

What Threatens US Interests in the Middle East

**Testimony of Ambassador Edward S. Walker, Jr.
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Mr. Chairman, distinguished members, I welcome this opportunity to discuss US national interests in the Middle East and the threats to those interests over the next twenty years. In their simplest terms, our primary interests fall into three categories: Israel, energy and fundamentalism.

In the short term, it is difficult to see any combination of external forces that could endanger Israel's survival. Nevertheless, so long as the Palestinian issue continues to be a sore point and potential rallying cry for our enemies, a certain level of short-term threat has to be assumed both to Israel and possibly to us.

That threat will continue to be exercised through terrorism and asymmetrical warfare. As President Bush said the other day, every time we or any other power, such as Israel, are perceived by its enemies to withdraw in the face of casualties stemming from terrorist attacks, those and other terrorists are further encouraged to use the same tactics to achieve their ends. They have already learned a great deal in Southern Lebanon, through the Intifada, the "victory" in Gaza and, of course, in Iraq. They have the patience to wait out their adversaries, to take numerous individual casualties, present small targets, melt into the background and quickly change tactics to meet changes in their adversaries' tactics.

Accordingly, as Israeli internal defenses are strengthened by the isolation of Palestinian communities through the Gaza arrangement and the wall, and to the extent they are successful in stopping Palestinian attacks at home, organizations like the militant wings of Hamas, Hezbollah and the Palestinian Islamic Jihad will seek alternative outlets. While some members of these groups can be brought into the political process as conditions in the West Bank and Gaza improve, there will continue to be a hard core group of activists who will seek to keep the pressure up on the international community until they achieve their ends. So while they will continue to seek out targets in Israel they are also likely to shift some of their resources to international Israeli and American targets. They will continue to be supported, at least covertly, by Syria in an effort to ensure that the occupation of the Golan Heights remains on the agenda.

Thus far, the advocates of maximalist Palestinian objectives have not linked themselves closely with al Qaeda, or with other established terror cells or criminal activity with international reach. As they are further pressed, however, such a link-up is likely. At the same time, Iran's anti-Israeli policy and its confrontation with the United States will tempt Iran to give covert international support to terrorists through the Iranian Revolutionary Guard's al Quds Force, which is versed in unconventional warfare.

A similar process is likely to take place in Iraq as we and the Iraqis achieve greater success in securing the country, isolating the terrorists and presenting hardened targets in Iraq. It is quite likely that we and the Iraqis will find a way to integrate the bulk of the Sunni resistance in Iraq. This will certainly occur within the next five years. But Iraq is not the

target of Abu Musab Zarqawi or of Bin Laden. These terrorists will not integrate into a new Iraq. When pressed, they will disperse to safer ground or at least ground with more vulnerable targets. That ground is likely to be found in Pakistan, Saudi Arabia, Syria, Lebanon, the Gulf States and Jordan.

There is no question that Iraq has become a foreign terrorist proving-ground for tactics and training, and that gives me great pause when considering the dispersal of terrorists from Iraq and the lessons they have already learned. Despite all our efforts, the insurgents in Iraq have been able to bring the Iraqi petroleum industry to a standstill. According to the *New York Times*, oil production in Iraq in August of this year was 2.2 million barrels per day. In prewar Iraq, production was 2.5 million barrels. Terrorists around the world have been able to see the impact of the relatively limited production shortfalls created by hurricane Katrina. They are quite capable of extrapolating from this the fact that any disruption of supply in the tight energy markets of today sends the price of energy spiraling upward. Any sustained or repetitive attack on oil and gas producers would have a profound impact on the American and global economies.

Tankers and LNG transports are vulnerable to small boat attack. Primitive mines created immense problems for our convoys of reflagged Kuwaiti tankers in the Gulf in 1987. Pipelines, stretching over hundreds of miles of territory, have been breached time after time by insurgents in Iraq. And all our tanks, planes, ships, helicopters, missiles and APCs have been unable to stop these attacks. For the next 20 years, we should be worried about a determined attack by irreconcilable enemies on the world's energy supply centered in the Gulf, which holds a third of the world's oil and gas reserves.

Offshore facilities offer an attractive target, but onshore pipelines and facilities may be even easier targets. Saudi Arabia has over 7,000 miles of pipeline to protect. It has substantially upgraded its defensive measures in recent years, both in terms of coordinating its fragmented internal defense forces, hardening targets such as oil production and refining facilities, and creating redundancy in its delivery systems. The Saudi oil infrastructure is certainly better protected than that of the other oil producers in the region or, for that matter, of US oil facilities. But it doesn't take much to blow a hole in a pipeline or take out a key pumping station.

It would compound our problems immensely if any of the oil-producing countries of the Gulf were destabilized and brought under fundamentalist control as envisioned by al Qaeda. We are often assured that even in hostile hands a country can't drink its oil. But the question is if that would apply to a country bent on destroying Western influence in the region and where the national appetite can be satisfied at a much lower level of consumption when combined with psychic and ideological fulfillment. In those hands, by the simple act of taking oil off the market, in some ways, oil could be a more devastating weapon than a limited nuclear capability with all its attendant problems of delivery and retaliation.

Leaving aside Iraq and Afghanistan, countries with potential for instability include those oil and gas producers in the region with large Shiite populations and with large populations of under-25-year-olds with limited job prospects. Significant national income from high oil prices will moderate the problems these countries face for now and continued reform efforts have the potential for reducing the risk even further, provided the reforms are pursued intelligently with local traditions in mind. But regardless of the

reforms or the development of democracy, these are not antidotes to the radical fundamentalists who oppose reform and democracy.

A more dangerous immediate candidate for instability in the near term is the Musharraf government in Pakistan where a coup could lead to a sharp shift toward a fundamentalist policy. This would intensify the risk of nuclear proliferation, already a problem in Pakistan, and provide protected areas for terrorist training, planning and safe havens.

Since there has been a great deal of attention to the nuclear threat and the possibility of Iran developing a nuclear weapon, no discussion of threats in the region can ignore it. A nuclear-armed Iran would pose a significant threat to Israel, although it would be blocked in part by Israel's own nuclear deterrent. And Iran, armed with nuclear weapons, could have a persuasive impact on the oil policies of the Gulf States. But the Iranian regime has shown a clear preference for self-preservation that probably means it can be dealt with through traditional diplomacy, deterrence and the threat of military action. Of course, the sooner we can stabilize Iraq and reduce forces there, the greater credibility our military posture toward Iran will have.

I would caution, however, if our focus on stabilizing Iraq and on Iran's nuclear ambitions absorbs all our energy to the exclusion of more pedestrian dangers, like terrorism, asymmetrical warfare and the collapse of friendly states, we may regret it. We cannot and should not ignore the problems that a nuclear-armed Iran would create. But as we consider what to do about Iran we also have to keep in mind that Iran already has the option of threatening the energy supplies of the world if it decides to take active steps to close down the Gulf with its own conventional or surrogate forces.

As a final warning, I suggest that our situation in the Gulf is becoming increasingly complex with the entry of China into the equation. The prospect of Chinese naval berthing facilities at Gwardar in Pakistan dominating entry into the Straits of Hormuz is a forewarning of future Chinese expansion into the region to feed and protect its growing energy appetite and close relationship with Iran. Competition for oil may turn out to be the gravest threat we face if we cannot moderate worldwide consumption and guarantee reliable supply.

Note: *Assertions and opinions in this testimony do not reflect the views of the Middle East Institute, which expressly does not take positions on Middle East policy*

Biography: *Edward S. Walker, Jr. is President of the Middle East Institute. He previously served as Assistant Secretary of State for Near Eastern Affairs, US Ambassador to Israel, Egypt, and the United Arab Emirates, and Deputy Permanent Representative of the United States to the United Nations.*