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US and Oman: Strategic Partners

**Testimony of Ambassador Edward S. Walker Jr.
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Mr. Chairman, members of the Committee, I would like to thank you for giving me the opportunity to address the strategic importance of Oman to the United States and the part the Free Trade Area agreement might play in that relationship. In 321 AD, Admiral Nearchos, commanding the fleet of Alexander the Great, identified the Island of Serepsis, now Masirah in Oman, as a strategic port for securing trading routes in the Gulf region. Oman is no less important today. Its geographic position with a coast line of 1700 kilometers (approximately 1056 miles) facing outward toward the Indian Ocean, its access point to the Persian Gulf, and its share, with Iran, of guardianship over the Strait of Hormuz controlling access to the Persian Gulf makes Oman a particularly important location for protecting American interests. Twenty percent of the world's oil is shipped through the Strait of Hormuz.

Geographic position is one element of Oman's strategic importance. Its independent foreign policy and close relations with the United States is another. In 1833 the Sultanate of Oman was one of the first Arab states to sign a treaty of Amity and Commerce with the United States. It was also the first Arab country to send an ambassador to the United States. In 1981 Oman signed a ten-year military access agreement with us, which has now been renewed twice. It demonstrated its independence from the Arab mainstream through this agreement and again through its refusal, along with Arab League members Somalia and Sudan, to break relations with Egypt after President Anwar Sadat went to Jerusalem and made peace with Israel.

Oman hosts one of the few surviving elements of the Madrid Conference Multilateral Working Groups, the Middle East Desalination Research Center, with Israel as one of its members and having representation on the Center's Executive Council. In 1994, Oman terminated support for the secondary boycott barring trade with companies doing business with Israel. Oman has no laws on the books supporting a primary, secondary or tertiary boycott of Israel. According to the National Trade Estimate of the Trade Compliance Center for 2000, "Omani customs processes Israeli-origin shipments entering with Israeli customs documentation. Likewise, Israeli immigration stamps in third country passports are not an issue. Telecommunications links and mail flow normally. However, Omani firms have shied away from carrying any identifiably Israeli consumer products. Normal commercial ties await more favorable developments in the Middle East peace process throughout the GCC [Gulf Cooperation Council]."

Oman does not advertise its military cooperation with the United States and you will find little public mention in official US channels of its critical support since signing the 1981 access agreement. Oman was a part of the Gulf War coalition, and to my personal knowledge made a major substantive contribution to the war effort in 1990-91 while I was Ambassador to its next-door neighbor, the United Arab Emirates (UAE). Oman became a critical component of our logistic support for the war effort. Equipment, and particularly massive quantities of ammunition, were off-loaded in Omani ports along the Gulf of Oman and transported by truck convoy through the UAE up to the front in

Saudi Arabia. The fact that Oman provides a land bridge to the Arabian Peninsula and the Persian Gulf from the Indian Ocean could prove extremely important if, for any reason, the Hormuz Strait was blockaded, traffic through the strait was limited, or if ports inside the Gulf were over-burdened. Oman has a state-of-the-art container facility at its port in southern Oman at Salalah.

Oman supported Operation Southern Watch in Iraq until our invasion and since then has provided logistic support in general and, in particular, has reportedly supported US military action in Afghanistan. According to one web site, Globalsecurity.org: "In March 2002 Vice President Dick Cheney toured the air base on Oman's Masirah Island. Neither the United States nor Oman acknowledges US use of the base, but it is an open secret in the region that it has been used for bombing runs to Afghanistan." According to press reports, a State Department official, speaking on condition of anonymity, said, "it's a sensitive issue, most reporters who are aware of it don't cover it." The Global Security report goes further to say that more than 1,100 refueling missions had been mounted from Omani bases by February 11, 2002. Oman has six airports with permanent-surface runways, three of which, Seeb, Masirah and Thumrait, have reportedly been used by the US Air Force. According to Global Security, the US Air Force also maintained three pre-positioning sites in Oman with support equipment for 26,000 personnel and the equipment and fuel to maintain three air bases, including munitions, medical equipment, rations and various other supplies. Verification of these statements would have to be made in a classified briefing from the Administration.

Although not a declared member of the Coalition in the Global War on Terror, Oman has worked actively with the United States to support stabilization operations in Afghanistan and Iraq. It has worked closely on counter-terrorism financing operations and in 2004 established strong controls to combat money laundering. It supported the Middle East-North Africa Financial Action Task Force, which was set up in November, 2004. The US report "Patterns of Global Terrorism" for the year 2002 noted that, "Oman continued to provide public and private statements of support for the war on terrorism in 2002 and has been responsive to all Coalition requests for military and/or civilian support." Oman is party to nine of the 12 anti-terrorism treaties and is reviewing the other three conventions. And, in an area of deep concern here, Oman has signed an agreement with the US Departments of Commerce and Energy for a program to enhance Oman's ability to detect illicit radiological cargoes on vessels and in containers under the US sponsored Container Security Initiative. US customs officers in the Omani container port of Salalah will pre-screen certain containers destined for US ports.

Omani support for the United States and its relations with Israel have not always been popular in Oman. In October 2000, popular demonstrations forced the Omani government to close its trade offices with Israel. It has, however, quietly maintained contact. "Patterns of Global Terrorism" makes the point that Omani cooperation has continued "despite popular disquiet" over military support for Operation Enduring Freedom. Omani popular disquiet over the relationship with the United States has been relatively subdued compared to the other countries in the Gulf. This is partly due to the very moderate and tolerant Ibadi brand of Islam that Omanis practice. According to Valerie J. Hoffman (Professor of Islamic Studies at the University of Illinois), "British observers of Omani rule in East Africa commented that Ibadis are the least fanatic and sectarian of all Muslims, and openly associate with people of all faiths and pray together with Sunni Muslims. Hostile action is reserved for one type of person: the unjust ruler who refuses to mend his ways or relinquish his power." But Omani acquiescence in the relationship with the US has also been due to the growing Omani economy and the government's ability to provide for the welfare of its citizens.

The 9/11 Commission Report recommended that "a comprehensive US strategy to counter-terrorism should include economic policies that encourage development, more open societies, and opportunities for people to improve the lives of their families and to enhance prospects for their

children's future." Over the past years, Omani growth has been heavily linked to its modest oil reserves and its ability to export about 721,000 barrels of crude per day in 2005. The problem Oman faces is that its oil reserves are decreasing while its population is increasing. In the absence of economic diversification, Oman will face increasing problems in fulfilling the needs of its citizens, which may well lead to destabilizing trends in the society, trends that could work against US interests. If you will recall, in 2004 it was disclosed that Royal Dutch Shell had overstated Omani reserves by a massive 40 percent. By anyone's reckoning, Omani reserves at current rates of production will be depleted in from 16 to 22 years. It is therefore essential for Oman to diversify its economy in the intervening period. Having joined the WTO in 2000, Oman is committed to the liberalization of its economy and participation in the larger, global market. Its plans for diversification and trade depend heavily on its FTA agreement with the United States. It anticipates that Oman will achieve the same measure of success through the FTA as Jordan has achieved. It is in this sense that the FTA would be a critical element in the continuing close strategic relationship we have enjoyed with Oman.

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

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