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Subcommittee on Middle East, North Africa, and International Terrorism

Objectives of U.S. Arms Sales to the Gulf:

Examining Strategic Goals, Risks and Benefits

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Chairman Deutch, Ranking Member Wilson, and distinguished members of the subcommittee, thank you for inviting me to testify today on U.S. arms sales to the Gulf.¹ It is an honor to join Andrew Exum and Lt. Col. (Ret.) Jodi Vittori in testifying today.

In hopes of providing some helpful context for today's discussion, I would like to start by discussing the larger geo-strategic context that should inform U.S. arms sales to the Gulf. I will then provide some background on arms sales and detail what I see as the benefits for the United States of arms sales generally. I will conclude by discussing some of the unique dynamics and challenges in the Middle East, as well as some policy recommendations and thoughts on the path forward.

The Big Picture

The United States is engaged in an intense great power competition with China and Russia, and the stakes could not be higher. In the 2018 National Defense Strategy (NDS), the Department of Defense (DoD) rightly asserted that “[l]ong-term strategic competitions with China and Russia are the principal priorities for the Department, and require both increased and sustained investment, because of the magnitude of the threats they pose to U.S. security and prosperity today, and the potential for those threats to increase in the future.” At the same time, the NDS also noted that the United States continues to confront serious threats emanating from the Middle East, including those from the Islamic Republic of Iran and terrorist groups such as ISIS. Accordingly, the NDS emphasized that DoD must “sustain its efforts to deter and counter” Iran, while defeating “terrorist threats to the United States.”²

Simultaneously deterring great power aggression and countering persistent threats in the Middle East is, of course, easier said than done. The United States lacks sufficient defense resources to meet all of the military requirements associated with these objectives, while simultaneously attempting to conduct an overdue generational military modernization effort. The significant gap between required and available resources forces Washington to establish priorities and make difficult choices.³

In an admirable attempt to do just that, Secretary of Defense Mark Esper has said, “The Indo-Pacific remains the DoD’s number one priority region.”⁴ In order to match resources with priorities, the Pentagon seeks to shift some defense resources out of the Central Command (CENTCOM) area of responsibility (AOR) to the Indo-Pacific Command (INDOPACOM)

¹ For purposes of this written testimony, when I use the term “Gulf,” I am referring to the region including the countries of Bahrain, Kuwait, Iran, Iraq, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. In the context of U.S. arms sales, this term obviously excludes Iran.

² U.S. Department of Defense, “Summary of the 2018 National Defense Strategy of the United States of America,” 2018. (<https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>)

³ This challenge will only become more difficult if Washington shortsightedly reduces defense spending in coming years in response to the significant economic consequences associated with COVID-19. Bradley Bowman, “Don’t Use COVID As Excuse to Slash Defense Spending,” *Breaking Defense*, May 20, 2020. (<https://breakingdefense.com/2020/05/dont-let-the-covid-deficit-hurt-defense-spending/>)

⁴ Secretary of Defense Mark T. Esper, “Department of Defense Posture Statement,” *Testimony before the Senate Committee on Armed Services*, March 4, 2020. (https://www.armed-services.senate.gov/imo/media/doc/Esper_03-04-20.pdf)

AOR.⁵ As evidenced by comments last week, even the CENTCOM commander, General Kenneth McKenzie, recognizes the need to shift some military resources out of the Middle East “to go principally to INDOPACOM, but also to EUCOM” or the European Command.⁶

Undoubtedly, retaining too many U.S. military forces in the Middle East will deprive the Pentagon of finite resources needed to narrow the dangerous gap between ends and means in the Indo-Pacific.⁷ But withdrawing too many U.S. forces from the Middle East could leave U.S. interests, personnel, and allies insufficiently protected. That could permit the resurgence of ISIS or invite even worse aggression from Iran.⁸ Arguably, almost none of the 11 defense objectives listed in the NDS can be accomplished if the United States neglects the Middle East.⁹

To make matters worse, under UN Security Council Resolution 2231, the international arms embargo on Iran may end this coming October. If this occurs, Tehran will be free to acquire new and advanced military capabilities from Moscow and Beijing. This would dramatically improve Tehran’s conventional military capabilities, shift the regional balance of power, invite additional aggression from the Islamic Republic, and endanger U.S. and partner security interests.¹⁰

According to the Defense Intelligence Agency’s (DIA) 2019 “Iran Military Power” report, as of last year, Iran had already initiated discussions with Moscow and Beijing to acquire military capabilities that Tehran cannot yet produce domestically. This is an Iranian desire that Moscow and Beijing will be all too happy to accommodate. The DIA report noted that Tehran was already in discussion last year with Moscow to potentially procure Su-30 fighters, Yak-130 trainers, T-90 main battle tanks, and the S-400 air defense system.¹¹ If Tehran were to acquire the S-400 and other advanced capabilities, it risks leaving the Islamic Republic with the perception that it could sprint toward a nuclear weapons capability while defending itself against any American or Israeli response. These capabilities might also leave Tehran with the perception

⁵ Secretary of Defense Mark T. Esper, “Department of Defense Posture Statement,” *Testimony before the Senate Armed Services Committee*, March 4, 2020. (https://www.armed-services.senate.gov/imo/media/doc/Esper_03-04-20.pdf); John Hannah and Bradley Bowman, “The Pentagon Tries to Pivot out of the Middle East—Again,” *Foreign Policy*, May 19, 2020. (<https://foreignpolicy.com/2020/05/19/military-pivot-middle-east-saudi-arabia/>)

⁶ General Kenneth F. McKenzie Jr., “CENTCOM and the Shifting Sands of the Middle East: A Conversation with CENTCOM Commander Gen. Kenneth F. McKenzie Jr.,” *Remarks at the Middle East Institute*, June 10, 2020. (<https://www.mei.edu/events/centcom-and-shifting-sands-middle-east-conversation-centcom-commander-gen-kenneth-f-mckenzie>)

⁷ Bradley Bowman and John Hardie, “Aligning America’s ends and means in the Indo-Pacific,” *Defense News*, April 22, 2020. (<https://www.defensenews.com/opinion/commentary/2020/04/22/aligning-americas-ends-and-means-in-the-indo-pacific/>)

⁸ John Hannah and Bradley Bowman, “The Pentagon Tries to Pivot out of the Middle East—Again,” *Foreign Policy*, May 19, 2020. (<https://foreignpolicy.com/2020/05/19/military-pivot-middle-east-saudi-arabia/>)

⁹ U.S. Department of Defense, “Summary of the 2018 National Defense Strategy of the United States of America,” 2018. (<https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>); John Hannah and Bradley Bowman, “The Pentagon Tries to Pivot out of the Middle East—Again,” *Foreign Policy*, May 19, 2020. (<https://foreignpolicy.com/2020/05/19/military-pivot-middle-east-saudi-arabia/>)

¹⁰ Richard Goldberg and Mark Dubowitz, “Extend the Arms Embargo on Iran,” *Foundation for Defense of Democracies*, May 7, 2020. (<https://www.fdd.org/analysis/2020/05/07/extend-the-arms-embargo-on-iran/>)

¹¹ U.S. Department of Defense, Defense Intelligence Agency, “Iran Military Power,” 2019, page 88. (https://www.dia.mil/Portals/27/Documents/News/Military%20Power%20Publications/Iran_Military_Power_LR.pdf)

that it can double down on their asymmetric proxy terrorism, believing that these new conventional capabilities would deter American retribution.¹²

Demonstrating Tehran's continued interest in procuring weapons from Moscow and Beijing, Iranian President Hassan Rouhani on Wednesday called on Russia and China to resist effort to extend the arms embargo set to expire in October.¹³ Foreign Minister Mohammad Javad Zarif is reportedly set to visit Moscow this week.¹⁴ The arms embargo and Russian arms sales to Tehran are sure to be high on the agenda.

Following the U.S. killing of Iranian terrorist-in-chief Qassim Soleimani, some may point to a *relative* reduction in Iranian aggression as a cause for optimism. But more than four decades of history suggest that any lull in direct or proxy aggression from the Islamic Republic of Iran likely represents a fleeting anomaly rather than a durable change of policy. This unfortunate reality is likely to persist until the Iranian people finally have a government more interested in their welfare than the export of terrorism. As General McKenzie testified in March, "The Iranian regime's quest for nuclear weapons, coupled with its hegemonic ambitions, misbehavior, and threats to the United States and its regional partners have been consistent elements of its policy for decades."¹⁵

So, what is Washington to do? In light of continuing threats and limited defense resources, how can Washington close the gap between the military capabilities it needs in the Gulf and the U.S. military capabilities available?

The answer, at least in part, lies in building Gulf partner military capacity. This is a term that can elicit eye rolls, but it actually represents the best path to reducing the burden on U.S. taxpayers and troops in the Middle East while protecting American interests.¹⁶ And a well-designed and well-implemented arms sales program – accompanied by robust training – represents an essential component of any successful effort to build partner capacity.

Yet, in recent years and months – *for understandable reasons* – there has been a heated debate in Washington regarding U.S. arms sales to some Gulf partners, especially Saudi Arabia. Before addressing the specific circumstances and challenges in the Gulf, it might be helpful to first step back and understand arms sales basics and the broader benefits for Americans associated with U.S. arms sales.

¹² Behnam Ben Taleblu, "Confronting Iran's Illicit Arms Trafficking," June 17, 2019.

(<https://www.fdd.org/analysis/2019/06/17/confronting-irans-illicit-arms-trafficking/>)

¹³ "Iran urges Russia, China to resist U.S. push to extend arms embargo," *Reuters*, June 10, 2020.

(<https://www.reuters.com/article/us-iran-usa-china-russia/iran-urges-russia-china-to-resist-us-push-to-extend-arms-embargo-idUSKBN23H1EP>)

¹⁴ "Zarif to Visit Russia, Turkey Next Week," *Financial Tribune* (Iran), June 12, 2020.

(<https://financialtribune.com/articles/national/103782/zarif-to-visit-russia-turkey-next-week>)

¹⁵ General Kenneth F. McKenzie Jr., "Posture Statement," *Testimony before the Senate Committee on Armed Services*, March 12, 2020. (https://www.armed-services.senate.gov/imo/media/doc/McKenzie_03-12-20.pdf)

¹⁶ General Kenneth F. McKenzie Jr., "CENTCOM and the Shifting Sands of the Middle East: A Conversation with CENTCOM Commander Gen. Kenneth F. McKenzie Jr.," *Remarks at the Middle East Institute*, June 10, 2020.

(<https://www.mei.edu/events/centcom-and-shifting-sands-middle-east-conversation-centcom-commander-gen-kenneth-f-mckenzie>)

Arms Sales Basics

There are two primary processes by which foreign countries purchase U.S. weapons. These include foreign military sales (FMS) and direct commercial sales (DCS). Under the FMS process, the U.S. government – namely the Department of State’s Political-Military Bureau, the Defense Security Cooperation Agency, and the respective U.S. military service – manages the transfer of defense articles to foreign allies and partners. In fiscal year (FY) 2019, the Department of State facilitated over \$55.39 billion in FMS.¹⁷ This includes \$48.25 billion in FMS, \$3.67 billion in foreign military financing, and \$3.47 billion in Building Partner Capacity-funded programs.¹⁸ In FMS cases, customers are offered robust “training, sustainment, and contractor logistics support.”¹⁹ In addition, the State Department approved DCS worth \$114.7 billion in FY 2019.²⁰ As State notes, DCS are “negotiated privately between foreign end-users and U.S. companies.”²¹

These arms sales processes are governed by a number of statutes, policies, and regulations. They include, for example, the Arms Export Control Act, the Conventional Arms Transfer (CAT) Policy, the Foreign Assistance Act of 1961, and the International Traffic in Arms Regulations.²² Congress also has significant oversight authorities and responsibilities under an established congressional review process.²³

On April 19, 2018, President Donald Trump issued a National Security Presidential Memorandum approving an updated U.S. CAT Policy.²⁴ It sets forth the policy objectives of arms sales and details the evaluation criteria that must inform arms transfer decisions.²⁵ In response to the presidential memorandum, the Department of State issued an implementation plan in July 2018 that attempts to “better align our conventional arms transfers with our national security and economic interests.”²⁶

Senator Robert Menendez, ranking member of the Senate Committee on Foreign Relations, subsequently asked the Government Accountability Office (GAO) to review the new CAT

¹⁷ Email exchange on June 13, 2020, with an official from the U.S. Department of State, Bureau of Political-Military Affairs, Office of Congressional and Public Affairs.

¹⁸ Ibid.

¹⁹ U.S. Department of State, Bureau of Political-Military Affairs, Fact Sheet, “U.S. Arms Sales and Defense Trade,” May 21, 2019. (<https://www.state.gov/u-s-arms-sales-and-defense-trade/>)

²⁰ Email exchange on June 13, 2020, with an official from the U.S. Department of State, Bureau of Political-Military Affairs, Office of Congressional and Public Affairs.

²¹ U.S. Department of State, Bureau of Political-Military Affairs, Fact Sheet, “U.S. Arms Sales and Defense Trade,” May 21, 2019. (<https://www.state.gov/u-s-arms-sales-and-defense-trade/>)

²² Ibid.

²³ Congressional Research Service, “Arms Sales: Congressional Review Process,” updated March 3, 2020. (<https://fas.org/sgp/crs/weapons/RL31675.pdf>)

²⁴ The White House, “National Security Presidential Memorandum Regarding U.S. Conventional Arms Transfer Policy,” April 19, 2018. (<https://www.whitehouse.gov/presidential-actions/national-security-presidential-memorandum-regarding-u-s-conventional-arms-transfer-policy/>)

²⁵ U.S. Department of State, Bureau of Political-Military Affairs, Fact Sheet, “United States Conventional Arms Transfer Policy,” accessed June 14, 2020. (<https://www.state.gov/united-states-conventional-arms-transfer-policy/>)

²⁶ U.S. Department of State, Office of the Spokesperson, Fact Sheet, “Conventional Arms Transfer (CAT) Policy Implementation Plan Update,” May 21, 2019. (<https://www.state.gov/conventional-arms-transfer-cat-policy-implementation-plan-update/>)

policy. On September 9, 2019, GAO issued its report in response. GAO concluded that the review processes of the Department of State and Defense of Defense “align” with the CAT Policy.²⁷

The Benefits of U.S. Arms Sales

U.S. arms sales provide significant economic benefits for the United States. But those who focus solely on the economic benefits of arms sales miss their most important benefits. In fact, in addition to the real-world military benefits, U.S. arms sales represent one of the most important and tangible tools of American foreign policy – sending powerful diplomatic signals to allies, partners, competitors, and adversaries alike.

While every arms sale is different and deserves scrutiny, here are some general benefits that are sometimes overlooked. Foreign arms sales can:

- **Reduce America’s Security Burden.** American weapons are the most technologically advanced in the world. When accompanied by effective training, these weapons can significantly improve the capabilities of America’s allies and partners. This increased capability can enable them to more effectively deter adversaries and secure shared interests. More capable partners can then shoulder a greater share of the security burden, decreasing the demands on U.S. taxpayers and troops. In other words, arms sales can enable the United States to attain its national security objectives at a lower cost. That is a benefit that can and should garner bipartisan enthusiasm. With defense budgets potentially declining in coming years, the importance of U.S. arms sales will only increase. This is not to suggest that the mere purchase of U.S. military equipment makes a country more capable. The country must ensure that it knows how to maintain, operate, and deploy the equipment as well.
- **Improve Interoperability.** When allies and partners purchase American weapons, they not only can become more capable and more able to lighten the American defense burden, but they can also operate with U.S. forces more effectively. This helps the recipient country *and* the United States. As the nature of warfare changes, the ability to link sensors, processors, and shooters together in a seamless network is becoming increasingly important.²⁸ When allies and partners purchase American systems and weapons, it provides an opportunity to integrate them into a larger network that increases the military capacity at America’s disposal. This can enable the United States and its partners to deter, detect, and defeat adversary forces more effectively.

When allies and partners purchase systems from other countries, it may be impossible or imprudent to integrate them into this U.S.-led network. As we have seen in the case of

²⁷ Acting Director for International Affairs and Trade Elizabeth Field, U.S. Government Accountability Office, “Conventional Arms Transfer Policy: Agency Processes for Reviewing Direct Commercial Sales and Foreign Military Sales Align with Policy Criteria,” *Letter to Senator Robert Menendez*, September 9, 2019. (<https://www.gao.gov/assets/710/701248.pdf>)

²⁸ Christian Brose, *The Kill Chain: Defending America in the Future of High-Tech Warfare* (New York City: Hachette Books, April 21, 2020).

Turkey's purchase of the S-400 system from Moscow, even the proximity of the foreign system can endanger critical weapon systems such as the F-35.²⁹ Moscow understands this well, and that is one of the reasons it has actively encouraged American allies and partners to purchase the S-400. Moscow is using the S-400 as a diplomatic tool to divide the United States from its partners and as a military tool to undermine U.S. and allied combat power.³⁰

- **Facilitate U.S. Military Access.** Countries that are recipients of U.S. arms sales often also provide valuable port and base access to the U.S. military. This is not to suggest that arms sales are the only or even primary reason that these countries welcome a U.S. military presence. It is also not to suggest there is a direct causal relationship. Nonetheless, there are numerous examples of broad and deep U.S. bilateral security partnerships that include U.S. military sales with countries that also provide significant access to bases and ports for the U.S. military. In the Gulf, for example, it is interesting to note that every Arab country buys U.S. arms and also provides significant port and/or base access to the U.S. military. This includes Bahrain, Kuwait, Iraq, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

According to the Department of State, for example, the United States has \$19.3 billion in active government-to-government FMS cases with Kuwait. Kuwait also hosts approximately 13,500 U.S. forces, predominantly at Camp Arifjan and Ali Al Salem Air Base. The State Department notes that “[o]nly Germany, Japan, and South Korea host more U.S. forces than Kuwait does.”³¹

This hospitality that Kuwait extends to U.S. forces is, of course, not solely or even primarily based on the willingness of the U.S. to sell arms to Kuwait. There are certainly several other reasons, including the legacy of the Gulf War. Nonetheless, U.S. arms sales send a strong signal of diplomatic support to Kuwait, deepening the security partnership and likely playing some role in facilitating continued American access to bases there.

- **Help Establish or Retain Favorable Balances of Power.** One of the preeminent objectives of the NDS is “maintaining favorable [regional] balances of power that deter aggression and support the stability that generates economic growth.” Balances of power depend on a number of factors, including the combined U.S. and partner military capabilities compared to those of potential or actual adversaries. U.S. foreign arms sales can play a decisive role in establishing or retaining favorable balances that convince would-be aggressors that the use of military force will not enable them to accomplish their objective – or at least not at an acceptable cost. A reluctance to sell U.S. weapons to partners and allies risks allowing the balance of power to erode and inviting avoidable aggression.

²⁹ Bradley Bowman and Andrew Gabel, “S-400 or F-35? Turkey’s Erdogan Must Choose,” *Breaking Defense*, April 1, 2019. (<https://breakingdefense.com/2019/04/s-400-or-f-35-turkeys-erdogan-must-choose/>)

³⁰ Bradley Bowman and Andrew Gabel, “Russia’s S-400: An offer US partners should refuse,” *Defense News*, July 22, 2019. (<https://www.defensenews.com/opinion/commentary/2019/07/22/russias-s-400-an-offer-us-partners-should-refuse/>)

³¹ U.S. Department of State, Bureau of Political-Military Affairs, Fact Sheet, “U.S. Security Cooperation With Kuwait,” March 20, 2020. (<https://www.state.gov/u-s-security-cooperation-with-kuwait/>)

We have seen this play out, for example, in the Taiwan Strait. Washington's failure over time to modernize its own forces and to pay sufficient attention to Beijing's massive military modernization efforts – combined with the reluctance of previous administrations to provide Taiwan the weapons it needs to defend itself – has permitted the balance of power in the Taiwan Strait to shift dangerously in Beijing's direction.³² In fact, by 2018, the balance of power in the Taiwan Strait had become so unfavorable that the bipartisan congressionally-mandated National Defense Strategy Commission listed Taiwan as its first example of a theater where deterrence had dangerously eroded and where the United States and its partners could face a “surprise attack” and “decisive military defeat.”³³ The current administration has since taken some modest and positive initial steps to begin to address this unfavorable balance in the Taiwan Strait, but there is much more left to do.

The benefits of favorable balances of power are often not fully appreciated until after their erosion has elicited adversary aggression. One of the best ways to avoid such a costly mistake is to maintain the balance of power with sufficient and timely U.S. arms sales.

- **Facilitate Valuable Training Opportunities.** When allies and partners purchase and field U.S. weapons, it increases opportunities for training with Americans. This occurs in two primary ways. As mentioned, U.S. FMS cases include robust training support. This can help the recipient country's armed forces operate, deploy, and maintain the system. This training not only improves the readiness of both forces, but it also yields valuable influence opportunities as well as fruitful relationships between Americans and the partner forces. Similarly, when foreign militaries purchase advanced American weapons, it creates opportunities for the United States to conduct higher-quality exercises and training with the same system. In March, for example, despite the pandemic, U.S. and Israeli F-35s trained together in Israel, taking advantage of common systems to operate and communicate more effectively.³⁴
- **Strengthen the U.S. Defense Sector.** The United States is an intense military technology competition with China and Russia, and U.S. military supremacy has eroded dangerously in recent years.³⁵ Every reasonable step must be taken to strengthen the American defense

³² Bradley Bowman, “Hong Kong Today, Taiwan Next?” *Newsweek*, June 5, 2020.

(<https://www.newsweek.com/hong-kong-today-taiwan-next-opinion-1508842>); Bradley Bowman and Craig Singleton, “Beijing Flexes Its Muscles – And Washington Better Get Ready,” *Real Clear Defense*, June 2, 2020. (https://www.realcleardefense.com/articles/2020/06/02/beijing_flexes_its_muscles_and_washington_better_get_ready_115340.html)

³³ National Defense Strategy Commission, “Providing for the Common Defense: The Assessment and Recommendations of the National Defense Strategy Commission,” November 14, 2018.

(<https://www.usip.org/sites/default/files/2018-11/providing-for-the-common-defense.pdf>)

³⁴ Bradley Bowman and Mikhael Smits, “Despite Coronavirus, U.S. and Israel Conduct Combined F-35,” *Foundation for Defense of Democracies*. (<https://www.fdd.org/analysis/2020/04/07/despite-coronavirus-us-and-israel-conduct-combined-f-35-exercise/>)

³⁵ Kelly Ayotte and Bradley Bowman, “American military superiority will fade without bold national action,” *The Hill*, January 27, 2019. (<https://thehill.com/opinion/national-security/427175-american-military-superiority-will-fade-without-bold-national-action>)

innovation and industrial base, which equips America's service members and ensures they never confront a more technologically advanced foe.³⁶

When foreign partners purchase American weapons, these purchases certainly create and sustain American jobs and provide valuable economic stimulus. That is no small thing in light of the economic impact of the coronavirus. But the benefits of arms sales for the U.S. defense sector go well beyond that. Foreign purchases also provide additional funds that strengthen science, technology, research, and development in the U.S. defense sector. That, in turn, improves the quality of weapons and systems that the American defense sector can provide to U.S. service members. In other words, it is not unreasonable to draw a direct connection between increased foreign arms sales to better weapons for U.S. troops.

In addition, DoD demand for particular systems can wax and wane. Periods of decreased demand from the Pentagon can inflict serious financial distress on small- and medium-sized U.S. defense suppliers, forcing some of them to dismiss workers, close factories, and even go out of business entirely. When that happens, it increases DoD's reliance on foreign or sole source suppliers, weakening the American defense sector.

FMS can help U.S. companies weather periods of reduced demand from the Pentagon. Orders from foreign partners help American companies to keep factories, assembly lines, supply chains, and workers active until Pentagon demand returns for the existing system or until they can be transitioned to a next-generation program.

Also, the continued and additional production of expendable munitions, for example, for foreign partners enables U.S. defense companies to maintain valuable capacity that the companies could use to surge and quickly meet unexpected U.S. wartime needs as necessary. In short, foreign arms sales help keep the U.S. defense sector healthy and cutting-edge, resulting in higher-quality weapons and improved capabilities for U.S. troops. That, in turn, can mean less aggression from America's adversaries, fewer conflicts, fewer American casualties, and when necessary, more American victories.

- **Reduce Weapons Cost for the U.S.** For the reasons described above, foreign arms sales increase the quantity of weapons and systems produced by American defense companies. This can create economies of scale that reduce unit costs. This helps both the United States and its security partners stretch their defense budgets further. Similarly, increased demand, as described above, helps keep American defense companies in business. This can increase the number of American defense companies bidding on Pentagon contracts. More companies bidding on U.S. contracts can result in increased competition, higher-quality weapons, and lower costs for DoD and the taxpayer.
- **Accrue Decades-Long Benefits.** Foreign arms sales – particularly sales of large end-items such as aircraft and missile defense systems – often result in systematic, decades-

³⁶ Bradley Bowman, "Securing technological superiority requires a joint US-Israel effort," *Defense News*, May 22, 2020. (<https://www.defensenews.com/opinion/commentary/2020/05/22/securing-technological-superiority-requires-a-joint-us-israel-effort/>)

long sustainment and logistical relationships involving the U.S. government, the American supplier, and the recipient country. On a practical level, this helps ensure the country can obtain necessary parts and upgrades. On a less tangible, but still significant, level, this means that decades after money changes hands and the systems are delivered, Americans will be often be visiting, living, or working in the recipient country in support of the system. This accumulates diplomatic benefits and people-to-people relationships and opportunities for influence that are as valuable as they are hard to measure.

- **Deprive Adversaries of Similar Benefits.** When it completes an arms sale, the United States not only accrues these benefits, but it prevents America's adversaries – at least as it relates to the system in question – from accruing those benefits. Foreign military partners, just like the United States, have a limited defense budget and will only acquire so many weapons. This fact makes the arms sale competition with countries such as Russia and China essentially zero-sum in nature. Given this fact, as well as the many benefits associated with foreign arms sales, the testimony of Assistant Secretary for Political-Military Affairs R. Clarke Cooper before the House Foreign Affairs Committee last June is hardly surprising. “Our adversaries, including Russia and China, have adopted deliberate, long-term strategies of trying to disrupt our partnerships by seeking to replace the United States as the credible supplier of choice,” he said.³⁷

These general benefits of U.S. foreign arms sales do not necessarily mean that every arms sale case deserves *carte blanche* support. And the degree to which these dynamics exist certainly varies significantly between cases and countries. This list of benefits associated with U.S. arms sales should simply be kept in mind when weighing the benefits and risks in each case.

Arms Sales in the Gulf

The Iranian Threat

When considering arms sales to countries in the Gulf, the primary – but not only – consideration must be U.S. national security objectives and interests. And the Islamic Republic of Iran continues to represent the leading threat to those objectives and interests.

Consider General McKenzie's testimony in March:

Deterring Iran from its destructive and destabilizing activities in the military domain underpins everything we do, and is CENTCOM's top priority. Until such a time as the regime in Tehran decides to be a responsible member of the international community, CENTCOM must work to establish and maintain military deterrence with Iran, notably within the context of the ongoing economic and diplomatic maximum pressure campaign.³⁸

³⁷ Assistant Secretary of State for Political-Military Affairs R. Clarke Cooper, *Testimony before the House Committee on Foreign Affairs*, June 12, 2019. (<https://docs.house.gov/meetings/FA/FA00/20190612/109641/HHRG-116-FA00-Wstate-CooperR-20190612.pdf>)

³⁸ General Kenneth F. McKenzie Jr., “Posture Statement,” *Testimony before the Senate Committee on Armed Services*, March 12, 2020. (https://www.armed-services.senate.gov/imo/media/doc/McKenzie_03-12-20.pdf)

He then went on to list some of the leading examples of Iranian aggression from May 2019 until March 2020. His list included:

- Dozens of attacks against U.S. interests by Iran-supported groups in Iraq;
- The attack and seizure of foreign vessels in the Gulf;
- The facilitation of Houthi attacks against Saudi Arabia;
- The continued proliferation of weapons throughout the region, including in support of the Assad regime;
- An “unprecedented” cruise missile and unmanned aerial system attack against Saudi oil facilities;³⁹ and
- The January launch of ballistic missiles in a “deliberate attack against U.S. and Coalition forces in Iraq.”

While the January attack was a rare case of an overt and direct Iranian conventional attack on U.S. troops, much of Iran’s aggression during this time period featured Tehran’s traditional use of asymmetrical proxy terrorism. My FDD colleague Behnam Ben Taleblu analyzed and catalogued attacks against U.S. facilities and personnel in Iraq by Iran-backed Shiite militia groups. He found, based on open-source data, that there were at least 43 rocket and/or mortar attacks on U.S. positions in Iraq by these Iran-supported groups between May 1, 2019, and April 30, 2020.⁴⁰

The Saudi Dilemma

By illicitly arming the Houthis, Tehran has attempted to create a Hezbollah-style terrorist proxy in Yemen to undermine regional stability and threaten U.S. and Saudi interests. According to a Center on Strategic and International Studies report released last week, “Iranian support has enabled the Houthi movement to field a diverse arsenal of ballistic missiles, cruise missiles, and drones.” The Houthis have not been reluctant in employing these weapons against Saudi Arabia. And they have also targeted Saudi, Emirati, Turkish, and U.S. vessels in international waters with anti-ship missiles. Notably, according to the CSIS report, “The conflict in Yemen has the unique distinction of featuring by far the greatest use of ballistic missile defenses of any conflict in history.”⁴¹

If the arms embargo in Iran is lifted, Iranian aggression – both asymmetrical and direct – may only grow worse. As Taleblu notes, Iran may look to Moscow and Beijing in order to augment

³⁹ Notably, a report UN Secretary-General Antonio Guterres sent last week to the Security Council said the cruise missiles and drones used in the May 2019 attack on the Saudi oil facility were of “Iranian origin.” David Wainer, “Missiles in 2019 Saudi Oil Attacks Came From Iran, UN Says,” *Bloomberg News*, June 12, 2020. (<https://www.bloomberg.com/news/articles/2020-06-12/missiles-used-in-saudi-attacks-last-year-came-from-iran-un-says>)

⁴⁰ Behnam Ben Taleblu, “Collecting and Analyzing Shiite Militia Attacks Against the U.S. Presence in Iraq,” *Foundation for Democracies*, May 5, 2020. (<https://www.fdd.org/analysis/2020/05/05/collecting-and-analyzing-shiite-militia-attacks-against-the-us-presence-in-iraq/>)

⁴¹ Ian Williams and Shaan Shaikh, “The Missile War in Yemen,” *Center for Strategic and International Studies*, June 2020. (http://missilethreat.csis.org/wp-content/uploads/2020/06/The-Missile-War-in-Yemen_June-2020.pdf)

its cruise missile arsenal. He warns this could include acquisition of the “Russian Club-K or the Chinese YJ-18C, both of which can allegedly be launched from containers at sea.”⁴²

This obviously has implications for DoD contingency planning and force posture. But it also should inform U.S. arms sales to Gulf partners. In order to deter Iranian aggression and reduce the demand for U.S. forces in the Gulf, it is in Washington’s interest to help our Gulf partners acquire the capabilities they will need. Notably, those capabilities are not necessarily the ones that our Gulf partners request.

In an article last year, former Undersecretary of Defense for Policy and current advisor to FDD’s Center on Military and Political Power Eric Edelman argued that the United States should help partners field “robust multi-layered theater missile defenses and interoperable air and maritime defenses in the Gulf, including potentially using directed energy weapons.” He argued that additional areas of capability focus for Gulf partners should include “those that impose costs on Iran, like unmanned aerial vehicles for strike missions, augmented undersea warfare capabilities to counter Iran’s guerrilla navy and tactical ballistic missiles to hold Iranian coastal infrastructure at risk.”⁴³

An obvious potential recipient for some of these capabilities would include Saudi Arabia – an important but deeply flawed security partner. Saudi Arabia is a leading country of the Arab and Muslim world and should be playing a more effective role in countering Iranian aggression.

As Iran’s September 2019 attack on Saudi energy facilities highlighted, Riyadh’s purchase of cutting-edge American technology means little if the Saudis cannot operate them effectively. U.S. military sales are supposed to enhance partner capacity, but Saudi Arabia’s lackluster performance in defending itself from the attack demonstrates the need for better follow-on training and for an increased commitment from Riyadh to use its assets effectively.

Regardless, congressional support for arms sales to Saudi Arabia has reached a nadir. Riyadh certainly has a legitimate right to defend its cities and its citizens from repeated attack from the Houthis. Time and again, however, Riyadh has used American-provided munitions in airstrikes that killed innocent civilians in Yemen. These strikes against civilians are a gift to Tehran, undercutting U.S. support for Saudi Arabia and pushing the Houthis further into Tehran’s orbit.

As House Foreign Affairs Committee Chairman Eliot Engel said in June, “We have heard too many heartbreaking reports about hospitals, school buses, weddings, and funerals wiped out in a fiery flash of destruction.” And Ranking Member Michael McCaul expressed concern for the number of civilian deaths in the war in Yemen, “including from Coalition airstrikes.”⁴⁴

⁴² Behnam Ben Taleblu, “Confronting Iran’s Illicit Arms Trafficking,” June 17, 2019. (<https://www.fdd.org/analysis/2019/06/17/confronting-irans-illicit-arms-trafficking/>)

⁴³ Eric Edelman, “The US Role In The Middle East In An Era Of Renewed Great Power Competition,” *Hoover Institution*, April 2, 2019. (<https://www.hoover.org/research/us-role-middle-east-era-renewed-great-power-competition>)

⁴⁴ Representative Michael McCaul, “What Emergency?: Arms Sales and the Administration’s Dubious End-Run Around Congress,” *Statement during hearing by the House Committee on Foreign Affairs*, June 12, 2019. (<https://docs.house.gov/meetings/FA/FA00/20190612/109641/HHRG-116-FA00-Transcript-20190612.pdf>)

To be sure, the Houthis have a horrific human rights record. They have blocked desperately needed humanitarian assistance⁴⁵ and systematically tortured detainees.⁴⁶ And the Houthis have repeatedly launched missiles at Saudi population centers in an attempt to murder civilians. These actions are deplorable and deserve unambiguous condemnation.

But the United States does not provide the Houthis weapons; we provide them to Saudi Arabia. And arms sales are about more than national security or economics; there is also a moral component. If a partner consistently uses U.S. weapons to kill civilians, America's principles demand action. At a minimum, Washington must demand that the attacks on civilians end immediately. If Riyadh does not respond in urgent good faith, there may be little choice but to stop providing the munitions used in the attacks.

To be fair, even the U.S. military – despite the best possible training and precautions – sometimes makes tragic mistakes, inadvertently taking the lives of civilians in combat zones. But Saudi Arabia's actions in Yemen over several years suggest, at best, a pattern of dangerous incompetence or willful disregard of the Law of Armed Conflict and of practices necessary to avoid civilian casualties. A costly and tragic mistake that is not repeated is different than a troubling and seemingly unending pattern.

The Department of State has responded to these concerns by saying that U.S. forces are providing the Saudis training on “Law of Armed Conflict (LOAC), air-to-ground targeting procedures, and best practices for mitigating the risk of civilian casualties.” State hastens to note that Riyadh is taking steps to “improve its targeting processes” while adopting “mechanisms for investigating alleged incidents of civilian casualties and addressing them operationally, as appropriate.”⁴⁷

Yet troubling Saudi attacks on civilians in Yemen have continued.⁴⁸

There is apparently a belated and growing realization in Riyadh that there is not a military solution in Yemen. The Saudis may also finally be realizing that an indefinite extenuation of the war is not in Riyadh's interest. Indeed, the longer the war continues, the more the Houthis will turn to Tehran and the more opportunities the Islamic Republic of Iran will have in Yemen to attack U.S. and Saudi interests.

The Saudis may now be ready to negotiate in good faith, but Tehran continues to illicitly smuggle weapons to the Houthis, enabling attacks on Saudi Arabia. Riyadh's horrible and repeated airstrikes against civilians tempts some to dismiss these attacks on Saudi Arabia. But one need only imagine similar such attacks on U.S. cities to appreciate the fact that Saudi Arabia has a right to prevent a terrorist proxy on its border from incessantly lobbying missiles at its citizens.

⁴⁵ Maggie Michael, “Yemen's Houthi rebels impeding UN aid flow, demand a cut,” *Associated Press*, February 19, 2020. (<https://apnews.com/edb2cad767ccbf898c220e54c199b6d9>)

⁴⁶ Maggie Michael, “Ex-inmates: Torture rife in prisons run by Yemen rebels,” *Associated Press*, December 7, 2018. (<https://apnews.com/e32442a4c8c24acd9d362c433d5cd10e>)

⁴⁷ U.S. Department of State, Bureau of Political-Military Affairs, Fact Sheet, “U.S. Security Cooperation With Saudi Arabia,” April 8, 2020. (<https://www.state.gov/u-s-security-cooperation-with-saudi-arabia/>)

⁴⁸ *Yemen Data Project*, accessed June 14, 2020. (<https://www.yemendataproject.org/>)

Washington, therefore, has an urgent interest in stopping Iranian arms shipments to Yemen. Over time, this will deprive the Houthis of key weapons and force them to hopefully make peace with the Saudis – who are geographically closer and richer than the Iranians, with whom the Houthis did not previously have a strong connection. This could end the Houthi attacks on Saudi Arabia and end the Saudi airstrikes in Yemen that have killed so many civilians and strained a security partnership between the United States and Saudi Arabia that both countries need.

Qualitative Military Edge

One of the major geopolitical developments in recent years is the warming relationship between Israel and many Arab countries, including several in the Gulf. Long ago, many Arab governments quietly came to the realization that Iran – not Israel – represents the real threat. Yet despite this realization, many of these governments were unwilling to work even quietly with Israel. That has changed in several cases – a positive development that should be encouraged.

Yet, Arab Gulf countries do not have a peace treaty with Israel, and some Gulf countries maintain public postures hostile to Israel. These Arab governments are unlikely to act on that public disposition as long as the Iranian people do not have a government worthy of them. But if the situation in Iran ever improves, the disposition of Arab countries – individually or collectively – toward Israel could take a turn for the worse.

It is therefore incumbent on the United States to continue its focus on helping Israel maintain its qualitative military edge (QME) over any potential regional adversary or group of adversaries.⁴⁹ This should inform every American arms sale to Gulf countries. Doing so of course serves Israeli interests, but it also serves American interests given that fact that Jerusalem represents Washington's closest and most reliable ally in the region.

If Arab Gulf countries are interested in acquiring more advanced U.S. weapons, a good first step would be to codify a non-aggression pact with Israel.⁵⁰

In addition, there are more ways to help Israel maintain its QME than simply limiting the type of U.S. weapons that are delivered to Gulf countries. The United States could also partner more effectively with Israel in early military cooperative research and development. This could help ensure that Israeli – and American – warfighters never encounter a more technologically advanced foe.⁵¹

⁴⁹ Congressional Research Service, "U.S. Foreign Aid to Israel," updated August 7, 2019. (<https://fas.org/sgp/crs/mideast/RL33222.pdf>)

⁵⁰ Countries such as Qatar must also ensure that they are not a permissive environment for terrorist financing. Jonathan Schanzer, "Assessing the U.S.-Qatar Relationship," *Testimony before the House Committee on Foreign Affairs Subcommittee on the Middle East and North Africa*, June 26, 2017. (<https://docs.house.gov/meetings/FA/FA13/20170726/106329/HHRG-115-FA13-Wstate-SchanzerJ-20170726.pdf>)

⁵¹ Bradley Bowman, "Securing technological superiority requires a joint US-Israel effort," *Defense News*, May 22, 2020. (<https://www.defensenews.com/opinion/commentary/2020/05/22/securing-technological-superiority-requires-a-joint-us-israel-effort/>)

The Path Forward

As Congress continues to exercise its important oversight prerogatives and duties, here are a few policy recommendations and areas of potential focus.

- Extend the Arms Embargo on Iran.** Notwithstanding the difficulties associated with Chinese and Russian obstruction at the United Nations, Congress should support, in a bipartisan manner, the administration's efforts to extend the arms embargo on Iran. In July 2015 testimony before the Senate Armed Services Committee, then Chairman of the Joint Chiefs of Staff General Martin Dempsey warned, "Under no circumstances should we relieve pressure on Iran" when it comes to Tehran's arms trafficking.⁵² That is more true today than ever, and unfortunately, is exactly what is about to happen in October.
- Prioritize Interdiction of Iranian Arms Shipments to Yemen.** For reasons described above, the United States and its allies and partners should redouble efforts to interdict Iranian arms shipments to the Houthis in Yemen. This will help reduce attacks by the Houthis against Saudi and U.S. interests and could facilitate a diplomatic resolution to the war in Yemen, which has inflicted extraordinary suffering, provided low-cost, high-payoff opportunities for Tehran, and divided the United States and Saudi Arabia. Members of Congress may want to seek updates from the administration on current efforts to interdict arms shipments from Iran to Yemen, with a focus on what additional steps can be taken.
- Demand Better FMS Training With Gulf Countries.** Saudi Arabia has purchased an extraordinary amount of U.S. weapons, including Patriot air and missile defense batteries.⁵³ But the successful September attack on Saudi oil facilities suggested that Riyadh lacked sufficient competence in employing its Patriots.⁵⁴ This underscores the importance of providing quality training to accompany U.S. arms sales to the Gulf. A country can possess the best possible equipment, but an inability to maintain and operate the systems effectively makes them virtually useless. Congress should scrutinize FMS training programs in the Gulf, pressing the administration to refine metrics and demonstrate progress.
- Expose Adversary Arms Sales Bribery.** Russia and China are increasingly active in arms sales, including in the Middle East.⁵⁵ Both countries understand the wide-ranging

⁵² General Martin Dempsey, "Hearing to Receive Testimony on Counter-ISIL (Islamic State of Iraq and the Levant) Strategy," *Testimony before the Committee on Armed Services*, July 7, 2015. (<https://www.armed-services.senate.gov/imo/media/doc/15-61%20-%207-7-15.pdf>)

⁵³ U.S. Department of State, Bureau of Political-Military Affairs, Fact Sheet, "U.S. Security Cooperation With Saudi Arabia," April 8, 2020. (<https://www.state.gov/u-s-security-cooperation-with-saudi-arabia/>)

⁵⁴ Bradley Bowman and Andrew Gabel, "Pentagon Deploys Assets to Saudi Arabia to Deter Additional Iranian Attacks," *Foundation for Defense of Democracies*, September 27, 2019. (<https://www.fdd.org/analysis/2019/09/27/pentagon-deploys-assets-to-saudi-arabia-to-deter-additional-iranian-attacks/>)

⁵⁵ Natasha Turak, "Pentagon is scrambling as China 'sells the hell out of' armed drones to US allies," *CNBC*, February 21, 2019. (<https://www.cnn.com/2019/02/21/pentagon-is-scrambling-as-china-sells-the-hell-out-of-armed-drones-to-americas-allies.html>)

benefits of arms sales and are seeking to displace the United States. The economic effects of COVID-19 will reduce the defense resources available for many countries, yet security needs remain persistent. This reality may make some countries more susceptible to Russian or Chinese bribery when it comes to arms sales decisions. In an October 2019 speech, Assistant Secretary Cooper noted that China is utilizing bribery to promote its arms sales.⁵⁶ This is consistent with the pattern of bribery that Beijing has employed in its Belt and Road Initiative.⁵⁷ Congress should request briefings from the intelligence community on Chinese and Russian use of bribery related to arms sales, looking for opportunities where possible to deter the practice and expose those involved.

- **Don't Block All Saudi Arms Sales.** If Riyadh refuses to end airstrikes against civilian targets in Yemen, Congress may choose to sustain efforts to block the sales of the munitions used in these airstrikes. Regardless, due to the benefits for U.S. national security, Congress should avoid the temptation to block all weapons sales to Saudi Arabia or additional categories of weapons not associated with the airstrikes in Yemen. Congress and the administration should support weapons sales to Saudi Arabia and United Arab Emirates that are primarily defensive in nature, including air defense systems. Washington should also support arms sales to improve these countries' maritime warfare capabilities. This could increase their maritime defensive and offensive capabilities to deter and counter Iranian activities in the Gulf, Strait of Hormuz, Arabian Sea, and Red Sea. If Gulf partners conclude that they cannot rely on the United States for essential weapons, it will incentivize them to turn to Moscow or Beijing – which are far less concerned with the use of weapons against civilians.
- **Establish a U.S.-Israel Operations Technology Working Group.** In order to reinforce Israel's QME and ensure that American and Israel warfighters never confront a more technologically advanced foe, the United States and Israel should establish without delay a U.S.-Israel Operations Technology Working Group.⁵⁸ This working group would improve bilateral early cooperative military research and development and help prevent dangerous capability gaps from emerging in the first place. Ranking Member Wilson and Representative Houlahan have introduced the bipartisan *United States-Israel Military Capability Act of 2020 (H.R. 7148)*, which would do just that.⁵⁹
- **Refine the Emergency Arms Sales Statute.** Some statutes related to arms sales are decades old and may require amendment in order to facilitate more effective congressional oversight. Last year, the administration used a statutory provision and declared an emergency as a means to bypass congressional opposition and deliver arms to

⁵⁶ Assistant Secretary of State for Political-Military Affairs R. Clarke Cooper, U.S. Department of State, "America as the Partner of Choice," October 21, 2019. (<https://www.state.gov/america-as-the-partner-of-choice/>)

⁵⁷ Elaine K. Dezenski, "Below the Belt and Road: Corruption and Illicit Dealings in China's Global Infrastructure," *Foundation for Defense of Democracies*, May 2020. (<https://www.fdd.org/wp-content/uploads/2020/05/fdd-monograph-below-the-belt-and-road.pdf>)

⁵⁸ Bradley Bowman, "Securing technological superiority requires a joint US-Israel effort," *Defense News*, May 22, 2020. (<https://www.defensenews.com/opinion/commentary/2020/05/22/securing-technological-superiority-requires-a-joint-us-israel-effort/>)

⁵⁹ H.R. 7148, 116th Congress (2020). (<https://www.congress.gov/bills/116/congress/house-bills/7148?q=%7B%22search%22%3A%5B%22h.r.+7148%22%5D%7D&s=1&r=1>)

the Saudis and others. The circumstances surrounding this incident suggest that the statute should be amended to provide more information to Congress in order to better assess the merit of any future emergency declarations. Section 1270 in the House's version of the FY 2020 NDAA (H.R. 2500) would have done that by amending the Arms Export Control Act (22 U.S.C. 2776). This provision, however, was not included in the final FY 2020 NDAA, and members may decide to renew that effort in this year's NDAA.

I thank this subcommittee for the opportunity to testify. I look forward to answering your questions.