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STATEMENT FOR
THE RECORD
BY THE



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U.S. GENERAL ACCOUNTING OFFICE
SUBMITTED TO THE
COMMITTEE ON FOREIGN RELATIONS
U.S. SENATE

ON

U.S. FACILITY ACCESS INITIATIVES IN SOUTHWEST ASIA

AND

THE PROPOSED SALE OF E-3A AIRBORNE WARNING
AND CONTROL SYSTEM (AWACS) AIRCRAFT TO SAUDI ARABIA

Mr. Chairman and Members of the Committee:

At your request we evaluated the recent U.S. initiatives to obtain access to foreign military facilities in support of Southwest Asia contingencies. The results of our review are contained in a classified report issued to this Committee on September 15th. We are pleased to discuss the results of this review in conjunction with our study of the proposed sale of AWACS aircraft to Saudi Arabia done at the request of the House Foreign Affairs Committee. It should be noted that we in GAO take no position on whether or not the Congress should approve the sale.

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U.S. FACILITY ACCESS INITIATIVES

In recent years, the United States has become increasingly concerned about its ability to defend Western access to the vital oil supplies produced by Arabian Peninsula countries, especially Saudi Arabia. Events in Afghanistan and Iran underscored this concern and since late 1979 the United States has been trying to secure the right to use and improve host country military facilities in the region. The United States needs access to regional military facilities to effectively project military power during a crisis. Although the United States has obtained some access elsewhere in the region, U.S. officials believe that under current circumstances the United States is unlikely to obtain formal access agreements to use and improve military facilities in Saudi Arabia, Kuwait, Bahrain, Qatar, and the United Arab Emirates.

U.S. officials advised us that facility access is a delicate issue not just in Saudi Arabia but throughout the region. No country in the Middle East is willing to give the United States carte blanche access in a crisis. Even most countries which have signed formal access agreements with the United States want to avoid an open and public identification with U.S. steps to increase its regional military capability. Use of their facilities requires prior consultation. Although Saudi Arabia has been reluctant to formally discuss contingency access arrangements, it is generally believed that Saudi Arabia would permit U.S. access to their facilities if Saudi Arabia is directly threatened. Thus the Saudi positio

is not inconsistent with overall regional sensitivities to an increased U.S. military presence and capability.

Saudi Arabia and other Persian Gulf littoral countries have a basic aversion to formal access agreements with the United States. They:

- perceive the United States as the supporter of Israel in the Arab-Israeli dispute;
- are concerned about becoming a battleground in any major conflict;
- mistrust ultimate U.S. intentions;
- prefer an "over-the-horizon" U.S. presence;
- fear that an increased foreign military presence will contribute to internal or regional instabilities; and finally,
- recognize the Soviet threat but perceive threats from other nations in the region to be more imminent.

Despite these very real sensitivities, many countries are contributing to the slowly growing U.S. capability to project military power in this region. These contributions have all been on host country terms and, although the overall progress has not been as fast or dramatic as some U.S. officials would like, it is nonetheless tangible. For example, the deployment of four AWACS aircraft to Saudi Arabia at host government request unquestionably strengthens American credibility and capability in the region. While there is support for an increased U.S. presence and capability in the region

there are limits on what is acceptable. Further U.S. initiatives may be possible, but most countries are not receptive to high visibility proposals which look like a permanent U.S. presence.

U.S. officials told us that a change in Saudi Arabia's attitude about U.S. facility access is unlikely. In fact, they told us that even U.S. approval of the F-15 enhancement package or sale of AWACS would not significantly increase Saudi receptivity to formal access and would certainly not open the door to the type of access considered necessary by the Department of Defense. Saudi opposition to written agreements need not prevent the search for more informal and mutually acceptable forms of closer military cooperation. The Administration hopes that approval of these arms sales will at least create a climate that will allow some discussion of the subject.

Executive branch officials maintain that providing Saudi Arabia with AWACS could in effect create the limited prepositioning of AWACS-peculiar ground support, spares, and specialized maintenance equipment that could be available to the United States in a crisis.

U.S. AWACS DEPLOYMENT

Concerned about the potential spillover from the ongoing Iran-Iraq war, the United States deployed four U.S. AWACS to Saudi Arabia in October 1980. U.S. AWACS provide, on a temporary basis, around-the-clock radar coverage for the Saudi oil fields. The continuation of this operation for the past year, while

helping to protect U.S. vital interests in the region, has also taken an extraordinary U.S. effort impacting on the entire U.S. AWACS program. U.S. AWACS aircraft are rotated in and out of Saudi Arabia at least every 90 days and then flown to the United States for maintenance and reassignment. About 500 U.S. Air Force personnel are assigned to Saudi Arabia for tours of 30 to 60 days to support this operation.

The five Saudi AWACS would, under normal operating conditions, provide less than half the current U.S. radar coverage time. U.S. officials told us that in a time of increased tension, such as the current year-old Iran-Iraq war, Saudi Arabia would only be able to provide 24-hour coverage for a limited time because of the need for maintenance. The United States would then probably be required to assist in providing such around-the-clock coverage.

According to the U.S. Air Force Tactical Air Command, and the Boeing Corporation, the production line for AWACS will begin to close down between October and December 1981 if no further production orders are placed. The U.S. Air Force is currently considering purchasing a number of new AWACS beginning in 1983. U.S. Air Force documents indicate that once the production line closes, the estimated cost to reopen the line is \$200 million to \$300 million.

MILITARY BALANCE IN THE REGION

Supplying the AWACS aircraft to Saudi Arabia could help defend the oil fields because such a system is designed to provide much more timely warning of an air attack than ground

radars. However, from a technological standpoint, the defensive and offensive capabilities of AWACS are inextricably linked. Limiting the offensive capabilities of this aircraft would mean limiting its defensive capabilities and would require extensive modifications to the aircraft.

The administration has indicated that the AWACS to be supplied to Saudi Arabia would be a stripped-down model. This is true when it is compared to future U.S. AWACS; however, the equipment on the Saudi AWACS would, except for commercial substitutes for U.S. military encryption gear and equipment to identify friendly aircraft, be the same as or better than the current version in the U.S. inventory today.

U.S. military officials have indicated that an AWACS has a "force multiplier" effect in enhancing the capabilities of the other aircraft it can control. Through its command and control equipment, the Saudi AWACS could improve the effectiveness of F-5s and F-15s in both offensive and defensive actions. If the Royal Saudi Air Force could achieve some efficiency in utilizing this multiplier effect, the potential capability of the Royal Saudi Air Force could be improved.

According to the Director of Operations for the Royal Saudi Air Force, the Saudi AWACS would be used during peacetime in the performance of routine missions to maintain crew proficiency; but during periods of increased tensions, the AWACS would operate in air defense sectors requiring extended warning capabilities.

Executive branch officials, nevertheless, have concluded that with or without AWACS the overall military balance in the region will not change. We have no basis to challenge their conclusion that the Royal Saudi Air Force poses no significant threat to the security of Israel.

REGIONALLY COORDINATED
AIR DEFENSE

The administration supports a regionally coordinated air defense system in the Persian Gulf with AWACS having an important role. U.S. officials told us that an effective regional air defense system would require a sophisticated tactical communication network.

The concept of a regional air defense system seems to be far from reaching fruition. Basic political differences; language barriers; the shortage of skilled manpower; and differences in weaponry, tactics, and communications hobble the regionally coordinated air defense concept.

Nevertheless, countries in the immediate Persian Gulf region are following the sale closely and view it as a manifestation of U.S. willingness to help key Arab moderate countries. U.S. embassy officials in various Arab countries told us that any attempt to provide Saudi Arabia with a less-sophisticated airborne surveillance system would be seen throughout the region as U.S. discrimination against Arabs in favor of Israel.

SECURITY OF TECHNOLOGY

During the 1977 deliberations on the proposed sale of AWACS to Iran, the CIA categorized as sensitive certain components which

would be on the Saudi version. CIA declined to provide us with a current sensitivity assessment concerning the proposed configuration for the Saudi AWACS. Executive branch officials, however, indicated that if Saudi AWACS were compromised, the loss of technology would be "marginal," especially if considered in the time frame of 1985 or 1986, when the first Saudi AWACS would be delivered. Nevertheless, we believe the compromise of any component would be a loss because, with a piece of equipment in hand, an enemy no longer has to guess about the actual design or capability of that equipment.

Concerning physical security of AWACS, we looked at the ground security being jointly provided by the Saudis and the U.S. military police for the U.S. AWACS currently deployed in Saudi Arabia. The procedures seem adequate to handle a threat from theft, hijacking, or sabotage.

U.S. INVOLVEMENT IN SAUDI AWACS

The United States has long had a close bilateral defense relationship with Saudi Arabia. The Saudis recognize their ultimate dependence on the United States if their security is threatened. Much of their military equipment is purchased from the United States; they rely on the continued supply of U.S. spare parts; and training is provided by Americans. The permanent U.S. military training presence at most Saudi military installations is larger than the planned permanent presence associated with access to facilities in other countries in the region.

Under the proposed sale of AWACS to Saudi Arabia, about 500 Americans, mostly contractor personnel, would be responsible for providing training, maintenance, and logistics support.

The administration expects that the Saudis could be trained to operate and help maintain the AWACS system within a few years. However, executive branch officials say that AWACS is so complex that without U.S. support the system would quickly become non-operational.

The degree of Saudi dependence on U.S. support will depend on the initial skills and qualifications of the Saudis to be trained. It should be pointed out that Saudi Arabia has experienced difficulties in getting sufficient Saudi skilled manpower to support previously purchased U.S. aircraft. Thus, the Saudis already depend heavily on U.S. contractor support to maintain their air force. To support the Saudi AWACS would also require an extensive logistical infrastructure.

ALTERNATIVES TO AWACS

Alternative airborne systems could also provide Saudi Arabia with enhanced early warning capabilities for defending the oil fields. An Air Force study shows that in some ways the Navy HAWKEYE E-2C offers possible advantages but has some drawbacks as well when compared to the AWACS. Nevertheless, it must be remembered that Saudi Arabia asked for AWACS and the U.S. Department of Defense selected AWACS for U.S. airborne early warning operations initiated in 1979 and 1980 in Saudi Arabia.

Moreover, if the rationale for the Saudi sale is linked with the concept of facilitating some future U.S. military response to a crisis, then the discussion of AWACS and possible alternatives must be viewed in this context.

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SUMMARY OF GAO STATEMENT FOR THE RECORD
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PROPOSED SALE OF AWACS TO SAUDI ARABIA
OCTOBER 5, 1981

- GAO takes no position on whether or not the Congress should approve the sale of AWACS.
- U.S. officials believe that the United States is unlikely under current circumstances to obtain formal access to military facilities in key Arabian Peninsula countries.
- Saudi Arabia's reluctance to entertain U.S. access overtures is not inconsistent with sensitivities throughout the region to an increased U.S. military presence and capability.
- According to U.S. officials, even U.S. approval of the AWACS sale would not significantly increase Saudi receptivity to formal access and would not open the door to the type of access considered necessary by the Defense Department. However, Saudi opposition to written agreements need not prevent the search for more informal and mutually acceptable forms of close military cooperation.
- The administration sees the sale as a way to preposition AWACS spare parts and specialized equipment that could be available for use by U.S. forces in a crisis in the region.
- There is a strong rationale for using an airborne early warning system to defend the Saudi oil fields.
- The Saudi AWACS would have both offensive and defensive capabilities; it would be essentially the same as or better than the AWACS in the current U.S. inventory.
- Substituting five Saudi AWACS for the current U.S. AWACS deployment would either reduce current coverage time or require supplemental help from U.S. AWACS to maintain extended around-the-clock coverage.
- Saudi Arabia recognizes the Soviet threat but perceives threats from other nations in the region to be more imminent.
- Selling AWACS to Saudi Arabia will enhance the potential capabilities of the Royal Saudi Air Force but according to Defense, not sufficiently to be a threat to Israeli security.