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Test of Bills or a Test of Wills: Opportunity and Perils in Suspending Security Assistance to Pakistan

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This week the Trump administration announced that it would suspend all security assistance to Pakistan, including the lucrative Coalition Support Funds. This move was justified because Pakistan continues to arm, assist, fund and provide sanctuary to a wide array of Islamist militant groups that are murdering US troops and our allies in Afghanistan, while receiving some \$34 billion in economic and security assistance in addition to Coalition Support Funds. Well-placed sources have told me that this was not a planned policy and took the other agencies by complete surprise and, consequently, was devoid of any diplomatic back-channel communication with the Pakistanis. The administration clarified Trump's tweet by explaining that it would suspend \$255 in Foreign Military Financing (FMS). It announced this more sweeping policy as an ex-post facto response to Trump's January 1, 2018 tweet vituperatively repining that:

The United States has foolishly given Pakistan more than 33 billion dollars in aid over the last 15 years, and they have given us nothing but lies & deceit, thinking of our leaders as fools. They give safe haven to the terrorists we hunt in Afghanistan, with little help. No more!

While not part of a reasoned, multi-staged, and well-thought out strategy, the announced policy is incredibly welcome news. With this move, the irascible President may well stumble into the foreign policy success that he has struggled to achieve. Alternatively, he may break the relationship beyond repair while reaping few actual benefits. Whether this succeeds or blows up in his face depends upon the preparations that the Trump White House has hopefully scrambled to forge in effort to counter and even pre-empt likely Pakistani reprisals. In extremis, Pakistan could shut down the ground supply routes through which the Americans are resupplying the Afghan National Security Forces. With Trump enervating the Obama-era rapprochement with Iran, he may find himself without any way of logistically supplying US, NATO and Afghan forces in Afghanistan.

We've Been Here Before: And the Lessons are Useful...If Studied

In recent U.S-Pakistan relations, we have been at this precipice through the concatenated consequences of unintended events. In February 2011, Pakistan closed off the ground lines of resupply first because of the episode of Raymond Davis, a CIA contractor, who shot and killed two men who were “full paid-up agents or local informants” of Pakistan’s intelligence agency, the ISI, after they menaced him at gun point. When the CIA rescue vehicle came, it killed a bystander who was uninvolved in the event. Just as the US-Pakistan was re-equilibrating, on May 2, 2011 the Obama administration staged a unilateral raid on Osama Bin Laden’s compound, which was a mere 0.8 miles from Pakistan’s premier Pakistan Military Academy, where it trains its upcoming officers. After a tumultuous summer, in November 2011 US NATO troops in Afghanistan killed 24 in Pakistan when it claims it received fire from the Salala checkpoint, about 1.5 miles from the Afghanistan-Pakistan border and responded with attack helicopters in alleged self-defense. Pakistan disputed the characterization. In my view, the evidence suggests that the most acute mistakes were made by US-NATO forces rather than Pakistan. As a consequence of these events, the ground lines of control were closed for much of that year. In fact, Pakistan did not reopen the ground lines until July 2012.

Pakistan demanded an apology for the Salala fiasco and wanted the United States to increase the cost per sea container (\$250) that was offloaded at Pakistan’s port in Karachi, then moved through Pakistani territory and into Afghanistan either through Chaman in Balochistan or Torkham at the Khyber Pass. The US-led NATO alliance was well into the surge in 2011 with 132,457 troops, 90,000 of whom were Americans. Also

at that time, the Afghan National Security Forces had an alleged end-strength in excess of 306,000 (circa 170,500 Afghan National Army and 135,500 Afghan National Police). Prior to the cut-off all of these soldiers were being resupplied through the ground supply routes in Pakistan with some air-life. The much-acclaimed Northern Distribution Network was largely a failure: at capacity it never carried more than 20% of the total through-put and Russia precluded US-NATO forces from bringing in lethal supplies through the ground routes, which are of course necessary to wage a war.

What could not be shipped in from the north through land and air, the Americans flew in. All told, this new route cost the Americans about \$100 million per month over and beyond the previous arrangement. Many feared that while this alternate route worked to get supplies into Afghanistan, it could not sustain the traffic and operations tempo needed to get the massive amounts of war material out of Afghanistan as the United States and NATO drew down their military footprints. Consequently, the US government hoped that Pakistan would reopen the ground routes. However, it turns out that weaning itself off from cheap ground routes was not such a bad option after all. Why?

The United States had already suspended CSF payments since December 2010 for a variety of reasons. Congress also opted to not pay Pakistan CSF during the period which the ground routes were closed. After all, keeping those routes open are logically the most important thing that Pakistan could do to “support” the coalition. Pakistan depended upon those CSF in its budget. Moreover, Pakistan learned that the United States had figured out a way to supply the war without it. Motivated by a pre-eminent desire to remain useful to the Americans and to get the CSF jackpot, Pakistan reopened the routes.

I had argued at that time that the Americans should not fall for the cheap ground lines of communication, in part because what the Americans spent on air supply was less than what it paid in CSF. Moreover, having kicked the cheap ground supply habit, the United States could be in a better position to do what it needed to do if it wanted to win: put real and costly pressure on Pakistan for continuing to support the Taliban which was one of the principle reasons for the US inability to prevail in Afghanistan.

This is the lesson that I hope the Trump team can learn quickly as it moves to throw together this policy in response to Trump’s gust. Arguably, we are in an even better position now than in 2011 because we only have about 14,000 troops in Afghanistan

compared to 132,000. While ANSF authorized end-strength is currently 352,000, the Special Inspector General for Afghan Reconstruction found in 2016 that nearly 200,000 are “ghost soldiers,” whose salaries are likely being distributed among corrupt officials. We can certainly sustain this through air shipments especially if we are pocketing the savings by not paying Pakistan the nearly one billion a year in Coalition Support Funds among other funding streams.

Yet Pakistan has aces in sleeve.

Pakistan Says “The Alliance Is Over”: Good Riddance!

In response, Pakistan’s foreign minister, Khawaja Muhammad Asif, repined that “We do not have any alliance...This is not how allies behave.” Of course, Asif is absolutely correct: US allies do not take our lower and middle-class taxpayers’ hard-earned money and hand it over to our enemies such as the Taliban, the Haqqani Network and Lashkar-e-Taiba, who are murdering our troops and allies in Afghanistan and beyond.

Asif continued to offer the usual counterpoints that Pakistan’s military operations have cleared Pakistan of any such sanctuaries. But *if* there were such scoundrels on Pakistan’s territory, should Pakistan “go against these people [Afghan insurgents], then the war will again be fought on our soil, which will suit the Americans.”

What is not clear in Asif’s statement is what Pakistan will cease doing. (We know for certain that it will not cease supporting the Taliban, the Haqqani Network or Lashkar-e-Taiba.) Will Pakistan do as it has done in the past: close the ground lines of communication? Will it escalate and close down the air lines of control.

These are moves that the Trump administration must crush before they appear as possibilities in Rawalpindi (the seat of the Pakistan military) or Islamabad (where the ISI, Pakistan’s notorious intelligence agency, is based, as well as the national civilian leadership).

What can the United States do to deter Pakistan from making such a move or compel it to reverse course if such a decision has already been undertaken? As noted above, the United States does not need the ground lines but it does need the air corridors.

Consistent with the insider account that this was not a planned policy that considered Pakistani actions and possible American counter-moves, the Trump administration

foolishly undermined the US agreement with Iran, the so-called JCPOA (Joint Comprehensive Plan of Action), under which we could have moved some of the non-lethal goods and ANSF resupply goods through Iran's port in Chabahar, built with Indian assistance and Indian contractors. Recently the Indians completed an shipment of over 1 million tons of wheat through this new route. There is no reason why Indian contractors could not move ANSF supplies through that port. After all, Pakistani contractors are doing the same. This Iran option would have allowed the Americans to build upon this important opening with Iran while consolidating our special relationship with India. However, Trump has committed himself to tearing up the JCPOA.

The Trump administration must make it clear that any efforts to close the air space will put Pakistan firmly on the same plane as the Taliban and other enemies of the United States and its allies. Currently, the United States has not discussed suspending economic assistance which has totaled more than \$11 billion since 9/11 and is thus about one third of the total \$34 billion given to Pakistan thus far. The Trump administration needs to make it clear that these funds will also disappear should Pakistan close the air routes. Moreover, the Trump administration should lay out a suite of sanctions that it will apply should Pakistan shut down the air routes.

What could these sanctions look like? There are several options: first, Washington should immediately remove Pakistan's status as a Major Non-NATO Ally conferred in 2004. It should have been removed long ago. Pakistan was originally designated as such largely to facilitate the movement of spare parts for American weapons systems and other measure to ramp up Pakistan's ability to facilitate US military operations in Afghanistan as well as counter-terror operations in Pakistan. Because it offers few tangible benefits to Pakistan, removing it will largely be a symbolic and hortatory measure.

Second, Washington could announce its intent to designate specific persons in the Pakistan army or other services, intelligence agencies or civilian government if it has credible intelligence or evidence that they are directly assisting groups that are proscribed by the US State Department and/or Treasury. Such a designation will preclude them from coveted visas for themselves for health or travel and will make it difficult for them to do financial transactions with banks that engage with American banks, which covers most credible financial institutions. We should also be clear that their children will also be banned from educational or other opportunities in the United

States. We should also encourage our allies in the United Kingdom, Australia and European Union to follow suit. This will be more difficult given that Trump has vitiated our relations with these key allies.

Third, it should signal its intent to designate Pakistan as state sponsor of terror for which there is ample evidence already.

It should be clear that these moves will not motivate Pakistan to cease and desist from supporting the Taliban and other US foes in Afghanistan. In fact, it will likely increase its support. However, these measures should be aimed to keep the supply routes open.

Turning to China and the Economic Nuclear Option

Pakistan has repeatedly said that its relationship with the United States is redundant because it now has China. In fact, after Trump's contemptuous tweet against Pakistan on 1 January, China's foreign ministry declared that it is "ready to promote and deepen" its cooperation with Pakistan. Asif, referencing China's support, declared "We are not alone." At first blush this appears to be the case. But as with all things that sounds too good to be true, so is the Chinese embrace.

Unlike Washington which has given Pakistan mostly grant aid, the Chinese only disburse loan aid and that loan is largely designed to enable Chinese businesses to build infrastructure in Pakistan on terms set by the Chinese and favorable to them, using Chinese labor and raw materials imported from China. While Pakistan will get to use the shabby infrastructure that is produced, the projects contribute nothing to Pakistan's local economy. More worrisome, the loan prices are not set by the market and they are completely opaque. Even the State Bank of Pakistan has repeatedly called for more transparency, to no avail. With near certitude, the loan amount will build in the capacious bribes that will go to Chinese and Pakistani officials as happened in Sri Lanka where Chinese infrastructure projects, such as the white elephant Hambantota Port, were a facile means of moving money from the public exchequer into the private pockets of corrupt officials in both countries.

Ultimately, Sri Lanka found that the profits from the Hambantota port fell far below the loan servicing. Unable to pay for the port, Sri Lanka was forced to relinquish sovereignty over it in December 2017, when it finally resolved the impasse by leasing the port for 99

years to the Chinese. Moreover, a state-run Chinese company will hold a 70 percent stake in the joint venture at the port.

Pakistanis should look very closely at Sri Lanka's burning experience with Chinese "friendship." After all the Chinese have replicated the model in Pakistan with the so-called China Pakistan Economic Corridor (CPEC), with the shining crown of the financially unrewarding port at Gwadar in Pakistan's restive Balochistan province, also built by the Chinese.

Are the Pakistanis worried? In short, no. Pakistan has cultivated a global fear that it is too dangerous to fail. This is why many Americans have been afraid to break ties with Pakistan and take their sacks of money with them and it is why the Americans to date have never encouraged the International Money Fund and other multi-lateral organizations to let Pakistan wallow in its own mess. In fact, Pakistan knows that it can reap the benefits of various IMF bailouts and, in the final stretch, renege on its commitments without any adverse consequences in the future. Pakistan has been very confident that it has effectively bribed the international community with the specter that any instability in Pakistan could result in any of its myriad terrorists getting its hands on Pakistani nuclear technology, fissile materials, or a weapon. In fact, Pakistan has stoked these fears by having the world's fastest growing nuclear program, inclusive of battlefield nuclear weapons.

However, Pakistan is not too dangerous to fail and it is the world's most stable instability: it weathered losing half its population and 16% of its territory in 1971; it has weathered calamitous floods as in 2010 and sanguinary earthquakes as in 2005. All of those events presaged some fundamental change in Pakistan's business as usual: all of those predictions proved false.

There is good reason why the United States should seriously consider pushing the IMF and similar institutions to cut Pakistan loose. Namely, in the future, the American taxpayer will be contributing handsomely to the next IMF bailout to Pakistan which Pakistan will use to service the exorbitant Chinese debt incurred through its masochistic relationship with China. Currently the IMF—under US pressure to do so—shields Pakistan from the consequences of its own heedless fiscal behavior. Continued IMF bailouts to Pakistan in the future will only encourage reckless engagement with the

Chinese today which permit Pakistan to brace itself from the brunt of any significant and comprehensive American cutoff.

Playing Chicken with an Actual Madman

One of the positive externalities of having a president that has been widely assessed to be mentally ill and/or incompetent is that it gives the United States a genuine and credible threat to act against Pakistan. The United States has not been in such a position since 9/11 when it used this position of leverage to coerce Pakistan to facilitate the US invasion of Afghanistan. It had another opportunity which it squandered to change course after the Bin Laden raid. Whereas Pakistan had long comforted itself that neither Presidents Bush nor Obama would seriously alter course due to the petting zoo of Islamist militants that Pakistan cultivated as crucial tools of foreign policy and the nuclear umbrella which enabled Pakistan to coerce the United States and others into tolerating the intolerable, Pakistan will have to seriously consider that Trump means what he says. Since the early months of the War on Terror which began in October 2001, the United States has ultimately swerved when confronted with Pakistani brinkmanship due to fears that Pakistan is too dangerous to fail. This time Pakistan is genuinely playing chicken with the madman.

While it pains me to say it so plainly: the qualified people on his staff should understand the value of Trump's madness and leverage it fully in its efforts to reshape Pakistani behavior or, at least, stop footing the bill for Pakistan's perfidy.

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