

# Congressional Testimony

## **The Gulf Cooperation Council:** *Deepening Rifts and Emerging Challenges*

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Chairman Ros-Lehtinen, Ranking Member Deutch, and distinguished members of the subcommittee, thank you on behalf of the Foundation for Defense of Democracies for the opportunity to discuss tensions in America's security relationship with members of the Gulf Cooperation Council (GCC). As a former Professional Staff Member at the House Committee on Foreign Affairs, I feel particularly appreciative for the opportunity to testify before you today.

The GCC covers a region that is extremely important for American interests. The group is comprised of Saudi Arabia, Qatar, the United Arab Emirates, Bahrain, Kuwait, and Oman.

Half of the world's proven oil reserves are located in the broader Persian Gulf, and several members of the GCC, particularly Saudi Arabia, are noted for having spare production capacity, which gives them added influence over the global oil market.<sup>1</sup> America has crucial military bases in the region, including an air base in Qatar, a naval facility in Bahrain, and a drone facility in Saudi Arabia, and all of which help sustain military operations outside of the Gulf.<sup>2</sup> America exports more goods to the United Arab Emirates than any other country in the Middle East, Africa, or South Asia, and current exports to Saudi Arabia are nearly as high.<sup>3</sup> Finally, U.S. officials often turn to our allies in the Gulf for actionable intelligence to avert specific al Qaeda attacks against the American homeland.<sup>4</sup>

I will now proceed by explaining why U.S. alliances in the Gulf are coming under increasing strain. In particular, I will discuss the GCC's sense of abandonment vis-à-vis Iran and how this concern has been exacerbated by other factors such as the shale boom, the Arab Spring, the Muslim Brotherhood, and the conflict in Syria.

I will also note areas where we should expect more from our Gulf allies, such as countering violent extremism and encouraging the pursuit of reform. I will acknowledge several challenges for our country's energy security as it pertains to

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<sup>1</sup> "Persian Gulf Region," *Rand Corporation*, accessed May 21, 2014. (<http://www.rand.org/topics/persian-gulf-region.html>)

<sup>2</sup> Tom Shanker, "Hagel Lifts Veil on Major Military Center in Qatar," *The New York Times*, December 11, 2013. (<http://www.nytimes.com/2013/12/12/world/middleeast/hagel-lifts-veil-on-major-military-center-in-qatar.html?partner=rss&emc=rss&r=1&>) & "Commander's Guiding Principles," *U.S. Naval Forces Central Command Website*, accessed May 21, 2014. (<http://www.cusnc.navy.mil/about.html>) & "CIA Operating Drone Base in Saudi Arabia, US Media Reveal," *BBC News*, February 6, 2013. (<http://www.bbc.com/news/world-middle-east-21350437>)

<sup>3</sup> "Trade in Goods with United Arab Emirates," *United States Census Bureau Website*, accessed May 21, 2014. (<http://www.census.gov/foreign-trade/balance/c5200.html>) & "Trade in Goods with Saudi Arabia," *United States Census Bureau Website*, accessed May 21, 2014. (<http://www.census.gov/foreign-trade/balance/c5170.html>)

<sup>4</sup> Robert F. Worth, "Saudi Help in Package Plot Is Part of Security Shift," *The New York Times*, October 30, 2010. (<http://www.nytimes.com/2010/10/31/world/middleeast/31saudi.html?ref=world>) & Nic Robertson and Paul Cruickshank, "Sources: Saudi Counterterrorism Work Broke Up New AQAP Plane Plot," *CNN*, May 9, 2012. (<http://www.cnn.com/2012/05/09/world/meast/al-qaeda-plot/>)

the Gulf and then conclude by offering a list of policy recommendations for improving U.S. relations in the region.

### Sense of Abandonment

There is a pervasive sense among the GCC states that America has abandoned its allies in the region and has ceded its longtime leadership position. In order to understand the sources of this concern, it is important to consider five key factors as they pertain to U.S. policy: (1) the shale boom, (2) the Arab Spring, (3) the Muslim Brotherhood, (4) Syria, and (5) Iran.

**The Shale boom.** In the last few years, the Gulf states see America becoming less dependent upon foreign oil thanks to horizontal drilling and hydraulic fracturing (also known as “fracking”), which allow America to extract large, new amounts of oil and natural gas from underground shale deposits. These countries publicly claim not to be concerned about America’s energy revolution.<sup>5</sup> Yet they see us decreasing our dependence on foreign crude – and, in Qatar’s case, threatening its hold on markets for liquefied natural gas – and they are forced to wonder if this might ultimately reduce Washington’s commitment to their national security.

**The Arab Spring.** In 2011 the Gulf states watched America support a popular revolution in Egypt, calling on the country’s longtime ruler Hosni Mubarak to step down. Fearing a similar outcome in their own neighborhood, Saudi Arabia and the United Arab Emirates orchestrated a military intervention to shore up the minority Sunni monarchy under the Khalifa family in Bahrain. Judging from a recent visit by the UAE’s interior minister to his country’s troops in the area, it would seem at least some of these forces are still there.<sup>6</sup> Leaders in the region continue to wonder if America might abandon them like it did Mubarak.

**The Muslim Brotherhood.** Over the period that followed, these Gulf states watched America engage with ascendant Muslim Brotherhood forces in Egypt, Tunisia, Syria, Libya, and Yemen. Saudi Arabia and the UAE in particular fear that the Brotherhood offers a potent threat to their rule, as a disciplined network of adherents to a clandestine Islamist movement that uses religion to challenge traditional rule. Thus, these Gulf states saw American engagement with the Morsi government in Cairo through a skeptical, perhaps conspiratorial, lens. The fact that Qatar, a neighboring GCC state, has actually sought to bolster the Muslim Brotherhood as a powerful regional proxy has only added to Riyadh and Abu Dhabi’s imminent sense of threat.<sup>7</sup>

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<sup>5</sup> Hugh Tomlinson, “Kingdom on Alert as Army of Saudis Rush to Join Jihad in Syria,” *The Times*, February 24, 2014. (<http://www.thetimes.co.uk/tto/news/world/middleeast/article4013953.ece>)

<sup>6</sup> The National Staff, “Sheikh Saif Tells Troops UAE is Proud of Their Work in Bahrain,” *The National*, April 6, 2014. (<http://www.thenational.ae/uae/sheikh-saif-tells-troops-uae-is-proud-of-their-work-in-bahrain>)

<sup>7</sup> David Andrew Weinberg, “Frustration with Qatar Adds to GCC Security Dispute,” *Al-Arabiya*, March 6, 2014. (<http://www.defenddemocracy.org/media-hit/frustration-with-qatar-adds-to-gcc-security-dispute/>)

**Syria.** The GCC states blames Washington for letting Syria's Assad regime cling to power and slaughter tens of thousands of Sunni civilians.<sup>8</sup> They watched the U.S. decline to enforce its red line on weapons of mass destruction, unfortunately seeing this as a sign that the Obama doctrine means no use of force rather than the doctrine of selective force on which the President campaigned in 2008 and 2012.

**Iran.** Last but certainly not least, there is the matter of Iran. Tehran has been locked in a confrontational relationship with the GCC states ever since the Islamic Revolution and the subsequent Iran-Iraq War. The Islamic Republic of Iran has sponsored terrorism throughout the Arabian Peninsula and the Levant, seeking to use Shi'ite communities in many of these countries as a sectarian wedge for power promotion.

Thus, when the Gulf states see Washington engaging with their number one enemy, it is only reasonable to conclude that it is going to set off alarm bells in the region.

### **Iranian Intervention in the GCC**

Saudi Arabia's Deputy Crown Prince, Muqrin bin Abdulaziz Al Saud, is on record articulating why the GCC cares so much about Iranian power projection. He reportedly told U.S. officials that claims about a "Shi'ite crescent" stretching from Iran all the way to Lebanon through Iraq and Syria are only part of the picture. Instead, he insisted that his country is encircled by a hostile Shi'ite "full moon" that also includes Iranian networks in Yemen, Bahrain, Kuwait, and parts of Saudi Arabia.<sup>9</sup>

It is true that regimes in the region often point to an Iranian bogeyman to keep their citizens divided and focused on foreign conflicts instead of the domestic battle over reform.<sup>10</sup> However, there is also real truth to the claims by Gulf states that Iran has used its Shi'ite proxy relationships to threaten their national authority and to promote terrorism, something that continues up until this very day.

In both Bahrain and Yemen, officials have intercepted shiploads of sophisticated weapons evidently from Iran's Islamic Revolutionary Guard Corps (IRGC) headed toward radical Shi'ite militias.<sup>11</sup> In the Yemeni case, the weapons were apparently

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<sup>8</sup> Jay Solomon, "Arabs Ask U.S. to Lead on Syria," *The Wall Street Journal*, May 9, 2013.

(<http://online.wsj.com/news/articles/SB10001424127887324244304578473212174423122>)

<sup>9</sup> Angus McDowall, "Saudi Prince Muqrin Named Second-in-Line to Succeed King," *Reuters*, March 27, 2014. (<http://www.reuters.com/article/2014/03/27/us-saudi-crownprince-idUSBREA2Q1O420140327>)

<sup>10</sup> Toby Matthiesen, *Sectarian Gulf Bahrain, Saudi Arabia, and the Arab Spring That Wasn't*, (Stanford: Stanford University Press, 2013).

<sup>11</sup> Thom Shanker and Robert F. Worth, "Yemen Seizes Sailboat Filled With Weapons, and U.S. Points to Iran," *The New York Times*, January 28, 2013;

([http://www.nytimes.com/2013/01/29/world/middleeast/29military.html?\\_r=0](http://www.nytimes.com/2013/01/29/world/middleeast/29military.html?_r=0)) & Samantha Stainburn,

"Bahrain Finds Iranian and Syrian Weapons in Security Raids," *Global Post*, December 31, 2013.

(<http://www.globalpost.com/dispatch/news/regions/middle-east/131230/bahrain-finds-iranian-and-syrian-weapons-security-raids>)

headed to a Shi'ite insurgent group along Saudi Arabia's border that has engaged in frequent battles with Saudi armed forces. Meanwhile, the United Arab Emirates claims three valuable islands near the Strait of Hormuz that Iran has been occupying for decades.

Saudi Arabia has been targeted in attacks linked to Iran's global terrorist network, including the 1996 Khobar Towers bombing that killed 19 U.S. service members and a 2011 plot to assassinate the Saudi Ambassador here in Washington.<sup>12</sup> Kuwait was the site of several high-profile Iranian terrorist attacks in the 1980s, and Kuwaiti authorities have recently arrested or expelled several individuals on charges of espionage on behalf of Iran.<sup>13</sup> Similar Iranian terrorism or espionage rings have allegedly been broken up in Saudi Arabia and Bahrain as well.<sup>14</sup>

Iranian subversion in the Gulf is especially important to consider today because it colors how many of the Gulf states view America's security commitment as well as the prospects for a nuclear deal with Iran. Like Israel, the GCC will never trust the terms of an international accord over Iran's nuclear program until they see Tehran stopping its support for terrorism and other mischief-making in the Gulf, Yemen, and the Levant. In short, such activities are quite justifiably the prism through which our Gulf allies view Iran's broader intentions, including on the nuclear file.

Further, the American decision to conduct secret, high-level talks with Iran through Oman starting in March of last year contributed to the other Gulf states' sense of betrayal.<sup>15</sup> President Obama's phone conversation with Iranian President Hassan Rouhani in September apparently helped convince King Abdullah of Saudi Arabia to give up his nation's right to address the UN General Assembly in protest.<sup>16</sup> Citing

<sup>12</sup> <http://www.washingtonpost.com/wp-dyn/content/article/2006/12/22/AR2006122200455.html> & Chris Boyette, "Iranian-American Gets 25 Years in Plot to Kill Saudi Ambassador," *CNN*, June 2, 2013. (<http://www.cnn.com/2013/05/30/justice/new-york-saudi-assassination-plot/>)

<sup>13</sup> "Iran Cell Planned Attacks in Kuwait, Minister Says," *Reuters*, April 21, 2011; (<http://www.reuters.com/article/2011/04/21/us-kuwait-iran-spying-idUSTRE73K3NO20110421>) "Obituary: Sheikh Jaber, Emir of Kuwait," *BBC News*, January 15, 2006. ([http://news.bbc.co.uk/2/hi/middle\\_east/1556774.stm](http://news.bbc.co.uk/2/hi/middle_east/1556774.stm))

<sup>14</sup> "Bahrain Convicts Six of Plotting with Iran," *Reuters*, May 27, 2012; ([http://articles.chicagotribune.com/2012-05-27/news/sns-rt-us-bahrain-plot-trialbre84q08p-20120527\\_1\\_bahrain-hassan-mushaima-manama](http://articles.chicagotribune.com/2012-05-27/news/sns-rt-us-bahrain-plot-trialbre84q08p-20120527_1_bahrain-hassan-mushaima-manama)) & "Bahrain Expels Iran Diplomat Over 'Spy Link'," *Al-Jazeera*, April 26, 2011; (<http://www.aljazeera.com/news/middleeast/2011/04/2011426921169779.html>) & "Saudi Arabia Says Arrests 18 in Spying Investigation," *Reuters*, March 19, 2013; (<http://www.reuters.com/article/2013/03/19/us-saudi-espionage-idUSBRE92I17F20130319>) & "Saudi Arabia Arrests More 'Iran Spy Ring' Suspects," *BBC News*, May 21, 2013. (<http://www.bbc.com/news/world-middle-east-22615566>)

<sup>15</sup> Bradley Klapper, Matthew Lee and Julie Pac, "Secret US-Iran Talks Set Stage for Nuke Deal," *AP*, November 24, 2013. (<http://news.yahoo.com/secret-us-iran-talks-set-stage-nuke-deal-045356533--politics.html>)

<sup>16</sup> David Andrew Weinberg, "Saudis Stung by Obama Iran Initiative," *The National Interest*, October 3, 2013. (<http://nationalinterest.org/commentary/saudis-stung-by-obama-iran-initiative-9170>)

similar concerns, Saudi Arabia soon afterwards gave up its seat on the Security Council.<sup>17</sup>

Thus, although recent U.S. promises not to surprise the GCC again on the nuclear file and frequent visits by officials involved in the nuclear talks (such as Under Secretary of State for Political Affairs Wendy Sherman) are positive gestures, they only address part of the current problem.<sup>18</sup> A comprehensive reassurance strategy for the Gulf has to also find new ways to address the threat posed by Iran's IRGC.

This will continue to be the case even as individual members of the GCC move to engage Iran directly, such as an expected upcoming visit to Tehran by the Kuwaiti Amir Sabah al-Ahmad Al-Sabah.<sup>19</sup> Leaving aside Oman, which has reached a lucrative natural gas deal with Tehran and is not a Sunni-majority country, such engagement by the Gulf is less a sign that they trust Iran's intentions than that they fear being left behind as others cut separate deals with Tehran. The GCC countries will continue to doubt the value of America's 35,000 military personnel in the region if Washington appears unwilling to use its diplomatic might to push back against aggressive activity by their most threatening state adversary.

### Countering Violent Extremism

#### Saudi Textbooks:

The United States works with its Gulf allies on a continuous basis to fight violent extremism in the region. However, there are certain areas where our Gulf allies are falling short, and it is important to identify those areas and hold a frank dialogue with our allies, both in private and in public, to make clear why America has these concerns.

For example, Saudi Arabia continues to teach its children horrendous forms of hatred and incitement to violence in official, government-sponsored textbooks. Saudi textbooks from the current academic school year indoctrinate children to believe that there is no point in letting anybody who converts away from Islam live and that the only worthwhile debate about the role of LGBT individuals in society is how best to kill them.<sup>20</sup> The books suggest that Christians and Jews are incapable of

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<sup>17</sup> David Andrew Weinberg, "Saudi Arabia Turns Down UN Security Council Seat," *FDD Policy Brief*, October 19, 2013. (<http://defenddemocracy.org/media-hit/saudi-arabia-turns-down-un-security-council-seat/>)

<sup>18</sup> Remarks with Saudi Arabian Foreign Minister Saud al-Faisal," *U.S. Department of State Website*, November 4, 2013; (<http://www.state.gov/secretary/remarks/2013/11/216236.htm>) & U.S. Department of State, Press Release, "Under Secretary for Political Affairs Wendy R. Sherman Travels to Jerusalem, Riyadh, Abu Dhabi and Dubai," February 20, 2014. (<http://www.state.gov/r/pa/prs/ps/2014/02/221819.htm>)

<sup>19</sup> "Iran Says Kuwait's Emir to Visit, Turn 'New Page' in Ties," *Reuters*, May 20, 2014. (<http://www.reuters.com/article/2014/05/20/us-iran-kuwait-idUSBREA4J0FB20140520>)

<sup>20</sup> Oren Adaki, "Highlighting Hatred in Saudi Textbooks," *FDD Policy Brief*, March 27, 2014. (<http://www.defenddemocracy.org/media-hit/oren-adaki-highlighting-hatred-in-saudi-textbooks/>)

coexistence with Muslims and that women are inherently prone to adultery except under the watchful eye of a male relative.<sup>21</sup>

Saudi Arabia gave Washington assurances in 2006 that its Education Ministry would completely remove incitement against other religious groups from school textbooks within two years,<sup>22</sup> but the Bush and Obama administrations did not hold Riyadh accountable when this deadline lapsed.<sup>23</sup> In part due to the textbooks issue, Saudi Arabia has been designated as a “country of particular concern” according to the International Religious Freedom Act for an entire decade, but the executive branch continues to waive any and all penalties under the Act.<sup>24</sup>

Perhaps even more disappointingly, the State Department chose to withhold from publication the results of a taxpayer-funded study that documented hate in Saudi textbooks more comprehensively than ever before. In response to a question in March about this study, State Department Deputy Spokesperson Marie Harf claimed that “both State Department officials and the president of the nonprofit who wrote the study said it was never meant to be released to the public. So there’s no one keeping a public report quiet. It was always supposed to be internal”.<sup>25</sup>

However, I was personally informed by the president of this nonprofit that they began the study “with the intent of publishing its results.”<sup>26</sup> Similarly, the former assistant secretary at the State Department whose bureau commissioned the study said it was originally authorized “with the option, depending upon the findings, of making it public if the problems persisted,” which they clearly do.<sup>27</sup>

Further, given that last year the State Department released a study it had commissioned posing unprecedented criticisms of Israeli textbooks, the U.S. government has been tougher on Israel for its education materials than on Saudi Arabia, even though Saudi textbooks are undeniably the worse of the two. In light of

<sup>21</sup> Oren Adaki, “Highlighting Hatred in Saudi Textbooks,” *FDD Policy Brief*, March 27, 2014.

(<http://www.defenddemocracy.org/media-hit/oren-adaki-highlighting-hatred-in-saudi-textbooks/>)

<sup>22</sup> U.S. Department of State, Press Release, “Ambassador at Large for International Religious Freedom Briefs Congress on U.S.-Saudi Discussions on Religious Practice and Tolerance,” July 19, 2006; (<http://2001-2009.state.gov/r/pa/prs/ps/2006/69197.htm>) & “Ten Years On: Saudi Arabia’s Textbooks Still Promote Religious Violence,” *The Hudson Institute*, September 16, 2011, pages 47-49.

(<http://www.hudson.org/content/researchattachments/attachment/931/sauditextbooks2011final.pdf>)

<sup>23</sup> David Andrew Weinberg, “Textbook Diplomacy: Why the State Department Shelved a Study on Incitement,” *Foundation for Defense of Democracies*, March 2014, pages 9-10.

([http://www.defenddemocracy.org/stuff/uploads/documents/Textbook\\_Diplomacy.pdf](http://www.defenddemocracy.org/stuff/uploads/documents/Textbook_Diplomacy.pdf))

<sup>24</sup> U.S. Commission on International Religious Freedom, “Annual Report 2014: Saudi Arabia,” 2014.

(<http://www.uscirf.gov/sites/default/files/Saudi%20Arabia%202014.pdf>)

<sup>25</sup> Marie Harf, “Daily Press Briefing,” *U.S. Department of State Website*, March 25, 2014.

(<http://www.state.gov/r/pa/prs/dpb/2014/03/223927.htm#SAUDIARABIA>)

<sup>26</sup> David Andrew Weinberg, “Textbook Diplomacy: Why the State Department Shelved a Study on Incitement,” *Foundation for Defense of Democracies*, March 2014, page 4.

([http://www.defenddemocracy.org/stuff/uploads/documents/Textbook\\_Diplomacy.pdf](http://www.defenddemocracy.org/stuff/uploads/documents/Textbook_Diplomacy.pdf))

<sup>27</sup> Eli Lake, “U.S. Keeps Saudi Arabia’s Worst Secret,” *The Daily Beast*, March 25, 2014.

(<http://www.thedailybeast.com/articles/2014/03/25/u-s-keeps-saudi-arabia-s-worst-secret.html>)

the horrendous anti-Semitism in the Saudi books, this is a serious shortcoming in the administration's strategy for countering anti-Semitism worldwide. I believe this is why the American Jewish Committee recently stated that continuing to withhold this taxpayer-funded report on Saudi textbooks is inexplicable.<sup>28</sup>

The American people have a right to know what their tax dollars have supported, as well as the horrendous invective being perpetuated by the Saudi education system. Releasing this report is about more than just combatting state-sponsored intolerance overseas, it is about addressing a festering counterterrorism problem.

### Terrorist Finance:

According to the U.S. Treasury Department, the GCC is the biggest source of private donations to core al Qaeda, with Kuwait and Qatar serving as the two most permissive jurisdictions through which this illicit finance flows.<sup>29</sup> Kuwait allegedly is the number one source of funding for the Islamic State of Iraq and Syria (ISIS).<sup>30</sup>

Such dynamics are currently having a major effect on chaotic battlefields in the Levant. Experts describe Kuwait as "a virtual Western union" and "the Arab world's main clearinghouse" for Syria's radical armed groups.<sup>31</sup> Kuwaiti financiers provided seed money for Syrian groups close to al Qaeda that enabled them to become a major player on the ground.<sup>32</sup> President Obama reportedly chastised Qatar's Emir last year for allowing weapons his country had purchased to fall into the hands of

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<sup>28</sup> American Jewish Committee, Press Release, "AJC Urges U.S. to Press Saudis on Textbooks," March 26, 2014. (<http://www.ajc.org/site/apps/nlnet/content2.aspx?c=7oJILSPwFfJSG&b=8479733&ct=13805419>)

<sup>29</sup> David Cohen, "Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on 'Confronting New Threats in Terrorist Financing'," *Remarks before the Center for a New American Security*, March 4, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

<sup>30</sup> Karen DeYoung, "Kuwait, a U.S. Ally on Syria, is Also the Leading Funder of Extremist Rebels," *The Washington Post*, April 25, 2014. ([http://www.washingtonpost.com/world/national-security/kuwait-top-ally-on-syria-is-also-the-leading-funder-of-extremist-rebels/2014/04/25/10142b9a-ca48-11e3-a75e-463587891b57\\_story.html](http://www.washingtonpost.com/world/national-security/kuwait-top-ally-on-syria-is-also-the-leading-funder-of-extremist-rebels/2014/04/25/10142b9a-ca48-11e3-a75e-463587891b57_story.html))

<sup>31</sup> Ben Hubbard, "Private Donors' Funds Add Wild Card to War in Syria," *The New York Times*, November 12, 2013; (<http://www.nytimes.com/2013/11/13/world/middleeast/private-donors-funds-add-wild-card-to-war-in-syria.html>) & Ellen Knickmeyer, "Kuwaiti Court Upholds Parliamentary Vote, A Setback for Muslim Brotherhood," *The Wall Street Journal*, December 23, 2013. (<http://online.wsj.com/news/articles/SB10001424052702304244904579276383918948044>)

<sup>32</sup> Joseph Braude, "The Muslim Brotherhood's More Frightening Offshoot," *The Atlantic*, July 15, 2013; (<http://www.theatlantic.com/international/archive/2013/07/the-muslim-brotherhoods-more-frightening-offshoot/277786/>) & Michael Weiss, "The Unraveling: How Obama's Syria Policy Fell Apart," *Politico*, January 2, 2014. (<http://www.politico.com/magazine/story/2014/01/how-obamas-syria-policy-fell-apart-101704.html#.U3zW-fldVUU>)



the al Qaeda affiliate Jabhat al-Nusra.<sup>33</sup> Since then, the terrorist group has urged its supporters to send money through a Qatari charity fund.<sup>34</sup>

Kuwait and Qatar's problems with terrorism finance can be encapsulated by two prominent individuals, even though this issue ultimately involves comprehensive institutional failures as well as dubious actors.

Kuwait's problem is neatly symbolized by a prominent individual named Nayef al-Ajmi, who was appointed in January to serve in two separate capacities as the country's Minister for Justice and for Islamic Affairs. His image or written endorsement had been used by three separate fundraising networks to aid radical extremists in Syria.<sup>35</sup>

One of these networks has been linked by the U.S. government to al Qaeda's main Syrian affiliate, Jabhat al-Nusra.<sup>36</sup> All three networks appeared to be sending aid to Ahrar al-Sham, another Syrian rebel group that was co-founded by Ayman al-Zawahiri's representative in Syria, an al Qaeda veteran named Abu Khaled al-Suri.<sup>37</sup>

When U.S. officials called al-Ajmi's appointment "a step in the wrong direction," Kuwait's cabinet fired back by expressing its "resentment" at the allegations against one of their own.<sup>38</sup> An initial offer of resignation by al-Ajmi was rejected, and he was granted prime photo opportunities with the country's Prime Minister as well as the

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<sup>33</sup> Mark Mazzetti, C.J. Chivers, & Eric Schmitt, "Taking Outsize Role in Syria, Qatar Funnels Arms to Rebels," *The New York Times*, June 29, 2013.

([http://www.nytimes.com/2013/06/30/world/middleeast/sending-missiles-to-syrian-rebels-qatar-muscles-in.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/06/30/world/middleeast/sending-missiles-to-syrian-rebels-qatar-muscles-in.html?pagewanted=all&_r=0))

<sup>34</sup> Joby Warrick & Tik Root, "Islamic Charity Officials Gave Millions to Al Qaeda, U.S. Says," *The Washington Post*, December 22, 2013. ([http://www.washingtonpost.com/world/national-security/islamic-charity-officials-gave-millions-to-al-qaeda-us-says/2013/12/22/e0c53ad6-69b8-11e3-a0b9-249bbb34602c\\_story.html](http://www.washingtonpost.com/world/national-security/islamic-charity-officials-gave-millions-to-al-qaeda-us-says/2013/12/22/e0c53ad6-69b8-11e3-a0b9-249bbb34602c_story.html))

<sup>35</sup> David Andrew Weinberg, "New Kuwaiti Justice Minister Has Deep Extremist Ties," *The National Interest*, January 16, 2014. (<http://nationalinterest.org/commentary/new-kuwaiti-justice-minister-has-deep-extremist-ties-9719>)

<sup>36</sup> David Cohen, "Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on 'Confronting New Threats in Terrorist Financing'," *Remarks before the Center for a New American Security*, March 4, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

<sup>37</sup> David Andrew Weinberg, "New Kuwaiti Justice Minister Has Deep Extremist Ties," *The National Interest*, January 16, 2014; (<http://nationalinterest.org/commentary/new-kuwaiti-justice-minister-has-deep-extremist-ties-9719>) & Thomas Joscelyn, "Syrian Rebel Leader Was Bin Laden's Courier, Now Zawahiri's Representative," *The Long War Journal*, December 17, 2013. ([http://www.longwarjournal.org/archives/2013/12/aq\\_courier\\_rebel\\_leader\\_zawahiri.php](http://www.longwarjournal.org/archives/2013/12/aq_courier_rebel_leader_zawahiri.php))

<sup>38</sup> "Cabinet Resents US Official's Remarks Against Justice Min.," *Kuwait News Agency*, March 31, 2014; (<http://www.kuna.net.kw/ArticleDetails.aspx?id=2369707&Language=en>) & David Cohen, "Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on 'Confronting New Threats in Terrorist Financing'," *Remarks before the Center for a New American Security*, March 4, 2014. (<http://www.treasury.gov/press-center/press-releases/Pages/jl2308.aspx>)

Amir.<sup>39</sup> News reports indicated that Nayef al-Ajmi submitted his resignation again last week and that this time it was finally accepted.<sup>40</sup> However, it is unclear if al-Ajmi has actually stepped down, since the Kuwaiti cabinet's official website continues to list him as the country's Minister for Justice and Islamic Affairs.<sup>41</sup>

Another prominent individual who symbolizes the Gulf's problem with terrorist finance is Qatar's Abdulrahman al-Nu'aymi, who was designated in December 2013 by the Treasury Department as a Specially Designated Global Terrorist. Treasury's designation claimed that al-Nu'aymi had channeled millions of dollars to al Qaeda affiliates in Syria, Iraq, Yemen, Lebanon, and Somalia over the years and that most recently he had been caught transferring hundreds of thousands of dollars to Syria for Abu Khaled al-Suri.<sup>42</sup>

What is especially remarkable about al-Nu'aymi is that he was a publicly visible figure: as a professor at Qatar University, the head of a human rights group, the co-founder of a charity associated with a member of the royal family, reportedly even as the former head of the Qatar Football Association.<sup>43</sup> If Qatari authorities were unaware of his actions, then it was almost certainly an act of negligence on their part. Nor is there any sign that Qatari authorities have acted against al-Nu'aymi since his designation.<sup>44</sup>

More broadly, both Kuwait and Qatar have acted as a transit point, permitting private citizens to openly solicit donations from radical donors in other Gulf states that have more restrictive regimes for combating terrorist finance.<sup>45</sup> The State

<sup>39</sup> David Andrew Weinberg, "Kuwait's Embattled Justice Minister Part of Deeper Terror Finance Problem," *The National Interest*, April 10, 2014. (<http://nationalinterest.org/commentary/kuwaits-embattled-justice-minister-part-deeper-terror-financ-10225>)

<sup>40</sup> Karen DeYoung, "Kuwait Official Quits Post; U.S. Accused Him of Funding Extremist Fighters in Syria," *The Washington Post*, May 12, 2014. ([http://www.washingtonpost.com/world/national-security/kuwait-official-quits-post-us-accused-him-of-funding-extremist-fighters-in-syria/2014/05/12/31a8df86-d9fb-11e3-8009-71de85b9c527\\_story.html](http://www.washingtonpost.com/world/national-security/kuwait-official-quits-post-us-accused-him-of-funding-extremist-fighters-in-syria/2014/05/12/31a8df86-d9fb-11e3-8009-71de85b9c527_story.html))

<sup>41</sup> "Council of Ministers," *The Prime Minister of the State of Kuwait's Website*, accessed May 21, 2014. (<http://www.pm.gov.kw/en/government/councilOfMinisters.jsp>)

<sup>42</sup> U.S. Department of the Treasury, Press Release, "Treasury Designates Al-Qa'ida Supporters in Qatar and Yemen," December 18, 2013. (<http://www.treasury.gov/press-center/press-releases/pages/j12249.aspx>)

<sup>43</sup> Joby Warrick & Tik Root, "Islamic Charity Officials Gave Millions to al-Qaeda, U.S. Says," *The Washington Post*, December 22, 2013. ([http://www.washingtonpost.com/world/national-security/islamic-charity-officials-gave-millions-to-al-qaeda-us-says/2013/12/22/e0c53ad6-69b8-11e3-a0b9-249bbb34602c\\_story.html](http://www.washingtonpost.com/world/national-security/islamic-charity-officials-gave-millions-to-al-qaeda-us-says/2013/12/22/e0c53ad6-69b8-11e3-a0b9-249bbb34602c_story.html))

<sup>44</sup> "Qatar Rights Advocate Hit by U.S. Sanctions Denies al Qaeda Ties," *Reuters*, December 23, 2013. (<http://uk.reuters.com/article/2013/12/23/uk-qatar-usa-rights-idUKBRE9BM0GJ20131223>)

<sup>45</sup> Thomas Joscelyn, "Popular Saudi Cleric Endorses Islamic Front, Calls For Cooperation with al Qaeda," *The Long War Journal*, December 14, 2013; ([http://www.longwarjournal.org/archives/2013/12/popular\\_saudi\\_sheikh.php?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=popular-saudi-cleric-endorses-islamic-front-calls-for-cooperation-with-al-qaeda#](http://www.longwarjournal.org/archives/2013/12/popular_saudi_sheikh.php?utm_source=rss&utm_medium=rss&utm_campaign=popular-saudi-cleric-endorses-islamic-front-calls-for-cooperation-with-al-qaeda#)) & Elizabeth Dickinson, "Playing with Fire: Why Private Gulf Financing for Syria's Extremist Rebels Risks Igniting Sectarian Conflict at Home," *The Brookings Institution*, December 2013. (<http://www.brookings.edu/~media/research/files/papers/2013/12/06%20private%20gulf%20financing%20>)

Department's most recent country reports on terrorism indicated that for the entire 2013 calendar year Qatar's financial intelligence unit (FIU) only referred a single suspicious transaction for investigation, and as of the year's end even that case had prompted no judgments.<sup>46</sup>

Members of Congress signed onto a letter last year raising concern about Qatar's ongoing sponsorship of the Palestinian terrorist movement Hamas.<sup>47</sup> Since then, Doha's rulers have pledged \$5 million for a fund to support Palestinians whose family members were killed in internecine fighting between Hamas and Fatah as part of the recent unity deal to bring Hamas back into the Palestinian Authority.<sup>48</sup>

Kuwait refuses to take action against the Revival of Islamic Heritage Society, a humanitarian relief organization that has been blacklisted by America and the United Nations for providing material aid to al Qaeda.<sup>49</sup> Despite finally passing a law criminalizing terror finance in May of last year, the country's FIU still does not appear to be operable.<sup>50</sup> On the plus side, Kuwait's Ministry of Social Affairs recently declared a fundraising campaign for radical Syrian rebels illegal after years of turning a blind eye to such efforts.<sup>51</sup>

### The Struggle for Reform

#### Bahrain:

Although none of the GCC states experienced a regime change during the Arab Spring, citizens in every country adopted more demanding expectations for government accountability. Governments in the region pledged massive handouts to the public, made some limited gestures toward reform, and cracked down hard on

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[syria%20extremist%20rebels%20sectarian%20conflict%20dickinson/private%20gulf%20financing%20syria%20extremist%20rebels%20sectarian%20conflict%20dickinson.pdf](http://www.state.gov/documents/organization/225886.pdf)

<sup>46</sup> U.S. Department of State, "Country Reports on Terrorism 2013," April 2014, page 167.

(<http://www.state.gov/documents/organization/225886.pdf>)

<sup>47</sup> Jonathan Schanzer, "Confronting Qatar's Hamas Ties," *Politico*, July 10, 2013.

(<http://www.politico.com/story/2013/07/congress-qatar-stop-funding-hamas-93965.html>)

<sup>48</sup> Fares Akram & Jodi Rudoren, "Legacy of Hamas-Fatah Killings Complicates Palestinian Unity Efforts," *The New York Times*, May 19, 2014. ([http://www.nytimes.com/2014/05/20/world/middleeast/fatah-and-hamas-reconciliation-in-gaza-city.html?\\_r=1](http://www.nytimes.com/2014/05/20/world/middleeast/fatah-and-hamas-reconciliation-in-gaza-city.html?_r=1))

<sup>49</sup> Jonathan Schanzer & Steven Miller, "Saudi Clerics Funnel Cash to Syrian Rebels Through Terror Group," *The Weekly Standard*, June 12, 2012. ([http://www.weeklystandard.com/blogs/saudi-clerics-funnel-cash-syrian-rebels-through-terror-group\\_647141.html](http://www.weeklystandard.com/blogs/saudi-clerics-funnel-cash-syrian-rebels-through-terror-group_647141.html))

<sup>50</sup> U.S. Department of State, "Country Reports on Terrorism 2013," April 2014, page 152.

(<http://www.state.gov/documents/organization/225886.pdf>)

<sup>51</sup> Karen DeYoung, "Kuwait Official Quits Post; U.S. Accused Him of Funding Extremist Fighters in Syria," *The Washington Post*, May 12, 2014. ([http://www.washingtonpost.com/world/national-security/kuwait-official-quits-post-us-accused-him-of-funding-extremist-fighters-in-syria/2014/05/12/31a8df86-d9fb-11e3-8009-71de85b9c527\\_story.html](http://www.washingtonpost.com/world/national-security/kuwait-official-quits-post-us-accused-him-of-funding-extremist-fighters-in-syria/2014/05/12/31a8df86-d9fb-11e3-8009-71de85b9c527_story.html))

advocates of reform.<sup>52</sup> All of these countries are expected to face massive, long-term reckonings with regard to demographic, economic, and political realities.

Bahrain was the only regime in the Gulf that faced a real risk of overthrow since the outbreak of the Arab Spring. An autocratic Sunni monarchy ruling over a majority Shi'ite population, the Khalifa family has understandably faced major pressures to yield authority to a parliament that better represents the demographic makeup of its nation's people. Demonstrations in 2011 were met with brutal repression involving the death of scores of protesters as well as the systematic and deliberate use of excessive force, including torture.<sup>53</sup>

The protests in Bahrain were driven by indigenous grievances, such as extensive economic and political discrimination as well as calls by reformist Sunnis and Shi'ites alike for a constitutional monarchy and more responsive political system.<sup>54</sup> However, the Islamic Republic of Iran has predictably sought to take advantage of this situation by providing more than mere encouragement to radical elements of the Bahraini opposition.

Iranian support for violent groups in Bahrain is real and significant. Open source indicators of such support during the last year include the interception of a massive weapons shipment from Iraq containing weapons of Iranian and Syrian origin such as C4 explosives, the interception of wanted Bahraini individuals allegedly receiving training from Iran as insurgents, and the seizure of a weapons storehouse in Bahrain that U.S. officials believe was from Iran.<sup>55</sup>

Due to both Iranian interference and political polarization, Bahrain has found itself in the grips of ongoing violent turmoil on the ground. Peaceful protests do take place with government permission, but more often unauthorized demonstrations occur in Shi'ite villages virtually every night. Acts of thuggery such as tire burnings and Molotov cocktails represent a similarly frequent occurrence. Terrorist networks linked to Iran have begun building hundreds of improvised explosive devices (IEDs) inside Bahrain for use against police and government facilities.<sup>56</sup>

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<sup>52</sup> Elizabeth Dickinson, "Sire, How Much Would You Spend to Stop the Next Arab Spring?," *The New Republic*, September 1, 2013. (<http://www.newrepublic.com/article/114542/silent-arab-springs>)

<sup>53</sup> "Report of the Bahrain Independent Commission of Inquiry," *The Bahrain Independent Commission of Inquiry*, December 10, 2011. (<http://www.bici.org.bh/BICireportEN.pdf>)

<sup>54</sup> Toby Matthiesen, *Sectarian Gulf Bahrain, Saudi Arabia, and the Arab Spring That Wasn't*, (Stanford: Stanford University Press, 2013), pages 33-49.

<sup>55</sup> Samantha Stainburn, "Bahrain finds Iranian and Syrian weapons in security raids" *The Global Post*, December 31, 2013; (<http://www.globalpost.com/dispatch/news/regions/middle-east/131230/bahrain-finds-iranian-and-syrian-weapons-security-raids>) & U.S. Department of State, "Country Reports on Terrorism 2013," April 2014; (<http://www.state.gov/documents/organization/225886.pdf>) & Habib Toumi, "Bahrain Suspects 'Trained at Iran Camps'," *Gulf News*, January 2, 2014. (<http://gulfnews.com/news/gulf/bahrain/bahrain-suspects-trained-at-iran-camps-1.1273366>)

<sup>56</sup> Simeon Kerr, "Explosion in Bahrain Raises Tensions in Gulf," *Financial Times*, March 4, 2014. (<http://www.ft.com/cms/s/0/f4c1b5a4-a2e9-11e3-9685-00144feab7de.html>)

Meanwhile, acts of mistreatment and reports of torture by the security forces continue. Not a single senior Bahraini official has been held accountable for the deaths of peaceful protesters in 2011.<sup>57</sup> Political prisoners from major opposition factions continue to linger in prison, and the top leaders of the main Shi'ite opposition party, Al-Wefaq, face trumped up charges that could land them behind bars as well.<sup>58</sup> According to rights groups, security forces in Bahrain use supposedly non-lethal weapons such as teargas and birdshot with excessive force in incidents that have led to dozens of deaths and injuries.<sup>59</sup>

However, there is also some good news out of Bahrain. Prominent rights advocate Nabeel Rajab will have served his full two-year sentence for peaceful activism later this week and presumably should be released.<sup>60</sup> More broadly, with the support of King Hamad, Crown Prince Salman undertook a bold move in January to relaunch stalled political dialogue with the opposition.<sup>61</sup> Both men deserve praise for this development.

Since then, the government in Manama has been engaged in bilateral meetings with all parties to the dialogue, and indications suggest these talks seem substantive and are aimed at a deal that would enable members of the opposition not to boycott upcoming parliamentary elections this fall.

The outlines for such a deal are clear. The elected Council of Representatives in Bahrain should be empowered with the ability to decide who the prime minister appoints to his cabinet. The Council's membership should be decided based on a fairer redistricting that allows Shi'ite parties to realistically contest a majority of seats. Any such agreement could also include a road map that provides a long-term political horizon for both sides, as well as confidence building measures such as the release of political prisoners and cooperation against violence on the ground.

### Human Rights:

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<sup>57</sup> U.S. Department of State, "Country Reports on Human Rights Practices for 2013," 2013.

(<http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?year=2013&dliid=220348#wrapper>)

<sup>58</sup> Z.H., "Bahrain Still Stalling," *The Economist*, November 7, 2013.

(<http://www.economist.com/blogs/pomegranate/2013/11/Bahrain>)

<sup>59</sup> Kareem Fahim, "Rights Group Warns Against Bahrain's Use of Tear Gas Against Protesters," *The New York Times*, October 22, 2013. ([http://www.nytimes.com/2013/10/23/world/middleeast/rights-group-warns-against-tear-gas-abuse-by-bahrain.html?\\_r=0](http://www.nytimes.com/2013/10/23/world/middleeast/rights-group-warns-against-tear-gas-abuse-by-bahrain.html?_r=0))

<sup>60</sup> "Bahrain: The Authorities Must Release Nabeel Rajab Now," *Amnesty International*, May 19, 2014.

(<http://www.amnesty.fr/AI-en-action/Protegeons-les-personnes/Defenseur-des-Droits-Humains/Actualites/Bahrein-les-autorites-doivent-liberer-maintenant-Nabeel-Rajab-11714>)

<sup>61</sup> Justin Gengler, "Bahrain's Crown Prince Makes His Move," *Foreign Policy*, January 20, 2014.

([http://mideastafrica.foreignpolicy.com/posts/2014/01/20/bahrains\\_crown\\_prince\\_makes\\_his\\_move](http://mideastafrica.foreignpolicy.com/posts/2014/01/20/bahrains_crown_prince_makes_his_move))

In its most recent survey of global human rights, Freedom House ranks every member of the GCC as “not free” except Kuwait, which is only marginally better.<sup>62</sup> Saudi Arabia is the worst offender in this group, as Amnesty International warns that the Kingdom is undergoing a “sustained crackdown on human rights activists.”<sup>63</sup> But other countries in the region are not far behind.

Numerous independent sources point to a pervasive problem with forced labor in Qatar, leading the world’s largest federation of trade unions to warn that more people may die in preparations for the 2022 World Cup in Qatar than soccer players will take to the field.<sup>64</sup> Qatari authorities announced several new proposals this month for labor reforms, but such measures must be implemented swiftly and effectively in order to affect conditions on the ground.<sup>65</sup>

The United Arab Emirates recently convicted scores of nonviolent Islamists for conspiring to overthrow the government. Foggy Bottom has noted allegations that these individuals were subject to “beatings, electric shocks, and exposure to extremes of temperature while in solitary confinement” and that “guards threatened them with HIV infection, sexual abuse, death, or further torture for not admitting to charges.”<sup>66</sup>

According to U.S. government reporting, in Oman “the media generally does not operate freely,” and Amnesty International reports that in Oman “over 30 human rights activists and government critics became prisoners of conscience” in 2013.<sup>67</sup> Bahrain tried to impose new regulations in 2013 banning political organizations from contacts with foreign diplomats except in cases of official permission.<sup>68</sup> Kuwait denies citizenship to approximately 100,000 stateless individuals known as *bidoon* and has reportedly tortured several young bidoon activists.<sup>69</sup>

<sup>62</sup> “Freedom in the World 2014: Middle East and Africa,” *Freedom House*, 2014, page 2. (<http://freedomhouse.org/sites/default/files/Middle%20East%20and%20North%20Africa%20Fact%20Sheet.pdf>)

<sup>63</sup> Amnesty International, Press Release, “Saudi Arabia Must Back Concessions on Human Rights with Action,” March 19, 2014. (<https://www.amnesty.org/en/for-media/press-releases/saudi-arabia-must-back-concessions-human-rights-action-2014-03-19>)

<sup>64</sup> David Andrew Weinberg, “The World Cup and Lobbying Don’t Mix,” *Al Arabiya*, December 12, 2013. (<http://english.alarabiya.net/en/views/news/middle-east/2013/12/12/The-World-Cup-and-lobbying-don-t-mix.html>)

<sup>65</sup> Doha News Team, “Live Updates: Government Announces Labor Reforms,” *Doha News*, May 14, 2014. (<http://dohanews.co/live-updates-government-announces-labor-reforms/>) & Simeon Kerr, “Qatar Labour Reforms Fail to Ease Concern over Working Conditions,” *Financial Times*, May 14, 2014 (<http://www.ft.com/intl/cms/s/0/c6c0269a-db7e-11e3-a460-00144feabdc0.html#axzz32N8ID5Vx>)

<sup>66</sup> U.S. Department of State, “2013 Human Rights Reports: United Arab Emirates,” February 27, 2014. (<http://www.state.gov/j/drl/rls/hrrpt/2013/nea/220380.htm>)

<sup>67</sup> U.S. Department of State, “2013 Human Rights Reports: Oman,” February 27, 2014; (<http://www.state.gov/j/drl/rls/hrrpt/2013/nea/220371.htm>) & “Annual Report: Oman 2013,” *Amnesty International*, May 23, 2013. (<http://www.amnestyusa.org/research/reports/annual-report-oman-2013>)

<sup>68</sup> “Bahrain Opposition Defies Ban on Meeting Diplomats,” *AP*, September 19, 2013. (<http://news.yahoo.com/bahrain-opposition-defies-ban-meeting-diplomats-121008682.html>)

<sup>69</sup> “Kuwait: No Response to Torture Allegation,” *Human Rights Watch*, April 2, 2014; (<http://www.hrw.org/news/2014/04/02/kuwait-no-response-torture-allegation>) & U.S. Department of State,

A great deal of media attention is garnered by women's activists in Saudi Arabia who seek the right to drive, but American officials should also raise concerns about the country's restrictive guardianship system, which forces women to rely on their male relatives – in some cases young children – for permission to pursue basic life choices such as work, education, and medical care.<sup>70</sup> Similarly, officials up to the level of the President should consistently raise cases of prisoners of conscience with regional officials.

More broadly, American officials should make clear to their Gulf counterparts that we are prepared to help them address long-term challenges to stability but only if they are prepared to treat rights defenders and peaceful advocates of reform as potential partners, not a security menace. Such measures should include amending Saudi Arabia's draconian terrorism list, ending the abuse of special security courts to convict nonviolent activists, and abolishing statutes in several Gulf countries that treat criticism of the ruler as a criminal offense.

### Energy Security

It is a common, tempting fallacy that America will no longer need the Gulf in several years because we will soon have less need for oil imported from abroad. Yet because hydraulic fracturing produces a different kind of oil than America imports from the Gulf, we actually import more crude today from the GCC states than we did before the start of the shale energy boom.<sup>71</sup> And concerns about energy aside, U.S. security interests in the Gulf will likely endure for the foreseeable future.

Our national interests do overlap with the Gulf states in several key areas when it comes to energy policy. Both sides seek a stable global market that can withstand major supply disruptions without fluctuations in oil prices. Both sides seek to ensure that the global economy grows at a steady pace, which would ensure continued growth in demand for oil.

However, when it comes to America's burgeoning energy independence, our interests with the Gulf states diverge. All three of the Gulf's top energy producers have been indirectly bankrolling efforts that would reduce America's growing energy independence.

The American Petroleum Institute, which allegedly receives tens of millions of dollars per year from Saudi Aramco, is funding a lobbying campaign to reduce

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"Kuwait 2013 Human Rights Report," April 19, 2013, page 14.

(<http://photos.state.gov/libraries/kuwait/63599/PDF/hrr2013.pdf>)

<sup>70</sup> "World Report 2013: Saudi Arabia," *Human Rights Watch Website*, accessed on May 21, 2014.

(<http://www.hrw.org/world-report/2013/country-chapters/saudi-arabia>)

<sup>71</sup> "Data Focus – Has U.S. Reliance on OPEC Persian Gulf Oil Been Falling?," *The Economist*, March 28, 2014. (<http://www.eiu.com/industry/article/951675879/has-us-reliance-on-opec-persian-gulf-oil-been-falling/2014-03-28>)

blend-in requirements for renewable fuels here in the U.S., which in turn would earn foreign oil producers several billion dollars a year.<sup>72</sup> The United Arab Emirates has provided funding for Hollywood film projects that preach about the evils of fracking and deep-sea oil drilling in the United States.<sup>73</sup> And Qatar's television network Al Jazeera America has promoted systematically biased journalism on energy issues that selectively plays up only the potential costs of fracking without seriously grappling with any of the technique's noteworthy strategic or economic benefits.<sup>74</sup>

Part of this issue points to a problem with how foreign interests are represented here in the United States. The Foreign Agents Registration Act implemented in the 1930s is obsolete, leaving numerous loopholes for foreign powers flush with cash, such as the Gulf states, to promote their views through indirect, undeclared means. Members of Congress could do a great deal to update this law by tightening the requirements for public declarations when American entities receive multi-million dollar donations from foreign principals that could have a political motive in mind.

Finally, these efforts to obstruct America's energy revolution point to the fact that we will never achieve true energy independence while crude oil remains a strategic commodity that our economy cannot do without. Moving forward, the U.S. government can pursue three main measures to ensure real energy security: (1) continue to promote hydraulic fracturing whenever it is economically and environmentally sustainable, (2) adopt a national strategy for achieving fuel choice in the transportation sector, and (3) continue to promote efforts that move America's energy sector away from petroleum toward renewables in the long term.

### Recommendations for Policy

Because of these significant and pressing challenges, I would respectfully submit the following recommendations for U.S. policy toward the Gulf:

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<sup>72</sup> "Bankrolling Smear Campaign against America's Renewable Fuels," *Americans United For Change Website*, April 30, 2014.

([http://www.americansunitedforchange.org/press/releases/new\\_tv\\_ad\\_exposes\\_saudi\\_oil\\_bankrolling\\_sme\\_ar\\_campaign\\_against\\_americas\\_ren/](http://www.americansunitedforchange.org/press/releases/new_tv_ad_exposes_saudi_oil_bankrolling_sme_ar_campaign_against_americas_ren/)) "Factsheet: Saudi Oil Money Helps Finance Attacks on American Ethanol, IRS Records Show," *Americans United for Change Website*, April 30, 2014 ([http://aufc.3cdn.net/4ca8d30688c1fd3311\\_o7m6ivvyd.pdf](http://aufc.3cdn.net/4ca8d30688c1fd3311_o7m6ivvyd.pdf))

<sup>73</sup> Susan Schmidt, "Lobbying Through The Silver Screen," *The National Interest*, October 3, 2012; (<http://nationalinterest.org/commentary/lobbying-through-the-silver-screen-7647>) & "Deepwater Horizon's Final Hour Goes to Summit and Participant," *Internet Movie Database*, March 8, 2011. (<http://www.imdb.com/news/ni8392763/>)

<sup>74</sup> Aaron Ernst, "The Dark Side of the Oil Boom: Human Trafficking in the Heartland," *Al Jazeera America*, April 28, 2014; (<http://america.aljazeera.com/watch/shows/america-tonight/articles/2014/4/28/the-dark-side-oftheoilboomhumantraffickingintheheartland.html>) & Alex Halperin, "Texas: When Fracking Comes to Town," *Al Jazeera America*, April 27, 2014; (<http://america.aljazeera.com/watch/shows/america-tonight/articles/2014/4/28/the-dark-side-oftheoilboomhumantraffickingintheheartland.html>) & "Dirty Power: America's Energy Revolution," *Al Jazeera America Website*, accessed on May 21, 2014. (<http://america.aljazeera.com/topics/topic/issue/energy-revolution.html>)



1. **No Deal is Better than a Bad Deal on Iran.** This is particularly important with regard to U.S. credibility in the Gulf, where our allies worry the temptation of a foreign policy win could outweigh our motivations for holding firm on essential prerequisites for a comprehensive nuclear deal with Iran. As administration officials have repeatedly indicated, an agreement with the P5+1 that gives Iran the capability and incentives to continue pursuing nuclear weapons would be far more harmful than a stalemate in negotiations.<sup>75</sup>
2. **Show U.S. Resolve on Stopping the IRGC.** America's allies in the Gulf are exploring tentative engagement with Iran in order to diminish the potential fallout for their interests of U.S.-Iran détente. However, they remain fundamentally concerned about the depth, breadth, and severity of Iranian-sponsored terrorism and subversion in their own backyard. If America is truly serious about reassuring its GCC allies, then it must prove we are not seeking to embrace Iran while such interference continues. Rather, Washington should insist on opening a negotiating forum alongside the nuclear file for pressuring Iran to stop its radical regional activity, and we should plan to bring our Gulf allies to the table.
3. **Appoint a Special Envoy for Relations with the Gulf.** The fact that President Obama visited Saudi Arabia in March for the express purpose of spending some time face to face with King Abdullah highlights the exceptional importance of personal relationships among top leaders in this region.<sup>76</sup> The fact that they spent only two hours together suggests those relations are not going particularly well.<sup>77</sup> Because there is a significant trust deficit among top leaders and there is only so much time that the President or cabinet-level officials can spend in the region, the administration should appoint a special envoy who can regain the trust of the GCC's rulers. This envoy should have high-level familiarity with the issues, be given access to the White House, and not have recent ties to private business or lobbying firms with financial interests in the region.
4. **Warn Kuwait and Qatar on Terrorism Finance.** Several Gulf states are continuing to permit al Qaeda and other jihadist groups to use their territory to raise very significant sums of money. The United States should keep up the pace of terrorist designations for individuals tied to terrorist finance, and we

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<sup>75</sup> JTA, "Kerry on Iran: 'No Deal Is Better Than A Bad Deal'," *Jewish Journal*, March 3, 2014; ([http://www.jewishjournal.com/nation/article/kerry\\_on\\_iran\\_no\\_deal\\_is\\_better\\_than\\_a\\_bad\\_deal](http://www.jewishjournal.com/nation/article/kerry_on_iran_no_deal_is_better_than_a_bad_deal)) & "Obama Tells Saudi King U.S. Will Not Agree Bad Deal With Iran," *Reuters*, March 28, 2014. ([http://articles.chicagotribune.com/2014-03-28/news/sns-rt-us-obama-saudi-differences-20140328\\_1\\_president-obama-saudi-king-abdullah-bad-deal](http://articles.chicagotribune.com/2014-03-28/news/sns-rt-us-obama-saudi-differences-20140328_1_president-obama-saudi-king-abdullah-bad-deal))

<sup>76</sup> Carrie Budoff Brown, "Obama Meets with Saudi King to 'Look Him in The Eyes'," *Politico*, March 28, 2014. (<http://www.politico.com/story/2014/03/obama-king-abdullah-saudi-arabia-iran-syria-105151.html>)

<sup>77</sup> Jeff Mason & Steve Holland, "Obama Seeks to Reassure Saudi Arabia Over Iran, Syria," *Reuters*, March 28, 2014. (<http://www.reuters.com/article/2014/03/28/us-obama-saudi-idUSBREA2R15O20140328>)

should not shy away from broadening this list to include foreign officials when their governments turn a blind eye to fundraising by terrorists.

5. **Release the Saudi Textbooks Report.** More than ten years after 9/11, the State Department was right to commission a comprehensive study of hate and incitement to violence in official Saudi textbooks. However, the Department privileged cordial diplomatic relations over American interests by choosing to withhold the results of that study from the public eye. The U.S. government should underline its commitment to fighting terrorism, anti-Semitism, and homophobia by releasing this study without delay.
6. **Hold Saudi Arabia Accountable for Violations of Religious Freedom.** The textbooks issue is just one of many areas where Saudi Arabia is arguably the worst violator of religious freedom anywhere in the world. As called for by the U.S. Commission on International Religious Freedom, the administration should revoke the Kingdom's indefinite waiver from penalties under the International Religious Freedom Act and instead grant a non-renewable, time-delimited waiver for working with Saudi authorities to achieve tangible results on the ground such as hate-free textbooks and the release of prisoners of conscience in jail for their religious beliefs.<sup>78</sup>
7. **Urge the Saudis to Fix their Terror List.** Saudi Arabia broke new ground this spring by ordering mandatory penalties for anybody who provides support to radical groups on the country's new terrorism list. However, given that the list was reportedly generated as a gesture to Washington before President Obama's trip to meet with the King, the U.S. bears special responsibility for urging Riyadh to resolve problematic elements of the list.<sup>79</sup> Such examples include its omission of Hamas and Hezbollah's main branches, as well as its harsh penalties for atheism or peaceful demonstrations.<sup>80</sup>
8. **Encourage the Dialogue Process in Bahrain.** With elections coming up later this year, Bahrain is reaching a decision point on whether or not a deal with the mainstream political opposition is achievable. The United States should praise the King and Crown Prince for restarting the national dialogue and encourage all parties to set realistic expectations for how much they can expect from the other side. However, Washington should also be prepared to impose penalties on one or both sides if a deal is not reached in time for elections, depending upon who is responsible for the continued stalemate.

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<sup>78</sup> U.S. Commission on International Religious Freedom, "Annual Report 2014," 2014.

(<http://www.uscirf.gov/sites/default/files/USCIRF%202014%20Annual%20Report%20PDF.pdf>)

<sup>79</sup> "Saudi Arabia and Qatar Will Each Seek an Accommodation With Iran in Light of US-Iranian Rapprochement," *IHS Janes 360*, March 10, 2014. (<http://www.janes.com/article/35151/saudi-arabia-and-qatar-will-each-seek-an-accommodation-with-iran-in-light-of-us-iranian-rapprochement>)

<sup>80</sup> David Andrew Weinberg, "Saudi Arabia Moves Against the Muslim Brotherhood," *FDD Policy Brief*, March 7, 2014. (<http://www.defenddemocracy.org/media-hit/saudi-arabia-moves-against-the-muslim-brotherhood/>)

9. **Support women's rights and rights defenders.** Rulers in the Gulf like to style themselves as champions of progress and moderation, but there is no better barometer of their true intentions than how they treat women and defenders of human rights. The United States should press Gulf states to stop arresting rights defenders and to empower women to participate equally in public life. Most notably, Saudi women should be granted the right to drive, and the country's oppressive guardianship system should be abolished.
10. **Meet America's Own Energy Challenges.** We share an interest in helping the Gulf states address skyrocketing domestic energy consumption in order to free up more crude oil for export to the global market. However, our interests with the GCC significantly diverge when it comes to American energy independence. The U.S. government should continue to promote the use of hydraulic fracturing at home when economically and environmentally viable, and it should use the resulting increase in oil and natural gas as a bridge to more lasting energy solutions. This includes generating a national strategy for fuel choice in the transportation sector and increasing renewable energy supplies to shift away from fossil fuels in the longer term.
11. **Fix the System for Foreign Lobbyists.** The original intention of the 1938 Foreign Agents Registration Act was that individuals representing the interests of foreign governments in a "political or quasi-political" manner should publicly disclose the nature of those ties.<sup>81</sup> Yet the specific requirements of that law are obsolete and fail to achieve its core purpose.<sup>82</sup> Because they are flush with energy revenues, the Gulf states give hundreds of millions of dollars in the law's gray zones to U.S. persons, charities, and institutions, often with an eye toward advancing foreign interests in internal American political debates. Congress should examine ways to tighten the rules for entities receiving multimillion dollar donations from abroad that seem to have a political objective in mind.
12. **Engage Gulf States on the Muslim Brotherhood.** Although Washington should not take sides in the current GCC spat over Qatar's support for the Muslim Brotherhood, it should encourage the mitigation of this dispute because it endangers collective security efforts in such fields as missile defense and maritime cooperation.<sup>83</sup> The United States should explain its

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<sup>81</sup> U.S. Department of Justice, Criminal Resource Manual, "2062 Foreign Agents Registration Act Enforcement," accessed May 21, 2014.

([http://www.justice.gov/usao/eousa/foia\\_reading\\_room/usam/title9/crm02062.htm](http://www.justice.gov/usao/eousa/foia_reading_room/usam/title9/crm02062.htm))

<sup>82</sup> Bill Allison, "Ukraine Lobbying Exposes Holes in Foreign Agent Registration," *The Sunlight Foundation Website*, February 12, 2014. (<https://sunlightfoundation.com/blog/2014/02/12/ukraine-lobbying-exposes-holes-in-foreign-agent-registration/>)

<sup>83</sup> Taimur Khan, "Strained Relations Within GCC Affect US Security Interests," *The National*, March 11, 2014. (<http://www.thenational.ae/world/saudi-arabia/strained-relations-within-gcc-affect-us-security-interests#full>)

concerns to Qatar about empowering the Muslim Brotherhood in places like Tunisia, Libya, Yemen, and Sudan. Similarly, officials should explain to the other Gulf states why they need to meet a higher standard of evidence if they want us to consider designating the Muslim Brotherhood as a terrorist group. Meanwhile, the United States should work with these countries in the Gulf to ensure that their aid to post-Brotherhood Egypt is used effectively and encourages Egyptian authorities to pursue structural economic reforms and some modicum of political moderation and inclusivity moving forward.<sup>84</sup>

Esteemed Members of Congress, I thank you for the opportunity to address you on America's security relations with the Gulf, and I eagerly look forward to your questions.

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<sup>84</sup> Richard LeBaron, "Building a Better US-Gulf Partnership," *The Atlantic Council*, December 2013. ([http://www.atlanticcouncil.org/images/publications/Building\\_a\\_Better\\_US-Gulf\\_Relationship.pdf](http://www.atlanticcouncil.org/images/publications/Building_a_Better_US-Gulf_Relationship.pdf))