010-2015 time frame. INR judges Iran is unlikely to achieve this capability before 2013 because of foreseeable technical and programmatic problems. All agencies recognize the possibility that this capability may not be attained until after 2015.
We know that Tehran had a chemical warfare program prior to 1997, when it declared elements of its program. We assess that Tehran maintains dual-use facilities intended to produce CW agent in times of need and conducts research that may have offensive applications. We assess Iran maintains a capability to weaponize CW agents in a variety of delivery systems.

We assess that Iran has previously conducted offensive BW agent research and development. Iran continues to seek dual use technologies that could be used for biological warfare.

Extract from J. Michael McConnell, Director of National Intelligence, “Annual Threat Assessment of the Intelligence Community for the Senate Armed Services Committee,” 27 February 2008
Sites circled in red: unknown pre-mid 2002

MW Megawatts
- Uranium processing facility
- Uranium mines
- Heavy-water facility
- Research reactors / research facilities
- Uranium enrichment facility
- Light-water reactor (under construction)

Source: ISSmaps
Vehicle Entrance Ramp (before burial)

Admin/engineering office area

Bunkered underground production halls

DigitalGlobe Quickbird commercial satellite image
Vehicle Entrance Ramp (after burial)

Helicopter pads

Admin/engineering office area

DigitalGlobe Quickbird commercial satellite image

Bunkered underground Centrifuge cascade halls

New security wall

Dummy building concealing tunnel entrance ramp
Effective Concealment
# Iranian Missile Program

<table>
<thead>
<tr>
<th></th>
<th>Shahab-3</th>
<th>No Dong</th>
<th>Shahab-4</th>
<th>Variant</th>
<th>IRIS</th>
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</thead>
<tbody>
<tr>
<td>Range</td>
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<td>1,300</td>
<td>2,000</td>
<td>2,000</td>
<td>3,000</td>
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<tr>
<td>Payload</td>
<td>~1,000</td>
<td>700-1000</td>
<td>?</td>
<td>700</td>
<td>~1,000</td>
</tr>
</tbody>
</table>
Estimated Ranges of Current and Potential Iranian Ballistic Missiles

Current Missile Delivery System
- **CSS-8**: 150 km - China
- **SCUD B**: 300 km - Libya; North Korea
- **SCUD C**: 500 km - North Korea

Potential Missile Delivery System
- **No Dong**: 1,000 km - North Korea
- **Taepo Dong 1**: More than 1,500 km - North Korea
- **Taepo Dong 2**: 4,000–6,000 km - North Korea

Source:

Should Iran receive long range missiles from North Korea, or develop its own, it could threaten a much wider area.
Dealing with Nuclear Uncertainty

- Decide proper mix of four basic military options:
  - Prevention/preemption,
  - Active and passive defense,
  - Acquiring own nuclear weapons, and/or
  - US extended deterrence.

- Can wait for diplomacy for time being, but need to start considering future options.
  - Ballistic and cruise missile defenses maybe cost-effective simply to deal with conventional threat.
  - A number of systems offer both improved air and missile defense.
  - Need quiet talks with US on containment options; extended deterrence.
  - Open support for IAEA and diplomatic options key passive approach.
Iraqi Instability
Possible Scenarios

- GCC-Arab vs. Iranian intervention
- Iranian dominance of Iraq; Invited In to Replace US?
- Spillover of Iraqi Sunni-Shi’ite power struggles.
- Collapse of US position in the Gulf.
- Sustained political/security pressure from failed Iraq War, Iran, Arab-Israeli conflict, and Lebanese instability.
Al Qaeda in Iraq
December 2006

Source: MNF-I, January 17, 2008
Source: MNF-I, January 17, 2008
Overall Weekly Attack Trends

Source: MNF-I SIGACTS III Database (Coalition Reports only) as of Feb 23 2008. Chart includes executed attacks and potential (found and cleared) attacks.

Source: DoD Quarterly Report, March, 2008. Pg. 18
Iraqi Sectarian & Ethnic Divisions
Ethno-Sectarian Deaths
January 2006 – February 2008

Includes Sunni on Sunni and Shi’ite on Shi’ite

Source: MNF-I SPA Assessments CI/OC Trends Database (Coalition and Iraqi Reports) as of Feb 23 2008 (*EOM Feb 2008 projected)

Source: DoD Quarterly Report, March, 2008. Pg. 21
Average Daily Attacks by Province
July 2007 – November 2007

These four provinces have approximately 42% of the population but account for 80% of attacks.

Attacks in Baghdad Province have decreased approximately 53% since last reporting period.

Source: SIGACTS III Database (Coalition Reports only) as of Nov 30 2007.
Data reflects enemy attacks targeted against Coalition, ISF, civilians, infrastructure, Iraqi government organizations and reconstruction operations centers.
These four provinces have approximately 42% of the population but account for 86% of executed attacks.

Since the last reporting period, executed attacks have significantly decreased in all provinces (43% decline in Baghdad Province), with the exception of Ninewa Province which has seen an 17% increase.

Source: MNF-I SPA Assessments. SIGACTS III Database (Coalition Reports only) as of Feb 23 2008. Data reflects executed enemy attacks targeted against coalition, ISF, civilians, Iraqi infrastructure and government organizations. Does not include IEDs and mines found and cleared.
Ethno-Sectarian Violence

Density plots depict incidents where deaths occurred from any means that were clearly ethno-sectarian in motivation, to include car bombs.

Source: CIOC Trends (CF & Iraqi reports checked for duplication) as of 12 Jan 08.
Zooming in On Baghdad

Source: MNF-I, January 17, 2008
Near Term Iraqi Force Goals

- OBJ COIN & OCSF 325K
- Currently Assigned and Trained 370K
- ISF growth in accordance with further analysis
- Currently Assigned 492K
- Increase of 45K due to:
  - 120% manning of combat units to include PMI units
  - Prime Minister Initiative for Army Expansions
  - MI/06 Adjustments

Legend:
- Ministry of Defense Forces
- Iraqi Regular Police Service
- Border Enforcement
- National Police

Note: Manpower level of combat battalions raised to 120% due to Operation Fadh Al Gharib lessons learned (FMS funded).
The Cost of Dividing the Country: Infrastructure and Iraqi Oil Fields

The Case for National Unity

• Single port.
• Integrated road net. Rail net cross ethnic & sectarian areas
• Water & irrigation systems. Agricultural exports.
• Secure oil exports; refinery & product needs.
• Electric and gas generation.
• Air traffic and overflight rights.
• Network of state-owned enterprises.
Security Impact on GCC States

- Stable and secure Iraq critical to Gulf security.
- Political accommodation and national unity critical to limiting Iranian influence and spillover of Iraqi Sunni-Shi’ite power struggles.
- Strong Iraq self-defense capability is critical buffer to security of the entire Gulf.
- Support and aid from GCC states is a critical element of Gulf security.
Energy and Critical Infrastructure
Energy Infrastructure is Critical, But

- Steadily rising global demand for Gulf crude, product, and gas
- Rising Asian demand (much exported indirectly to the West)
- Heavy concentrations in facilities designed to economies of scale, not redundancy.
- Poor response planning, and long-lead time replacement for critical key components.
- Day-to-day use often near limits of capacity
- Lack of systems integration and bypass capability at national and GCC level
- Improving lethality and range of precision strike systems.
- Smarter saboteurs and terrorists.
Gulf Energy as Percent of World in 2007

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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</thead>
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<td>Crude Oil Reserves</td>
<td>55</td>
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<tr>
<td>Natural Gas Reserves</td>
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<tr>
<td>Oil Production Capacity</td>
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<tr>
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<td>28</td>
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<tr>
<td>Excess Oil Production Capacity</td>
<td>83</td>
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</table>

Source: IEO 2007
World Dependence on Gulf Proven Conventional Oil Reserves

Rising Output From Gulf Oil Producers: 2005-2030
(In MMBD in EIA/DOE reference case in IE0 2007)

Average world oil prices in 2030 are $36, $59, and $100 per barrel in 2030

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<tr>
<th>Year</th>
<th>UAE</th>
<th>Saudi Arabia</th>
<th>Qatar</th>
<th>Oman</th>
<th>Non-OPEC</th>
<th>Libya</th>
<th>Kuwait</th>
<th>Iraq</th>
<th>Iran</th>
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History of Oil Shocks: Pre-$100 Oil

Overtimes: more incidents, more frequent volatility, higher risk of asymmetric attacks, and more geopolitical uncertainties.

Note: These prices are averages of several types: Saudi Light, Iranian Light, Libyan Es Sider, Nigerian Bonny Light, Indonesian Minas, Venezuelan Tia Juana light Mexico Maya, and UK Brent blend

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Growth of Global Energy Demand
Consumption of Energy in Quadrillion BTUs: 2004 vs. 2030

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Adapted from DOE/EIA, IEO 2007, Table A1 Reference Case In Quadrillions of Btus.

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Growth of China and US Energy Demand

Consumption of Energy in Quadrillion BTUs: 2004 vs. 2030

Adapted from DOE/EIA, IEO 2007, Table A1 Reference Case In Quadrillions of Btus.
Impact of Rising Asian Liquids Consumption in the EIA Reference Case, 1990-2030

History

Projections

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<td>2.6</td>
<td>15.7</td>
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</tr>
<tr>
<td>2025</td>
<td>2.7</td>
<td>2.3</td>
<td>2.5</td>
<td>3.2</td>
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<td>15.7</td>
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<tr>
<td>2030</td>
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<td>2.3</td>
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<td>2.6</td>
<td>15.7</td>
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</tr>
</tbody>
</table>

Source: EIA, IEO2007, Appendix A, p. 88
DOE/EIA Estimate of Continued U.S. Liquid Fuels Import Dependence: 1990-2030
(Imports as % of Total Consumption)
MENA Oil Infrastructure

Source:
Vulnerability of Gulf Oil Fields

Abu Musa, Tumbs, Hormuz

- 16-18 MMBD per day with 25%+ growth over next decade.
- 750 million tons of crude oil in 2006; 20% of world supply.
- Only 50% of traffic is oil. Containers are 20%; bulk cargo is 22%. 8% other.
- 2.5 billion DWT of cargo in 2006.
- Gulf will export 40% of world’s LNG by 2015.

And, Energy Is Only Part of Problem

- Critical dependence on desalination and key water system facilities. 30 major plants with no surplus capacity, and meeting only 60% of projected needs by 2020.
- Electric power critical to both economic and civil needs; grids often compartmented or limited in power transfer.
- Ports and air security critical to food imports.
- Some countries heavily dependent on security of domestic gas systems.
- *Day to day use sometimes near total capacity.*
- *Poor response planning and long-lead time replacement for critical key components.*
- *Lack of systems integration and bypass capability at national and GCC level*
Meeting the Critical Infrastructure Security Challenge

- Effective defense of the nation and Gulf waters/airspace.
- Joint military, paramilitary, law enforcement, and intelligence defense of critical facilities.
- Passive defense in terms of reducing critical vulnerabilities, redundancy, rapid repair and replacement, etc.
- Suitable response planning and planning for long-lead time replacement for critical key components.
- Systems integration and bypass capability at national and GCC level
Terrorism
Region-Wide Impact of Neo Salafi Extremism, Franchising of Al Qa’ida, and Impact Inside and Outside Region
Range of Hostile Organizations in Region

Abu Nidal Organization (ANO)
Abu Sayyaf Group (ASG)
A-Al qsa Martyrs Brigade Ansar a-Sl unna (AS)
Armed Islamic Group (GIA)
Asbat al-Ansar
Gama'a al-Islamiyya (IG)
Harakat ul-Mujahedin (HUM)
Hizballah Islamic Jihad Union (IJU)
Islamic Movement of Uzbekistan (IMU)
Jaish-e-Mohammed (JEM)
Jemaah Islamiya Organization (JI)
Al-Jihad (AJ)
Kahane Chai (Kach)
Libyan Islamic Fighting Group (LIFG)
Moroccan Islamic Combatant Group (GICM)
Mujahedin-e Khalq Organization (MEK)
Al-Qaida in the Islamic Maghreb (AQIM) [Formerly Salafist Group] for Call and Combat (GSPC)]
Al-Qaida (AQ)
Al-Qaida in Iraq (AQI)
Al-Qaida in the Peninsula
The Continuing Threat: Saudi Arabia

• In January 2008, new law states anyone convicted of setting up a website supporting terrorism will be sentenced to 10 years in prison and fined five million riyals (about $1.3 million).

• In a December 2, 2007 press conference at King Saud University, Saudi Interior Minister Prince Naif bin 'Abd Al-'Aziz criticized mosque preachers who call for jihad, saying: "The efforts on the ideological front still leave much to be desired. Security measures in themselves are not sufficient [to stop terrorism] - it is mainly action on the ideological [front] that prevents extremist ideas from infiltrating the minds of the youth."

• In a December 1, 2007 interview with the Saudi daily 'Okaz, published shortly after the terror cells were uncovered and arrested, Prince Naif stressed the important role of the 'ulama and journalists in the ideological struggle against terrorism.

• On December 1, 2007, Saudi government issues announcement prohibiting Saudi youth from waging jihad, called on young Saudis inside the country and abroad who were planning to engage in jihad in areas of conflict to turn themselves in as soon as possible.

• In December 2007, Saudi security forces capture another terrorist cell, which had planned to attack Muslim pilgrims during the Hajj.

• In November 2007, the Saudi Interior Ministry announces that six terrorist cells, with a total of 208 members, were captured. Cells had planned operations including attacks on oil installations and assassinations of security personnel. Had targeted senior clerics who had come out against the terrorist organizations, including Saudi Mufti Sheikh 'Abd Al-'Aziz bin 'Abdallah Aal Al-Sheikh and Senior 'Ulama Council members such as Sheikh Saleh bin Fawzan Al-Fawzan.

Meeting the Challenge of Regional and Internal Terrorism and Instability

- Directly engage in ideological struggle for the future of Islam and religious legitimacy.
- Continue to strengthen counterterrorism forces and capabilities.
- Improve cooperation in GCC in counterterrorism and intelligence.
- Strengthen border, coastal, and port security.
- Reduce sectarian tensions and discrimination.
- Fairer treatment of foreign labor.
- Strengthen bilateral cooperation with U.S. and Europe.
- Strengthen cooperation with Interpol, UN, and other regional counterterrorism centers.
- Aid to Yemen and poorer regional states.
War in Afghanistan, Potential Destabilization of Pakistan, and Impact on Proliferation and Islamist Extremism in the Middle East
In 2007 the number of attacks in Afghanistan’s Taliban-dominated insurgency exceeded that of the previous year, in part because NATO and Afghan forces undertook many more offensive operations. Efforts to improve governance and extend development were hampered by a lack of security in some areas and a general lack of government capacity and competency. The ability of the Karzai government, NATO, and the United States to defeat the Taliban will determine the continued support of the Afghan people for the government and the international community. Afghan leaders also must deal with endemic corruption and pervasive poppy cultivation and drug trafficking. Ultimately, defeating the insurgency will depend heavily on the government’s ability to improve security, deliver services, and expand development for economic opportunity.

Although international forces and the Afghan National Army continue to score tactical victories over the Taliban, the security situation has deteriorated in some areas in the south, and Taliban forces have expanded their operations into previously peaceful areas of the west and around Kabul. The Taliban-dominated insurgency has expanded in scope despite operational disruption caused by International Security Assistance Force (ISAF) and Operation Enduring Freedom operations. The death or capture of three top Taliban leaders last year—their first high level losses—does not yet appear to have significantly disrupted insurgent operations.

Continued progress has been made in expanding and fielding the Afghan National Army, which as of the end of 2007 reported attaining 70 percent of its authorized 70,000 end strength. While this is an improvement, the shortage of international trainers in the field, high operational tempo, attrition, and absenteeism hamper efforts to make units capable of significant independent action. The Afghan National Police has approximately 90 percent of its authorized 82,000 end-strength. While the National Police may have more forces throughout Afghanistan, corruption, insufficient training and equipment, and absenteeism hamper their effectiveness.

Kabul in 2008 must work closely with the national legislature, as well as provincial and tribal leaders, to establish and extend the capacity of the central government. The country faces a chronic shortage of resources and of qualified and motivated government officials at the national and local level.
Major Ethnic Divisions
# Enemy Activity Snap-shot (Weeks 1 – 52 for 2005 & 2006)

01 January – 31 December (2005 & 2006)

<table>
<thead>
<tr>
<th>Type of Activity</th>
<th>2005</th>
<th>2006</th>
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</thead>
<tbody>
<tr>
<td>Suicide Attacks</td>
<td>27</td>
<td>139</td>
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<tr>
<td>School Attacks</td>
<td>98</td>
<td>129</td>
</tr>
<tr>
<td>Direct Fire *</td>
<td>1558</td>
<td>4542</td>
</tr>
<tr>
<td>Indirect Fire</td>
<td>599</td>
<td>1511</td>
</tr>
<tr>
<td>IEDs</td>
<td>783</td>
<td>1677</td>
</tr>
</tbody>
</table>

*Method of Attack*

<table>
<thead>
<tr>
<th>Activity for Period</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Fire *</td>
<td>1558</td>
<td>4542</td>
</tr>
<tr>
<td>Indirect Fire</td>
<td>599</td>
<td>1511</td>
</tr>
<tr>
<td>IEDs</td>
<td>783</td>
<td>1677</td>
</tr>
</tbody>
</table>

Note: Does not include land mine strikes

*Direct Fire includes SAFIRE events*
UNDSS SECURITY INCIDENTS JAN 2003 TO JUL 2007

- 2007 year average: 525 incidents per month
- 2006 year average: 425 incidents per month
Average Annual Monthly Incidents

6,500+ Iraqi Civilian

33% Rise

Areas where the accessibility improved between May 2006 and May 2007

Areas where the accessibility deteriorated between May 2006 and May 2007
DNI McConnell: ”the Taliban was able to control the population in the area -- about 10 to 11 percent of the country. The government, on the other hand -- the federal government, had about 30 (percent), 31 percent; and then the rest of that was local control.” (27-2-08)

Afghan Intel Chief Amrullah Saleh: Only 8 of 364 districts not under government control
Growing Differences Between Insurgent Organizations

**TBSL in the south:** Over 2007, the Taliban leadership in the south has been weakened as a result of the capture or kill of senior Taliban leaders. While the insurgency in the south remains Taliban-led, the once overarching influence of the Taliban over the insurgency in the east is diminishing. The insurgency in the east has become a conglomerate of disparate insurgent groups, operating independently from the once prevailing influence of the Taliban senior leadership in the south.

**Insurgent leadership in the east:** The insurgency within the FATA and RC East significantly evolved over 2007; it is no longer a traditional rigid structure, operating in a top-to-bottom order, and more importantly, no longer a Taliban-dominant insurgent network. Interacting networks including the Taliban, Haqqani Network, Hezb-e Islami Gulbuddin, and Tehrik-e Nafaz-e Shariat Mohammad-e drive the concept of the insurgency in the east.
Insurgency Objectives in 2008

**RC-North: Destabilize** - Increased asymmetric attacks aimed at destabilizing the region

**RC-West: Expand** - Aggressive insurgent expansion designed to further develop support areas

**RC-East: Sustain** - Enemy sustains current level of operations in the east through increased use of asymmetric tactics

**RC-South: Control** - Enemy attempts to consolidate gains IOT control the south by isolating Kandahar

**Factors for a decrease in Significant Acts for 2008 compared to the same time-period in 2007:**
- Waziristan fighting and POLMIL instability in Pakistan
- Successes against key HVTs and networks
- Winter weather
- Sustained ISAF operations due to no winter RIP/TOA
- Increased use of OPSEC by insurgents
- Insurgent training
Director of National Intelligence Michael McConnell on Developments in Pakistan to House Permanent Select Committee on Intelligence, February 7, 2008

Al-Qa’ida and its terrorist affiliates continue to pose significant threats to the United States at home and abroad, and al-Qa’ida’s central leadership based in the border area of Pakistan is its most dangerous component...al-Qa’ida’s central leadership in the past two years has been able to regenerate the core operational capabilities needed to conduct attacks in the Homeland:

- Al-Qa’ida has been able to retain a safehaven in Pakistan’s Federally Administered Tribal Areas (FATA) that provides the organization many of the advantages it once derived from its base across the border in Afghanistan, albeit on a smaller and less secure scale. The FATA serves as a staging area for al-Qa’ida’s attacks in support of the Taliban in Afghanistan as well as a location for training new terrorist operatives, for attacks in Pakistan, the Middle East, Africa, Europe and the United States.

- Using the sanctuary in the border area of Pakistan, al-Qa’ida has been able to maintain a cadre of skilled lieutenants capable of directing the organization’s operations around the world. It has lost many of its senior operational planners over the years, but the group’s adaptable decisionmaking process and bench of skilled operatives have enabled it to identify effective replacements.

- Al-Qa’ida’s top leaders Usama Bin Ladin and Ayman al-Zawahiri continue to be able to maintain al-Qa’ida’s unity and its focus on their strategic vision of confronting our allies and us with mass casualty attacks around the globe. Although security concerns preclude them from the day-to-day running of the organization, Bin Ladin and Zawahiri regularly pass inspirational messages and specific operational guidance to their followers through public statements.

- Al-Qa’ida is improving the last key aspect of its ability to attack the US: the identification, training, and positioning of operatives for an attack in the Homeland. While increased security measures at home and abroad have caused al-Qa’ida to view the West, especially the US, as a harder target, we have seen an influx of new Western recruits into the tribal areas since mid-2006.

- The IC assesses that Pakistan-based Lashkar-e-Tayyiba (LT) and other Kashmir-focused groups will continue attack planning and execution in India. Shia and Hindu religious observances are possible targets, as are transportation networks and government buildings. We judge Kashmir-focused groups will continue to support the attacks in Afghanistan, and operatives trained by the groups will continue to feature in al-Qa’ida transnational attack planning.
Pakistan’s Internal Concerns

Political / Civil Climate
- Pakistan contends with political turmoil following Bhutto’s assassination

Pakistan Military and Frontier Corps
- PAKMIL and Frontier Corps (FC) realignment ongoing; concern is effectiveness of FC in Federally Administered Tribal Area (FATA)

Federally Administered Tribal Area
- 2007 has seen an unprecedented number of offensive actions taken by insurgent elements against the Government of Pakistan (GoP). To date, Pakistani security forces have been unsuccessful in mitigating insurgent presence, have sustained record losses, and have raised serious questions on the Pakistan Military (PAKMIL) and Frontier Corps’s capacity and capability to conduct effective military operations in the FATA.
- Due to the GoP’s failed policies and security initiatives within the FATA, insurgent elements have been able to expand their influence in the settled areas of NWFP and further solidify greater portions of the FATA as safe-havens.
Meeting the Challenge of Afghan and Pakistani Terrorism and Instability

- Help Afghanistan and Pakistan directly engage in ideological struggle for the future of Islam and religious legitimacy.
- Development aid to Afghanistan and Pakistan.
- Continued support for US and NATO/ISAF deployments.
- Act to prevent transfers of funds, “volunteers,” and suspect personal movements.
Demographics, Foreign Labor, and Social Change
The Broader Security Challenge

- 70% of native population under 30.
- 30%+ is 14 years or younger; two decade long youth bulge still to come.
- Overreliance on foreign labor in many countries
- High underemployment of native labor and low productivity gain – career prospects.
- More women graduating secondary school and university in key countries; slow and uncertain evolution in role of women.
- Poor to mixed income distribution.
- Face global standards of competition.
- Uncertain evolution of politico-religious-social legitimacy.
But Energy Is Only Part of Problem

Source: NBK GCC Economic Outlook, 2008. Pg. 9.
Key Disparities in the GCC States

Increase in oil wealth is matched by major growth in non-oil sector, but major problems remain:

• Income distribution
• Differences in per capita income
• Dependence on foreign labor
Total Population of Gulf States: 2005 vs 2050

(UN Data)

Note: Estimates for 2030 and 2050 are based on median variant projections

Source: Adapted by Anthony H. Cordesman from the United Nations Population Division’s annual estimates and projections

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Population of Gulf States Ages 0-14 Years: 2005 vs 2050

(UN Data)

<table>
<thead>
<tr>
<th>Country</th>
<th>2005 0-14 Years</th>
<th>2030 0-14 years</th>
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<tbody>
<tr>
<td>Bahrain</td>
<td>190,282</td>
<td>184,402</td>
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<tr>
<td>Iran</td>
<td>19,961,111</td>
<td>18,611,541</td>
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<td>Iraq</td>
<td>11,606,097</td>
<td>14,809,245</td>
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<td>Kuwait</td>
<td>641,476</td>
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<tr>
<td>Oman</td>
<td>847,128</td>
<td>967,926</td>
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<tr>
<td>Qatar</td>
<td>173,122</td>
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<tr>
<td>Saudi Arabia</td>
<td>8,153,785</td>
<td>9,415,064</td>
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<td>United Arab Emirates</td>
<td>814,637</td>
<td>1,074,180</td>
</tr>
<tr>
<td>Yemen</td>
<td>9,678,072</td>
<td>14,691,100</td>
</tr>
</tbody>
</table>

Note: Estimates for 2030 and 2050 are based on medium variant projections

Source: Adapted by Anthony H. Cordesman from the United Nations Population Division’s annual estimates and projections.
Meeting the Broader Security Challenge

- There is no lasting hope of security that does not offer Gulf youth meaningful careers and fair distribution of income.
- Economic and social development are critical aspects of security and key aspects of counterterrorism.
- Job creation means reducing dependence on foreign labor, but security means give foreign labor more rights, protection, and fair wages.
- Education and private domestic and foreign investment are twin tools to making native labor globally competitive.
- Must develop the GCC, not leave some states with critical disparities in per capita income.
- No global competitiveness if exclude women.