Saudi Arabia and the United States: Common Interests and Continuing Sources of Tension

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Cover: N.Y. Army National Guard photo by Sgt. Harley Jelis
The United States and Saudi Arabia have been strategic partners throughout the Postwar era. In broad terms, the United States and Saudi Arabia have cooperated closely in shaping Gulf and regional security during most of the more than 70 years since President Roosevelt met with King Abdul Aziz aboard the USS Quincy on February 14, 1945. This partnership is even more important today than in the past, given the complex threats posed by Iran, ISIS, civil wars, and political upheavals in the region. At the same time, the relationship faces significant challenges, and both sides need to make significant adjustments to make it more durable.
Strong Security Ties, But with Significant Tensions

The key legacy of this partnership has been staunch cooperation in both bilateral developments and regional security issues. Saudi Arabia strongly backed the United States against the former Soviet Union throughout the Cold War. Both states supported each other during their respective confrontations with Nasser, in supporting Afghan opposition to the Soviet invasion of Afghanistan, and in dealing with crises in Iraq and Yemen. They backed Iraq against Iran when Iran threatened to defeat Iraq during the Iran-Iraq War, and then fought as allies against Saddam Hussein when he invaded Kuwait.

Saudi Arabia depends on the United States for most of its arms and for military training and support. The Kingdom now has U.S. military advisory missions for its regular armed forces, its National Guard, and the counterterrorism and internal security forces in the Saudi Ministry of the Interior. U.S. government estimates indicate that Saudi Arabia placed $86 billion worth of new arms orders during 2007-2014, and $60.2 billion of that was with the United States.

There have, however, been tensions as well. The most divisive challenge has been the Arab-Israeli conflict. U.S. ties to Israel, and Saudi ties to the Palestinians, divided the two states during each of the Arab-Israel wars and the associated oil embargo in 1973. Washington’s support of Israel and failure to deliver a durable peace is always in the background of the American and Saudi relationship, even when it seems to be subsumed by other regional concerns.

One former Saudi official with decades of experience in working on U.S. and Saudi relations commented as follows on a working draft of this paper,

“Although it may currently be overshadowed by the other conflicts raging across the region, one cannot underestimate the weight and role of the Israeli-Palestinian conflict in destabilising the region, or the importance of Saudi-American cooperation in pushing for peace. Today we have, as you say, Daesh/ISIS, Hezbollah, Iran and Yemen, but the most lasting regional threat remains Israel. This issue is essential not only to the Saudi-American relationship, but to the future of the entire region...”

American and Saudi policymakers have, do, and will continue to disagree about Israel unless and until some durable peace settlement is achieved. The United States has, however, made repeated efforts to create such a peace, and while Saudi Arabia initially opposed the Camp David peace accords between Egypt and Israel, it has since made diplomatic overtures to resolve the Arab-Israel conflict with peacemaking initiatives floated by both King Fahd (1981) and King Abdullah (2002).

Energy has both united and divided the two countries—uniting them the moment the flow of energy exports out of the Gulf is threatened and dividing them, to some degree, when oil prices are high. The level of cooperation has varied at times. For example, the United States declared Saudi Arabia and Iran to be the “twin pillars” in the Gulf when Britain left the region in the early 1970s, but gave its ties to Iran priority until the fall of the Shah in 1979. The United States lined up behind Saudi Arabia and its GCC allies during the 1980s “tanker war” between Iraq and Iran, providing direct military intervention to keep the Gulf shipping lanes open.
The 9/11 attacks on the U.S. homeland led to a major examination of the relationship at the government and public levels. Tensions continued until Al Qaeda in the Arabian Peninsula (AQAP) launched a violent campaign in Saudi Arabia. Both countries became close partners in fighting terrorism as a result.

Saudi Arabia repeatedly warned the United States at the highest levels about the risks of invading Iraq in 2003, although it quietly allowed the United States to use its airspace for recovery missions and cruise missile flyovers, and it provided other facilities and support. Since then, Saudi Arabia has seen the loss of Iraq as a strategic buffer against Iran and the Baghdad governments come under growing Iranian influence. It has also felt that the United States failed to act decisively in dealing with Assad and the Syrian civil war, and its strategy against ISIS has allowed Iranian influence to grow in Iraq.

Despite Saudi Arabia’s worries about the potential for a nuclear-armed Iran, it has also been skeptical of the JCPOA agreement achieved by the United States and its P5+1 partners. The U.S. administration’s announcement of a strategic “pivot” to Asia has also increased Saudi doubts about American commitment to the Gulf and Saudi security.

Differences in religion, culture, and political systems are a continuing source of misunderstanding among publics on both sides. Americans who know the Kingdom understand its level of progress over time, have Saudi friends, and find it easy to live there. But most Americans have limited understanding of Saudi history and culture and the changes that have been made. A large number of Saudis have studied and lived in the United States especially in the last decade, but most Saudis have a limited understanding of the United States. The myriad connections between the United States and Saudi Arabia—in government, business, military, education and elsewhere—have served to make the overall relationship durable when disruptions occur. However, the United States and the Kingdom are tied together by common interest and not by common understanding.

As one Saudi expert noted,

"...as you say, there is a significant imbalance between Saudi Arabia and the United States in efforts to understand each other. If Saudis know more about America and Americans, then why are Americans not making a greater effort to understand Saudi Arabia? This is not an issue of politeness or cultural awareness, it is a matter of strategic and national interest for the United States. Saudi Arabia invests on a regular basis in efforts to teach Americans more about Saudi Arabia, and we have 160,000 Saudi students in the United States who act as examples and spokesmen for their country. The US government and US companies present in Saudi Arabia however make little effort to teach their employees about the country they live in, or to provide a better understanding and better relations. It is the duty of the US administration to invest in tools for Americans better to understand Saudi Arabia, its people and its policies, for this is a matter of foremost important to US national interest."

Another Saudi, however, noted the need for both sides to improve the quality and openness of their strategic dialog.

- **Managing expectations:** both the US and Saudi must manage their expectations about the other’s interests, capabilities, and domestic and international pressures. It is self-defeating and is exerting so much pressure on both sides when both expect each others to agree and more foolishly to behave exactly the same in all situations.

- **Dynamic vs. Static:** The partnership seems to be stuck in the 1980s and 1990s based on certain policies and officials without major efforts in investing in its future and/or adjusting it to the
changing strategic landscape regionally and internationally. Strategic dialogue should continue not only during major crises in the relationship but always in order to avoid the tensions, etc.

- **Straight talk**: both sides should have clarity of the other's intentions to avoid guessing and theorizing. This would leave little room for people to fill in the blank about the intentions of both sides. Strategic ambiguity is dangerous in some cases.

**Building a Stronger Relationship**

All partnerships and alliances must be built on the reality that no two nations have a complete identity of interests, that relationships must evolve to be sustainable, and that common understanding only comes with continuing effort. This is particularly true of the United States and Saudi Arabia at a time when developments in the region are so complex and unstable, and the relationships between the forces that drive these threats are changing so quickly.

To be specific, there are eleven areas where the United States and Saudi Arabia can improve the levels of cooperation and understanding:

1. Improving mutual publics’ and policymakers’ understanding of the U.S.-Saudi strategic partnership
2. Developing a common understanding of energy interdependence, a strategic rationale for the U.S.-Saudi partnership, and energy policy.
3. Dealing with Iran as a broad Gulf and regional security threat and understanding the full mix of direct and asymmetric security threats that the current regime in Iran poses to the region.
4. Dealing with the threat posed by the mix of ethnic, sectarian, Islamist extremist threats, ongoing fighting, and longer-term instability in Syria.
5. Dealing with the threat posed by the mix of ethnic, sectarian, Islamist extremist threats, ongoing fighting, and longer-term instability in Iraq.
6. Dealing with the threat posed by the civil war in Yemen.
7. Improving coordination in counterterrorism, counterinsurgency, and countering violent Islamic extremism.
8. Dealing with the emergence of the Kurds as a major element in the security in Syria and Iraq, the emergence of serious Kurdish tensions with Turkey, and the expanding Kurd enclaves in Syria and Iraq that could lead to conflicts between Kurds and Arab.
9. Dealing with the broader regional forces of instability that led to the “Arab winter,” that already affect key regional powers like Egypt and Libya, and now threaten the stability of others.
11. Improving cooperation in developing and coordinating security forces, force plans and arms choices, training, and contingency plans – bilaterally and on a GCC-wide/Arab alliance basis.

**Improving Mutual Public and Policy Level Understanding of the U.S.-Saudi Strategic Partnership**

Both countries need to take steps to improve the public and expert understanding of the level of strategic partnership that already exists, and to address the fact that Saudis generally understand the United States better that Americans understand Saudi Arabia.
Making the U.S.-Saudi strategic partnership transparent and developing public understanding

There is nothing secret about the depth of the U.S. and Saudi strategic partnership. Both governments report on it in detail, and U.S. ties to Israel and Saudi support of the Palestinians—while very real—have lost much of their political sensitivity. In fact, the U.S. State Department issued an unclassified fact sheet on March 1, 2016 that highlighted the critical importance of the American strategic partnership with Saudi Arabia and other Arab Gulf states,

Saudi Arabia plays a crucial role in maintaining security in the Middle East, due to its economic, political, and cultural importance and its strategic location. Given the complex and dynamic security challenges facing the region, including countering violent extremism from the Islamic State of Iraq and the Levant as well as other extremist groups, the United States will continue to work with Saudi Arabia to support counterterrorism efforts and a shared interest in regional stability. In addition, building on the May 14, 2015 Camp David Summit, we are working with the Gulf Cooperation Council to increase cooperation on maritime security, military preparedness, arms transfers, cybersecurity, and counterterrorism. Toward that end, the United States will continue to collaborate with Saudi Arabia to improve training for special operations and counterterrorism forces, integrate air and missile defense systems, strengthen cyber defenses, and bolster maritime security.

Through foreign military sales, the United States has supported three key security assistance organizations in the Kingdom. The U.S. Military Training Mission provides training and advisory services and administers the U.S. military cooperation program with the Saudi Ministry of Defense. The Office of the Program Management-Saudi Arabian National Guard assists in the modernization of the Ministry of the National Guard. The Office of Program Management-Ministry of Interior supports critical infrastructure protection and public security. Since the 1950s, the U.S. Army Corps of Engineers has also played a vital role in military and civilian construction in Saudi Arabia.

- Saudi Arabia is the United States’ largest FMS customer, with nearly $100 billion in active FMS cases. In November 2015, the United States approved a possible FMS case to Saudi Arabia for air-to-ground munitions and associated equipment, parts and logistical support for an estimated cost of $1.29 billion. In October 2015, the United States approved a possible FMS to Saudi Arabia for Multi-Mission Surface Combatant ships and associated equipment, parts and logistical support for an estimated cost of $11.25 billion. In December 2011, the United States finalized our largest international defense sale in history — worth approximately $29.4 billion — to Saudi Arabia. This sale included 84 advanced F-15SA fighter aircraft and updates to the Kingdom’s existing 70 F-15S aircraft. Other large programs include 36 AH-64D Block III Apache helicopters, as well as ammunition for the Royal Saudi Land Forces; 24 AH-64D Block III Apache helicopters and 72 UH-60M Blackhawk helicopters for the Ministry of the National Guard; and numerous PATRIOT air defense systems and upgrades. These sales promote our commitment to stability in the region and to Saudi Arabia’s defense development.

- Most recently, the U.S. Government has made plans to sell Saudi Arabia 10 MH-60R multi-mission helicopters, 600 Patriot Advanced Capability-3 missiles, and more than $500 million in air-dropped munitions and ammunition.

- As a result of U.S. security assistance, the Kingdom has foiled numerous terrorist attempts against Saudi and foreign targets, and contributed to coalition operations against ISIL in Syria. The United States remains committed to providing the Saudi armed forces with the equipment, training, and follow-on support necessary to protect Saudi Arabia, and the region, from the destabilizing effects of terrorism and other threats.
The fact remains, however, that most American are unaware of the partnership’s breadth and depth, and have little understanding of the Kingdom. There is widespread belief among specialists that prior to 9/11 Americans had negligible insight into the U.S.-Saudi relationship that had existed for decades and that after 9/11 what was known was inaccurate. At the same time, many Saudis outside of government see the United States as indecisive and unreliable. A host of negative conspiracy theories—including talk that somehow the United States is turning to Iran—complicate the relationship.

U.S. and Saudi cooperation should be made more intelligible to the publics. A broad effort in both countries to communicate the details of shared interests and cooperation in security, counterterrorism, encouraging regional peace and stability, education, trade, and energy security could improve public understanding in both countries. Such efforts must be made while mindful of the headwinds of bumper-sticker remonstrations in the media against sustainable relations.

Focused visits by the press to the other country, smart use of online resources and social media, detailed briefings shared with the public, and the use of education and social networks, meetings of experts and academics are just a few areas that could be easily and quickly strengthened. Other prospects to improve understanding include the release of reports on military exercises and other military advisory and support activities, the importance of major arms transfers, and cooperation in counterterrorism. The effort would be enhanced by annual public dialogues on security cooperation at USCENTCOM in the United States, and at the Ministry of Defense in Riyadh, and by giving a new emphasis to campaigns to raise media and public understanding.

- **Explaining Saudi Arabia and Islam**

Saudis understand the United States better than Americans understand Saudi Arabia. Many Americans lack an appreciation of the progress Saudi Arabia has made and continues to make in modernizing and reforming education, economic development, and social change. Much of U.S. media coverage of Saudi Arabia focuses on human rights issues, and the conservative character of Saudi Islam. There is often media treatment of Saudi religious practices as if they were analogous to those of violent Islamic extremism—a problem roughly equivalent to equating American fundamental beliefs with those of so-called Christian militias, and compounded by the general U.S. ignorance of Islam.

Saudi Arabia made a major effort to explain its progress and development after 9/11, and supported it with media and expert visits to the Kingdom. This effort lost momentum and needs to be revived. The current global energy market downturn and budget challenges in Saudi Arabia, for both the government and the private sector, have also resulted in cuts to programs that enhanced bilateral understanding—cuts that may prove shortsighted if it leads to further tension and misunderstanding.

The United States needs to make both official and private efforts to improve public understanding of Islam, and that violent Islamic extremism—like its Christian and Judaic counterparts—does not reflect the true values of the religion. At the same time, Saudi Arabia does need to make it clear that it has taken—and is taking—steadily stronger measures to ensure that neither public or private Saudi funds support any form of violent extremism, and to show that Saudi Arabia’s support of its own religious beliefs and
practices not only shows tolerance for the “people of the book,” but for other Islamic sects and practices.

- **Explaining the joint fight against Islamic extremism and terrorism**

Better communication about the level of U.S. and Saudi cooperation in fighting extremism and terrorism needs equal priority. The United States and Saudi Arabia have long cooperated in counterterrorism – a fact that the U.S. State Department’s annual report on terrorism has made clear for years, and that has been well documented on the Saudi Embassy in Washington’s website. Nevertheless, more needs to be done both to explain this aspect of the U.S.-Saudi partnership and to reinforce the joint effort.

Many Americans—including a number of political figures and members of Congress—remember that 15 individual Saudis out of the 19 attackers conducted the attacks on 9/11. They have little understanding of the fact that Al Qaeda chose these personnel because it was easier to obtain volunteers and visas when so many Saudis were visiting and studying in the United States, or that long before 9/11, a Saudi crackdown on extremism and anti-Saud criticism had forced Bin Laden to leave Saudi Arabia in 1992, and then to leave exile in Sudan for refuge in Afghanistan.

There is also little or no understanding that Saudi Arabia faced its own form of “9/11” in 2003 when a violent anti-government campaign was launched across the country by Al Qaida in the Arabian Peninsula (AQAP) with the aim of deposing the ruler. It was only through a relentless and efficient internal security response that AQAP was forced to regroup in Yemen.

The public in both countries generally do not know the level of U.S. and Saudi cooperation that helped Saudi counterterrorism forces drive AQAP out of Saudi Arabia, or that the United States and Saudi Arabia have become key partners in the fight against terrorism to the point that the United States now has a separate advisory mission to the Saudi Ministry of Interior and a separate series of arms transfers designed to aid the Kingdom. Few Americans would be able to recall that Saudi intelligence cooperation provided the critical warning that prevented multiple attacks against U.S.-bound aircraft.

At the same time, there is a steadily growing focus in the United States on the broader threat of violent Islamist extremist terrorism, coupled to a limited understanding of Islam and Saudi religious practices that confuses them with extremism. There is little understanding among Americans of the Saudi justice system or the level of judicial action in sentencing terrorists to execution. Many Saudis also see the need for Saudi shifts in terms of human rights and more liberal forms of governance, but they also know the progress Saudi Arabia is making.

Both countries need to work closely together to make it clear that Saudi Arabia and other Arab states are now leading the fighting against extremism and terrorism in the Middle East, while the United States and its European allies are leading the fight in the West. It is vital that the public on both sides see this cooperation, and understanding that this is not some “clash between civilizations” but part of a common struggle based on a common rejection of violence and extremism.

Such efforts to improve mutual understanding should be undertaken with the understanding that they must address deep-seated and pervasive attitudes, opinions, and beliefs that are
Developing a Common Understanding of the Strategic and Economic Impact of Energy Interdependence

Strategic partnerships are based on having common vital strategic interests. These common interests were clear as long as the U.S. was a major petroleum importer. U.S. interests were also met by Saudi Arabia’s role as swing oil producer that stabilized the global market for decades. The important of energy resources as a staple in the relationship is changing as U.S. import dependence shifts to a more complex mix of economic interdependence.

U.S. oil and gas production capacity has increased to the point where the United States may be able to eliminate petroleum imports and even begin to export petroleum. World petroleum prices would have to reach high enough levels to justify increased U.S. production. The current slowdown in the growth of the global economy has led to “crash” in the growth of petroleum demand, however. It has led to a drop in oil prices from a nominal $110 a barrel to prices as low as $30 to $40, and cut petroleum export revenues by some 40% during the last eleven months alone.

These changes have illustrated that U.S. energy independence is uncertain even in terms of global oil surpluses. The higher costs of U.S. petroleum production cannot compete with lower cost exporters at low to moderate world prices. This situation comes at a time when the tensions and risks of conflict in the Gulf region are creating a growing risk of a sudden crisis in the flow of Gulf exports.

Americans also need to understand that the United States is now more dependent on the stable flow of Gulf exports to key Asian and European trading partners than it is on the direct import of petroleum to the United States. The CIA World Factbook notes that U.S. exports totaled $1,598 trillion in 2015, and imports totaled $2,347 trillion—a total of $3.945 trillion, equal to 22 percent of a U.S. GDP of $17.97 trillion.

Even in 2008, when U.S. dependence on petroleum imports was far higher than now, U.S. global dependence on crude oil imports from all sources only equaled 8.2%. Other imports included agricultural products 4.9%, industrial supplies 24.7%, capital goods 30.4% (computers, telecommunications equipment, motor vehicle parts, office machines, electric power machinery), and consumer goods 31.8% (automobiles, clothing, medicines, furniture, toys).

In contrast, U.S. trade in 2015 was far more dependent on manufactured goods from countries critically dependent on Gulf oil. Even if one only looks at the Asian nations that were among the top 15 U.S. trading partners in 2015—China, Japan, South Korea, Taiwan, and India—they amounted to 27.9% of total U.S. trade and these percentage have grown steadily over the last three decades.

In short, U.S. energy dependence can no longer focus on the need for—and security of—direct petroleum imports. It must rather focus on the strategic security of Gulf and other global petroleum exports, and their impact on the overall security of the U.S. economy at a time of growing U.S. economic interdependence of global trade with other key petroleum importers.
Greater U.S. domestic production has major economic benefits as long as it is competitive with world oil prices, but it does not reduce the importance of the U.S. strategic partnership with Saudi Arabia and other partners in securing the flow of Gulf oil, gas, and petroleum product exports. Moreover, the sheer importance of this aspect of global energy interdependence makes this a vital strategic interest where the United States would not want to see any other state assume this responsibility.

These are issues where the United States needs to look beyond the current focus on direct imports, and where the United States and Saudi Arabia need to develop both an expert and broad public understanding of the full nature of energy interdependence. An annual joint U.S.-Saudi energy report would do much to develop this kind of understanding, and tying together a USCENTCOM and U.S. Energy Information Administration (EIA) effort could do much to improve strategic analysis within the United States.

**Dealing with Iran as a Broad Gulf and Regional Security Threat**

The U.S.-Saudi security partnership is now caught up in what may be the most fluid and uncertain mix of security threats in its history. It is Iran, however, that poses the most serious threat of conflict, a potential impediment to the free flow of energy exports and a challenge to Gulf economies.

Iran’s military build-up poses a direct threat to Saudi Arabia and other U.S. regional allies, as well as to the free flow of global petroleum exports and the global economy. Iran’s efforts to win military influence over other regional states and non-state actors like Hezbollah and Hamas not only pose a further threat but have become major factor in civil conflicts in Syria, Iraq, and Yemen – as well as threats to the political stability of other regional states. Iran has also been a major factor in the rising sectarian tensions between Sunni, Shi’ite, and other sects.

Saudi Arabia and the United States have recognized these Iranian threats but prioritize them differently. The United States has given priority to the threat posed by ISIS, while Saudi Arabia has focused more on the threat posed by Iran, the related threats posed by the Assad regime in Syria, and the deep internal divisions in Iraq, and Yemen.

These differences do reflect different near-term security priorities. Groups like ISIS/Daesh pose a direct security threat to the United States, and even though ISIS has voiced threats against the Riyadh regime, Saudi Arabia faces a much wider range of Iranian threats on or near its borders.

In the longer term, however, it is Iran that poses the more serious threat to both countries, and whose actions create a more serious threat to regional stability and for war. As the fighting in Iraq, Syria, and Yemen have shown, the threat posed by Iran cannot be separated from the threat posed by ISIS/Daesh, or other extremist groups like AQAP and the Al Nusra Front. Moreover, growing confrontation between Saudi Arabia and Iran creates a growing risk of more serious and violent divisions between the Sunni and Shi’ite sects of Islam.

The United States and Saudi Arabia need to work together more closely in defining the threats posed by Iran, and in finding suitable forms of deterrence and containment. They need a military partnership that can do even more to encourage collective action by both Western and Arab states. But, at the same time, they must work together in ways that will
encourage Iran’s political evolution and show Iran that there are solutions to regional security issues that do not threaten its vital interests or force any side to continue the current military build-up and arms race.

- **Iran’s nuclear programs**

The United States and Saudi Arabia need to cooperate more closely in dealing with the risk Iran may acquire nuclear weapons. Iran’s compliance with the most critical steps in dismantling and limiting its nuclear program under the terms of the nuclear agreement signed in 2015 (JCPOA) has eased Saudi concerns but future confidence-building remains uncertain.

The United States, Saudi Arabia, other regional states, and the world’s major powers have a common vital security interest in ensuring that the nuclear agreement is fully enforced. They also need to make it clear to Iran that any failure to comply will lead to the “snapback” of sanctions or other measures. The Arab Gulf needs to clearly signal that it will react with its own economic measures if outside states do not enforce the JCPOA if Iran does not comply. The United States and its key allies must make it clear there must be full and transparent reporting on compliance with the JCPOA through both the International Atomic Energy Agency (IAEA) and on national level.

A regular and public security dialogue between and among the U.S. and Saudi Arabia and the GCC is needed to make it clear that the U.S. is not turning away from its security partnership with Arab Gulf states to Iran, while each major Arab states needs to make it clear that it will maintain its share of deterrence and the partnership.

- **Iran’s missile build-up**

United States and Saudi cooperation must extend to the full range of Iranian threats. Iran has not reached an agreement on limiting its missile programs. It is increasing the size of its missile forces, their ranges and payloads, the protection of its missile forces, and every aspect of their technology. This includes efforts to develop long range cruise and ballistic missiles with precision strike capabilities that would radically increase the vulnerability of Gulf and regional military and infrastructure targets – including critical power, petroleum and desalination facilities.

The United States has long worked with Saudi Arabia and other Gulf states to develop and improve air and missile defenses. Iran’s capabilities are reaching the point, however, where Saudi Arabia and its Gulf allies need theater missile defenses like THAAD or Aegis systems. The United States needs to continue to support its Gulf allies with missile defense ships and dedicated intelligence and warning data. It has long been necessary for the GCC to have an integrated defense system rather than rely on individual national solutions. This involves major costs, and it is critical that the United States and Saudi Arabia cooperate closely in developing an effective regional solution.

- **Conventional and Asymmetric Deterrence and Defense**

Iran cannot compete with the United States, Saudi Arabia, and the other Gulf states and Jordan in conventional warfare capability. Far too many of its weapons date back to the 1970s, are low to medium quality imports, are Iranian manufactures of uncertain quality, or are battle-worn carry overs from the Iran-Iraq War.
The 2016 edition of the International Institute for Strategic Studies (IISS) military balance estimates that 1,033 of Iran’s 1,663 main battle tanks (62%) are aging or low quality U.S., British, and Soviet bloc types, and that 1,225 of its 1,365 lighter armored vehicles (90%) are the same. Iran has no modern advanced main battle tanks. While Iran has acquired Russian submarines and is building surface ships, the major ships in its navy are still those supplied by the West before the fall of the Shah in 1979. It has 334 combat aircraft in inventory – some of which are not operational – and 203 (61%) are Western supplied aircraft dating back to at least the 1970s and before the fall of the Shah. Its 36 MiG-29s and 30 Su-24s fighters are export versions of the Russian models and Iran has no modern, high quality combat aircraft. Iran’s only modern, high capability, surface to air missiles consist of a limited number of Tor-M1 short-range systems.

An unclassified estimate by the U.S. government indicates that Saudi Arabia and the other GCC states ordered $135.9 billion worth of advanced new arms imports during 2007-2014, while Iran ordered less than a billion dollars worth of generally less capable arms. The United States is now deploying far more advanced missile defenses, strike aircraft, and other weapons systems.

The 2016 edition of the IISS military balance also estimates that in 2015, Saudi Arabia spent $81.9 billion on defense, Bahrain spent $1.53 billion, Kuwait spent $1.3 billion, Oman spent $3.8 billion, Qatar spent at least $11 billion, and the UAE spent $15.8 billion – for a GCC total of over $115 billion. Iran spent only between $16 billion and $25 billion, with the lower part of that range the most likely.

The combination of U.S., Saudi, other GCC, British, and French forces can provide overwhelming conventional military assets, but its effectiveness is sharply diminished by a lack of standardization and interoperability, integrated command and control, integrated training and support, and other factors. The current Arab Gulf force mix also emphasizes airpower over naval modernization, and is not properly tailored to deal with Iran’s very different mix of asymmetric naval-air-missile forces that it claims can “close the Gulf.” These threats include smart mines, submarines and submersibles, a wide range of anti-ship missiles, widely dispersible missile patrol boats, swarming small craft tactics in chokepoints, unconventional warfare capabilities and other threats.

U.S. and Saudi defense cooperation underpins the broader range of strategic partnerships. There needs to be better cooperation in shaping Saudi modernization—especially among naval forces—and U.S. regional power projection. There must be far more effective joint efforts in developing fully interoperable forces, contingency plans, and creating common facilities to cut the cost of defense.

- The struggle for regional influence

Iran’s expanding influence in Syria and Iraq—and support of Hezbollah in Lebanon—poses another significant regional security threat. The steady increase in the role of the Iranian Quds Force and Islamic Revolutionary Guard Corps (IRGC) in Syria and Iraq compensates in part for Iran’s conventional military weakness, has been a key factor along with Russia in preserving the Assad regime, and has a deeply destabilizing impact on Iraq.

As the following discussion of American and Saudi security cooperation in Iraq, Syria, and Yemen shows, the lack of effective U.S and Saudi security cooperation in dealing with
Iran’s efforts to expand its regional influence has helped Iran in many ways. Moreover, the United States and Saudi Arabia disagree somewhat as to the extent of Iran’s role in instability in Bahrain, Kuwait, Yemen, and Saudi Arabia’s Eastern Province.

More broadly, many Saudis and others in the region feel the U.S. invasion of Iraq in 2003 deprived the Arab states of a key security buffer and counterbalance to Iran’s military forces, and that the U.S. incremental effort to deal with ISIS has failed to impede Iran’s growing strategic role and to defeat ISIS.

At the same time, the United States feels Saudi Arabia could have been much more proactive in working with the positive elements in the Iraqi government, took premature action that helped radicalize some Arab rebel factions in Syria, has engaged in Yemen in ways that can lead to prolonged conflict, and that some Saudi actions may be increasing the broader tensions between Sunni and Shi’ites and other Islamic minorities.

- **Working towards a common approach**

There is a clear need for a frank U.S. and Saudi dialogue on these issues. More emphasis is needed on collective action to improve deterrence and defense that includes other key states like Britain, France, Jordan, Kuwait, and the UAE. Saudi Arabia may be right in concluding that the United States has not made firm and sufficiently open commitments to its Arab allies and in checking the Iranian threat and the growth of its regional influence.

At the same time, there is an equal need to develop collective approaches to Iran that give Iran political and economic incentives to adopt a more moderate political course, and motivate it towards security cooperation and away from its present emphasis on a military build-up and using proxies to gain regional influence. Iran’s conservatives, its IRGC, other security hardliners, and Supreme Leader are still committed to Iran’s current security policies. The United States, Saudi Arabia, and their allies must react to these realities.

As the recent Iranian election has shown, there are many Iranians and senior Iranian political figures that are more flexible, more concerned with Iran’s internal development, and open to security bargains that could serve a common interest. The United States and Saudi Arabia must make it clear that Iran always has better alternatives, ones that serves the common interests of Iran and its neighbors, and that could do much to unify the mainstream of Islam against extremism and violence.

Saudi Arabia also needs to consider ways to reach out more broadly to all the elements of Islam. It has become the de facto leader of the Arab world at a time when Egypt is caught up in its own internal power struggles and Syria is divided by civil war and much of it remains under the control of a de facto dictator and ISIS/Daesh. Saudi Arabia must make it clear that it supports equality for Shi’ites and other Muslim sects, as well as other Sunni Muslims. It must not allow Sunni Islamist extremists to exploit extremism and polarize the Islamic world, or allow Iran to divide Arab Shi’ites from the rest of the Arab world. As it learned in the early 1980s, it must also avoid polarizing its own Shi’ites, and those of Bahrain and other Arab states.

Quite aside from the human rights issues raised in the West, being able to lead the Arab world on a broad religious level that supports other Muslim sects and tolerates religious minorities is a vital Saudi strategic interest in dealing with both Iran and the threat of every
form of religious extremism. Saudi groups like the King Faisal Foundation already recognize this need, but the government must take much broader and stronger initiatives.

Dealing with the Threat Posed by the Mix of Ethnic, Sectarian, Islamist Extremist Threats; Ongoing Fighting; and Longer-term Instability in Syria

The situation in Syria is evolving so quickly that it is difficult to assess how the United States and Saudi Arabia should improve their cooperation in the future. If there is any lesson from the past, however, it is that a lack of cooperation, pursuing unilateral options, focusing on different objectives (ISIS vs. Assad), ignoring the possible role of other outside players like Russia and Turkey, and failing to coordinate with other European and Arab states has scarcely helped.

The United State and Saudi Arabia should, however, be ready for the following contingencies:

- **The success of efforts to halt the fighting – a “cessation of hostilities”**
  The United states and Saudi Arabia should take the lead in ensuring that this does lead to the full defeat of ISIS/Daesh as an organized government and military force in both Syria and Iraq, that Syria’s Arab rebels and the opposition to the Assad dictatorship remains viable and can grow in influence, and that there is an international civil aid and recovery package that will be granted on Assad’s departure. It must also give Syria a strong incentive to find a solution to maintaining its unity in ways that protect the rights and security of Sunnis, Alawites and other religious minorities, and Syria’s Kurds.

- **The failure of peace and ceasefire efforts and continued civil war: If the civil war continues – driven by Russian intervention and Iranian and Hezbollah support.**
  The United States and Saudi Arabia should work with Jordan, the UAE, and other Arab states to support the Arab rebels with the funds and arms they need to continue, work with those Kurds that will focus on ISIS/Daesh and the Assad regime, and act on the lessons of the war since 2011 that clearly show the rebel forces need more—and integrated—support from U.S., Saudi, and other special forces. They must develop a way to use modern anti-armor and air defense weapons to limit the impact of Russian and Syrian air power. The U.S. failure to develop such weapons with fail-safe controls and encrypted devices that limit operator access and operational life may mean that this can only be done by sending in outside Arab special forces as operators or controllers, but it is clear that no “Plan B” can work without a far more effective cooperative effort to support rebel forces.

- **Offering a peace and recovery plan that will aid all elements in the struggle**
  One of the common failures in U.S. and Saudi policy to date – along with that of European and other Arab states – has been the failure to offer all sides a clear alternative to the Assad regime, and one that guarantees the rights, security, and economic well being of all elements of Syrian society. As has been noted in above, the United States and Saudi Arabia need to take the lead in offering an international civil aid and recovery package that will be granted on Assad’s departure, but they also need to give Syria a strong incentive to find a solution to maintaining its unity in ways that protect the rights and security of Sunnis, Alawites and other religious minorities, and Syria’s Kurds.
It should be clear that such an effort will not be an attempt to dominate Syria, but rather to create a new balance of power that serves the interests of all Syrians, and includes Alawites, much of the existing structure of governance, and Kurds – as well as moderate Sunni rebel factions. Such an effort to create a mix of aid and new structure for governance and politics should be administrated by the U.N. and planned and structured by an international organization like the World Bank to ensure that Russia, Iran, and Turkey could find such a solution to be acceptable.

This latter effort is particularly critical because it is clear that the problems in Syria have gone well beyond both Assad and ISIS, and no military outcome can bring security and lasting stability. More than half the population is either a refugee or an internally displaced person. The Syrian GDP is probably only 20-35% of what it was in 2011; ethnic divisions are now a critical factor as well as sectarian ones. Russia and Turkey now play key roles, and no peace or ceasefire can be stable without a massive exercise in stability operations and nation building and some long-term solution to the anger and hatred created by the civil war.

**Dealing with the Threat Posed by the Mix of Ethnic, Sectarian, and Islamist Extremist Threats; Ongoing Fighting; and Longer-term Instability in Iraq**

The situation in Iraq is similarly unstable, and the lack of U.S. and Saudi cooperation has been equally unproductive. It is also clear that there is no solution to stability in either Iraq or Syria if one state is a major source of instability on the other’s border, ISIS cannot be defeated in both countries, and Iraq does not emerge as a strong independent state and one with some new solution to its divisions between Arab and Kurd and Sunni and Shi’ite.

Saudi Arabia has already become more active in playing a role in Iraq. What is needed now is for Saudi Arabia to work with the United States, other Arab states, and the other Western states aiding the Iraqi central government, Sunni tribal forces in the West, and Iraqi Kurds to fully defeat ISIS/Daesh, and do so with a clear message to every faction in Iraq that Saudi Arabia and other Arab states are committed to supporting a unified Iraq on terms that will ensure the security, stability, and economic well-being of Sunnis, Shi’ites, Kurds, and minorities.

As is the case with Syria, Iraq is a warning that there is a need for proactive Arab political efforts to reduce Arab and Kurdish tensions and the growing sectarian tensions within Islam. The United States can play an important role in such efforts, but Saudi Arabia and other Muslim states must take the lead in making it clear that there is Arab unity in reducing sectarian tensions.

Once again, there is also the need for an international effort to support all the key elements in Iraq in recovery, rebuilding, and economic development. Such an effort should be conditioned on Iraq creating a structure of politics and governance that protects Shi’ites, Sunnis, and Kurds alike, and on the successful implementation of the kinds of reform that already are the focus of Iraqi politics and on recommendations in the United Nations Development Plan’s (UNDP) Arab Human Development Reports, the IMF, and the World Bank. Unlike Syria, the key issue is not resources but reform.
As is the case throughout the region, U.S. and Saudi cooperation—and cooperation from a broader range of outside powers—cannot impose solutions from outside. If there is an “iron law” that has emerged out of the post-colonial era, it is that outside power can only help nations that are actively willing to help themselves. At the same time, outside efforts remain critical. More Saudi engagement is needed in Iraq and that United States needs to work more closely—and listen more carefully—with its key Arab partner.

**Dealing with the Threat Posed by the Civil War in Yemen**

The United States needs to be more sensitive to the fact that Yemen is a vital Saudi security interest. This is an area where the United States needs to both aid Saudi Arabia, and its partners like the UAE, in military terms, and to help them limit civilian casualties. At the same time, Saudi Arabia needs to carefully judge the real level of Iranian influence in Yemen, offer more flexible peace terms, and avoid creating the kind of “victory” that does more to end in a military stalemate or dividing the nation than to create a basis for lasting stability.

As is the case in Syria, there is no solution without some form of major nation-building activity. War has strengthened internal religious tensions, given new opportunities to extremist groups like ISIS and AQAP. It has further impoverished the population of one of the poorest countries in the world, one lacking adequate water, dependent on a drug economy, and facing acute problems from population pressure.

**Improving Coordination in Counterterrorism, Counterinsurgency, and Violent Islamic Extremism**

The United States and Saudi Arab already cooperate closely in counterterrorism, and in developing force capabilities to deal with major acts of terrorism. As noted earlier, however, far more needs to be done to publicize this cooperation and make Americans aware of Saudi Arabia’s role and efforts, that Saudi religious practices are not associated with violent extremism, and that Saudi Arabia faces a more direct threat from terrorism than does the United States.

At the same time, both countries need to explore ways in which the United States can assist Saudi Arabia and other largely Muslim states in countering extremism. That includes use of the Internet, social media, and other methods that have little to do with Islamic scholarship or traditional religious leadership. The United States and Saudi Arabia need to focus on the religious and ideological causes of extremism as well as examine the material causes like corruption and failed governance, unemployment, poor income distribution, a major “youth bulge,” and all of the other factors long identified by sources like the UN Arab Human Development Reports.

As noted earlier, it also is not enough to counter the extremist message in the Arab and Islamic worlds. There is a need for serious inter-faith dialogue and efforts to explain the common values of Judaism, Christianity, and Islam. There is also a need to educate Americans and others in the West about the true nature of Islam and the values it shares with Christianity and Judaism. Religious dialogue is critical in both defeating extremism within Islam and in defeating the ability of violent extremist attacks to polarize U.S. and Western public opinion against all of Islam.
Dealing with Emergence of the Kurds as a Major Element in the Security of Syria and Iraq

The Kurds have emerged as a major ethnic force in the region, and the United States and Saudi Arabia need to consider how their security policies and action, and diplomacy can deal with the rise of Kurdish tensions with Turkey, and with the expanding Kurdish enclaves in Syria and Iraq that could lead to conflict between Kurd and Arab.

Broad cooperation in supporting some form of federalism that preserves current national structures, but gives protection to Sunnis and Shi’ite, and Arab and Kurd is one option. So too is working with Turkey to try to reduce its tensions with the Kurds and the spillover into Arab states like Syria and Iraq. Other options include cooperative aid and investment programs to encourage such developments.

Dealing with the Broader Regional Forces of Instability that Led to the “Arab Winter,” that Already Affect Key Regional Powers like Egypt and Libya, and Now Threaten the Stability of Other States

As noted earlier, the instability in the region is driven by far more than conflict and religion. The Arab Human Development Reports, World Bank, IMF, and groups like Transparency International warned long before 2011 that failed governance, corruption, crony capitalism, growing inequities in income distribution, and failures to support economic reform and modernization had reached critical levels in many states. It is scarcely surprising that these problems were much worse in key areas in Egypt, Libya, Tunisia, Syria, and Yemen than in most regional states, and had already been critical problems in Algeria and Iraq.

The current cuts in petroleum export revenues throughout the region not only affect the oil exporting states—several of which already had low per capita incomes—they also will affect the flow of aid to other Arab states. All of these states also face serious problems in terms of population pressure—the “youth bulge”—and the resulting demand for jobs. To put this population pressure in perspective, the US Census Bureau estimates that in the Gulf alone, the population rose from some 31 million people in 1950, to over 169 million by 2010—an increase of 5.5 times.

Nations like Egypt increased their population by 3.8 times, Syria by 6.5 times, and Libya by 6.7 times. The Census Bureau estimates that the population of the Gulf will have increased to over 265 million by 2015—a further increase of over 60%. Even relatively wealthy oil states like Oman and Saudi Arabia already have serious problem with youth unemployment.

There is a clear need for a new kind of economic dialogue, development planning, and economic reform that deals with the reality that virtually every state in the region has not been able to create enough jobs and career opportunities for the steadily rising number of young men and women entering its labor market. As the Arab Human Development Reports also showed long before 2011, these efforts must address the equally critical problems that have developed in terms of corruption, failures in governance, crony capitalism, and equity of income.
Better Defining the U.S. and Saudi/Gulf Strategic Partnership and Relationship

Many aspects of the U.S.-Saudi strategic partnership have long remained informal—partly because of Arab nationalist sensitivities and differences over Israel. This situation has changed. Saudi Arabia and other Arab states have asked for a more formal arrangement and commitment because of Iran.

The U.S.-GCC Strategic Cooperation Forum launched in 2012 and events like the 2015 U.S.-GCC Summit at Camp David are good measures to increase communication and coordination among the partners, but these efforts must be reinforced by a commitment to their regular and routine maintenance. The September 2015 President Obama-King Salman summit announcement of a “new strategic partnership for the 21st century” has yet to be followed up with the concrete steps and level of effort required.

There are rampant conspiracy theories in Saudi Arabia that the United States is turning to Iran at the expense of its Gulf allies—in spite of their far larger petroleum reserves and output, their far larger markets, and the fact Iran still labels the United States the “Great Satan.” The doubts among allies gives the United States a political incentive to provide formal security guarantees. It should make it clear that its strategic partnerships are a continuing part of American strategy, have a formal status, and are based on vital American strategic interests growing out of United States and global energy and economic interdependence.

The key to U.S. and Saudi success will also be to base such guarantees on common defense and not to target them formally against Iran. They should allow other key allies like Britain and France to join or act collectively, and leave Iran the future option to join if its regime should change. The goal should be to deter and defend, not to provoke or exclude.

Improving Cooperation in Developing and Coordinating Security Forces, Force Plans, Arms Choices, Training, and Contingency Plans – Bilaterally and on a GCC-wide/Arab Alliance Basis

Saudi Arabia has consistently attempted to strengthen regional security efforts. In 2011, King Abdullah called for much stronger security ties within the GCC, and Saudi Arabia reached out to Jordan and Morocco. Saudi Arabia has reached out to other Arab states in efforts to create more effective regional partnerships.

On December 15, 2015, Saudi Arabia announced a 35-nation Islamic Military Alliance to fight terrorism headquartered in Riyadh. Some reports indicated that several countries Saudi Arabia claimed were members had not been properly consulted, and others indicated that they would did not assume a military role, these proposals were real enough to gain considerable attention in both the Arab and Islamic worlds.

They also quickly took on a more tangible form and one that was not limited to counterterrorism. In February 2016, Saudi Arabia held an exercise near its military city at Hafr al Batin called “Northern Thunder.” It was reported to involve 150,000 troops from 20 countries, including Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE, Oman, Jordan, Pakistan, Djibouti, Mauritania, Senegal, Sudan, Chad, Tunisia, Morocco, Comoros, Mauritius, Malaysia, Egypt, and the Maldives. The force was also reported to include 2,540
aircraft, 460 helicopters, and 20,000 armored vehicles—although a number of media reports indicated that the actual exercise was much smaller.

The exercise that took place in northeastern Saudi Arabia was clearly designed to show Iran the deterrence capability of the Saudi-led forces. It also posited Iraq as a threat. Some commentators felt this reflected the Saudi conviction that a result of the U.S.-led defeat of Saddam Hussein in 2003 was that Iraq changed from a major deterrent and defensive barrier to Iran to a nation that had to be treated as a threat. The military exercise also showed that Saudi Arabia had emerged as major strategic influence in the region at a time that Egypt’s internal security problems and divisions were limiting Egypt’s role in the Arab world and the region.

The ability to develop an effective level of military and counterterrorism coordination unity to even part of such a large alliance is uncertain. The GCC has only approached effective cooperation in its efforts to oppose Saddam Hussein’s invasion of Kuwait, and Saudi efforts to turn it into any form of a functioning federation failed in spite of King Abdullah’s efforts. In practice, all broad alliances—including NATO—eventually devolve down to which nations are actually willing, committed, and capable in a given contingency.

At the same time, U.S. efforts to strengthen the level of cooperation with the GCC—and helping Saudi Arabia create broader elements of a broader Islamic Military Alliance—may be a very different story. Saudi leadership in such efforts might greatly enhance the value of the U.S.-Saudi strategic partnership to both countries, reinforce regional deterrence, and create a new network that could help fight both terrorism and the threat posed by armed non-state actors throughout much of the Islamic world. It could also produce major potential savings over time through the creation of joint facilities, more efficient force planning, and economies of scale through better integration of command and control, exercises and training, operating procedures, joint warfare, and intelligence, surveillance, and reconnaissance.

Such alliances are easy to discount and hard to build and sustain. It took NATO nearly a decade to create something approaching effective forces even when the United States was paying for the armament of many countries through the 1950 “Point Four Program” aid. It can also be argued that the alliance had uncertain effectiveness until 1955, when Germany joined. Even then it only became a militarily effective force after German rearmament—an effort that only became fully effective in the 1960s and was partly offset by France’s withdrawal of its troops from the NATO command in 1966.

The effort to strengthen both the Saudi-inspired Islamic Military Alliance and the GCC should be another key part of improving the U.S.-Saudi strategic partnership and cooperation, and the United States should work with Saudi Arabia to help develop as many effective ties between GCC and other friendly Arab and Muslim countries as possible.