

CRS Report for Congress

Received through the CRS Web

Combat Aircraft Sales to South Asia: Potential Implications

Christopher Bolcom, Richard F. Grimmett, K. Alan Kronstadt
Foreign Affairs, Defense, and Trade Division

Summary

In March 2005, the Bush Administration announced a willingness to resume sales of F-16 combat aircraft to Pakistan. Potential sales to India are also being considered. These potential sales have political, military, and defense industrial base implications for the United States and the South Asia region. H.R. 1553 and S. 12 would impose non-proliferation conditions on these sales. This report will be updated periodically.

Introduction

On March 25, 2005, the Bush Administration announced that it was willing to resume sales of F-16 *Falcon* combat aircraft to Pakistan after a 16-year hiatus.¹ Estimates of potential quantities range from 18 to 71 new fighters. Some believe that this sale is being considered, in part, to reward the Pakistani Government for the role it has played in support of U.S.-led anti-terrorism efforts.² As many as 126 F-16s, or potentially F/A-18E/F *Super Hornets* could be offered for sale to India.³ If completed, such sales would have implications for political-military relations among the United States, Pakistan, and India; for combat aircraft proliferation; and for the U.S. defense industrial base.

Pakistan-U.S. Relations. Pakistan-U.S. relations are rooted in the Cold War and South Asia regional politics of the 1950s. Differing expectations of the regional security relationship have long bedeviled bilateral ties: the United States viewed Pakistan as a valuable ally in its efforts to contain the Soviet Union; Pakistan saw the United States as a powerful guarantor of its security vis-a-vis India. In the mid-1970s, strains arose over Pakistan's efforts to respond to India's 1974 underground nuclear test by seeking its own nuclear weapons capability; U.S. aid was suspended in 1979. However, only months

¹ "Background Briefing by Administration Officials on U.S.-South Asia Relations," U.S. Department of State, Mar. 25, 2005.

² William Milam and Sarmila Bose, "The Right Stuff," *Christian Science Monitor*, Apr. 11, 2005.

³ Neelam Mathews, "India in Talks to Purchase 12 Mirages from Qatar," *Aerospace Daily & Defense Report*, Apr. 5, 2005.

later, Pakistan again took the role of frontline ally, this time in the U.S.-supported effort to push the Soviet Army out of Afghanistan, and sanctions were waived. Despite the renewal of U.S. aid and close security ties, many in Congress remained troubled by Pakistan's nuclear weapons program. In 1985, Section 620E(e) (the Pressler amendment) was added to the Foreign Assistance Act, requiring the President to certify to Congress that Pakistan does not possess a nuclear explosive device during the fiscal year for which aid is to be provided. With the Soviet withdrawal from Afghanistan, Pakistan's nuclear activities again came under intensive U.S. scrutiny and, in 1990, President George H.W. Bush again suspended aid to Pakistan. One result of this aid cutoff was the non-delivery of 28 F-16 fighter aircraft purchased by Pakistan in 1989 (in 1998, the United States agreed to compensate Pakistan with a cash payment and goods, including surplus wheat). It was not until late-2001, when the United States again looked to Pakistan as a frontline ally, that major U.S. aid again flowed to Pakistan.

India-U.S. Relations. For decades, the U.S.-India relationship was dictated by the politics of the Cold War. The Soviet collapse freed India-U.S. relations from the constraints of global bipolarity, but interactions continued to be affected for a decade by the India-Pakistan rivalry and nuclear weapons proliferation in the region. Recently, however, bilateral relations have improved. Despite a concurrent U.S. rapprochement with Pakistan, U.S.-India security cooperation appears to be flourishing and includes regular military exercises. Some laud increased U.S.-India security ties as providing potential counterbalance to Chinese influence in the region but the emergence of an overt counterweight alliance is viewed by many as both misguided and unlikely.⁴

Pakistan-India Relations. Three wars and a constant state of military friction have marked nearly 60 years of rivalry between Pakistan and India. The acrimonious nature of the partition of British India into two successor states in 1947 and the unresolved issue of Kashmiri sovereignty have been major sources of tension. Both countries have built large defense establishments at significant cost to economic and social development. Nevertheless, an April 2003 peace initiative has improved the relationship, leading to a January 2004 summit and an agreement to re-engage in a dialogue to bring about "peaceful settlement of all bilateral issues, including Jammu and Kashmir, to the satisfaction of both sides." In April 2005, the two governments released a joint statement calling their current bilateral peace process "irreversible."

U.S. Combat Aircraft. The F-16 *Falcon* is a single engine multi-role aircraft manufactured by Lockheed Martin Corp. Its relatively low cost and high versatility make the F-16 one of the most exported fighter aircraft in the world. The F-16 was first fielded in 1979 and has been upgraded significantly. The capabilities of the F-16 vary greatly depending on the upgrade or modification fielded. The most modern F-16 flown by the United States is the Block 50/52. The United Arab Emirates flies a more advanced Block 60 variant (improved radar, defenses, range).

The F/A-18E/F *Super Hornet* is a dual engine, multi-role aircraft manufactured by the Boeing Company. It is the most modern U.S. combat aircraft currently in full rate production. The *Super Hornet* reached initial operational capability in 2001. The

⁴ See, for example, Harry Harding, "The Evolution of the Strategic Triangle," *The India-China Relationship* (Woodrow Wilson Center Press, 2004).

differences between the E/F and earlier F/A-18 variants (A/B, C/D) are so great, that many consider it to be a new aircraft rather than an upgrade of an existing model. The *Super Hornet* has been approved for export, but no sales have yet been made. The F/A-18C/D models, which are no longer in production, have been exported to eight countries.

Potential Implications

Political Implications. It is currently unclear what long-term effects a potential sale of combat aircraft to South Asia, might have on U.S. political relations with Pakistan and India, or the political relationship between them. Justifications for the decision to allow resumed sales to Pakistan include a U.S. interest that Pakistan “feel secure” and a perception that a substantive U.S. defense relationship with both Pakistan and India will stabilize “the balance” between them.⁵ Some believe the decision is a reward to Musharraf and the Pakistani military for their post-9/11 cooperation with U.S.-led counterterrorism efforts, and see renewed exports as potentially increasing U.S. leverage in Islamabad while eroding anti-American sentiments there.⁶ Such leverage could include increased Pakistani cooperation in the areas of counterterrorism and nonproliferation.⁷

Some see the decision to allow resumed F-16 sales to Pakistan as disruptive of regional stability and efforts to resolve disputes there. This concern was indicated by India’s External Affairs Minister in April 2005: “[M]ilitary assistance, particularly when unrelated to counterterrorism efforts, conveys a political signal both within Pakistan and vis-a-vis India-Pakistan relations. ... It consequently has repercussions for our dialogue that is currently at a sensitive stage.”⁸ Critics also contend that renewed F-16 sales may strengthen nondemocratic forces in Islamabad. Though the Bush Administration has made spreading democracy a cornerstone of its foreign policy, Pakistan continues to be governed by a General who came to power through a military coup, and the State Department has noted that Pakistan’s democratic institutions remain weak.⁹ Moreover, some opponents of the sale argue that the United States should not provide sophisticated weapons to a country that has been a source of significant nuclear weapons proliferation. Pending legislation reflecting this concern in the 109th Congress includes H.R. 1553 and S. 12 (Sec. 232) , which prohibit aid or military equipment to Pakistan unless the President certifies that Pakistan is cooperating with U.S. nuclear non-proliferation efforts.

⁵ “Background Briefing by Administration Officials on U.S.-South Asia Relations,” U.S. Department of State, Mar. 25, 2005; Secretary of State Rice, “Remarks to the National Conference of Editorial Writers,” U.S. Department of State Washington File, Apr. 4, 2005.

⁶ Rashed Rahman, “F-16s for the Subcontinent,” *Daily Times* (Lahore), Mar. 29, 2005.

⁷ See CRS Report RL32745, *Pakistan’s Nuclear Proliferation Activities and the Recommendations of the 9/11 Commission*.

⁸ “Interview of External Affairs to Outlook,” Indian Ministry of External Affairs, Apr. 19, 2005.

⁹ See Ashley Tellis, “South Asian Seesaw,” Carnegie Endowment for International Peace Policy Brief 38, May 2005; Larry Pressler, “Dissing Democracy in Asia,” *New York Times*, Mar. 21, 2005; Daryl Kimball, “Arming Dictators, Rewarding Proliferators,” *Arms Control Today*, Apr. 2005. U.S. Department of State report, *Supporting Human Rights and Democracy, 2004-2005*. See also CRS Report RL32615, *Pakistan’s Domestic Political Developments*.

On the day that the F-16 decision was announced, the Bush Administration unveiled a “new strategy” for South Asia that includes helping “India become a major world power in the 21st century.” Administration officials also said that the United States welcomes India’s interest in the possible purchase of F-16 or F/A-18 warplanes and is ready to discuss the sale of “transformative systems in areas such as command and control, early warning, and missile defense.”¹⁰ New Delhi confirmed that “the U.S. government is considering offering civilian nuclear energy and nuclear safety cooperation with India,”¹¹ but Secretary of State Rice later conceded that existing U.S. laws preclude most such cooperation in the near-term.¹² Indian Prime Minister Singh expressed “great disappointment” at the U.S. decision to sell F-16 aircraft to Pakistan, saying the move “could have negative consequences for India’s security environment,” but he later softened his criticism and welcomed an expressed U.S. willingness to expand cooperation with India.¹³ Two days before the F-16 decision was announced, twenty Members of the House wrote to President Bush urging him to not license the sale of F-16 aircraft to Pakistan as such a sale would “undermine our long-term strategic interests in South Asia” and “squander an opportunity” to continue building positive relations with India.¹⁴

Military Implications. The capabilities that new F-16s may offer to Pakistan depends on which variant is exported. Regardless of the variant, however, these aircraft can be viewed in the context of Pakistan’s conventional military confrontation with India, its nuclear confrontation with that country, and its struggle with terrorists and insurgents.

India dominated the air when it last clashed with Pakistan in 1971. According to some accounts, Pakistani air strikes were largely ineffective, and air support of ground forces was “non-existent.”¹⁵ India enjoys a quantitative and qualitative advantage over Pakistan’s air force. It has 21 more fighter squadrons than Pakistan and a larger number of modern aircraft. India operates an aircraft carrier with short-take off and vertical landing fighters. Unlike Pakistan, India supports its combat aircraft with aerial refueling, electronic countermeasures, and modern airborne warning and control aircraft. The sale of F-16s to Pakistan would increase its number of modern combat aircraft but would not bring it close to parity with India. If India were to add F-16s or F/A-18s to its inventory, the disparity in aviation capabilities between the two countries would grow even more.

Some express concern that Pakistan could use its new F-16s to deliver nuclear weapons. The overall potential impact on nuclear deterrence and stability in South Asia of additional Pakistani F-16s, however, appears unclear. First, because the 32 F-16s that Pakistan already fields are believed to be nuclear capable, additional F-16s don’t appear to introduce new capabilities but may expand existing ones. Second, Pakistan also fields nuclear-capable ballistic missiles. Some believe that ballistic missiles add instability to

¹⁰ Background Briefing, op. cit., Mar. 25, 2005.

¹¹ “By the Official Spokesperson,” Indian Ministry of External Affairs, Mar. 26, 2005.

¹² Secretary Rice, Interview, *Wall Street Journal*, Apr. 13, 2005.

¹³ Diptosh Majumdar, “PM is Cautious But Positive on US Offer,” *Indian Express* (Bombay), Mar. 30, 2005.

¹⁴ “Letter to President Bush,” Mar. 23, 2005.

¹⁵ James Smith, “Developments in the Indian Air Force,” *Jane’s Intelligence Review*, Nov. 1991.

the security equation because they are high priority targets, and consequently the pressure to use them early in a conflict can be great.¹⁶ Thus, if additional nuclear-capable F-16s were to replace existing nuclear-capable ballistic missiles in Pakistan's arsenal, some may argue that additional F-16s could reduce nuclear instability.

Some suggest that Pakistan could use F-16s against terrorists and insurgents. It appears that F-16s could be used in such operations, but they are over-designed for these tasks. Less expensive and less sophisticated aircraft such as attack helicopters, unmanned aerial vehicles, and combat search and rescue aircraft would appear to have greater utility in combating insurgents and other non-state actors than supersonic fighter aircraft.¹⁷ According to the Indian Defense Minister, "The F-16 and other lethal weapons are not required for fighting terrorism and are used in full-fledged wars. Given Pakistan's track record, we fear that such weapons will be directed toward India."¹⁸

Combat Aircraft Proliferation. Combat aircraft are considered "essential for conducting surprise attacks or initiating large-scale offensive operations."¹⁹ Therefore, the transfer of combat aircraft can be a significant policy decision.

The sale of additional F-16 aircraft to Pakistan, while augmenting its inventory of this fighter will not likely address its perceived need for a highly advanced, current generation, combat fighter. While financing the purchase of two different fighter aircraft could be problematic for Pakistan, some in Pakistan are reportedly concerned about the potential for future military sales cutoffs by the U.S. given the history of difficulties Pakistan has had with the United States over proliferation issues. They argue against limiting future aircraft procurement to the United States. Consequently, Pakistan continues a relationship with China, including testing of China's advanced J-10 fighter, and development with China of the JF-17 fighter. Pakistan has been negotiating a possible purchase of the Swedish JAS *Gripen* multi-role fighter. Should the United States sell the F-16 to Pakistan, Sweden would reportedly offer to sell the *Gripen*. Thus, whatever number or type of F-16s the U.S. may sell to Pakistan, it seems unlikely that the United States will become Pakistan's principal supplier of advanced combat aircraft.²⁰

The reported U.S. willingness to sell F-16s or F/A-18s to India may mitigate that country's disappointment with any renewed U.S. arms sales to Pakistan and neutralize any increase in Pakistan's military capability. India may also use the prospect of the purchase of U.S. fighters as leverage in negotiations with its primary military supplier, Russia, to obtain more sophisticated systems, better financing, or additional licensed production

¹⁶ See, for example, CRS Report RS21237, *Indian and Pakistani Nuclear Weapons*.

¹⁷ See CRS Report RL32737, *Military Aviation: Issues and Options for Combating Terrorism and Counterinsurgency*.

¹⁸ "Pranab Reiterates Concern Over F-16 Sale to Pakistan," *Hindu* (Madras), Mar. 29, 2005.

¹⁹ *Conventional Armed Forces in Europe Treaty*, Fact Sheet, U.S. Department of State, Jun. 18, 2002.

²⁰ Joshua Kucera. "IDEAS exhibition: US offers to sell F-16s to Pakistan," *Jane's Defence Weekly*, Sept. 17, 2004; Robert Sae_Liu, "JF-17 deliveries to Pakistan still uncertain," *Jane's Defence Weekly*, Sept. 29, 2004; Joshua Kucera, "US Clears Sales of F-16s to Pakistan, Fighters for India," *Jane's Defence Weekly*, Apr. 6, 2005.

options for its domestic defense industry. Should India choose to purchase U.S. fighters, it may seek not just the aircraft and support services, but some form of co-production or co-assembly options — a prospect that would raise policy questions for the United States regarding the release of military technology, and how such information might be used by India. This is particularly important given India's ambitions to develop a significant aerospace production capability and its past and present aerospace acquisitions from Russia, France, the United Kingdom, and Israel.²¹

U.S. Industrial Base. Much of the commentary following the March 24th announcement centered on how a potential sale of aircraft to Pakistan, and possibly to India, would be beneficial to industry. The potential benefits most frequently mentioned were extending the production life of U.S. aircraft with limited domestic prospects and improving U.S. industry's position vis-a-vis other rivals in an increasingly competitive military export market. After decades of successful production, the F-16 production line appears to be approaching its end. As currently projected, the F-16 production line — which employs approximately 5,000 workers — is scheduled to close in 2008. A sale of 20 or more F-16s to Pakistan could keep the line open another year.²²

The larger prize, however, is a potential sale to India and the consequent opening of a market long-closed to U.S. industry. India is seeking a larger number of combat aircraft than Pakistan — 126 — and has a much larger inventory of combat aircraft, approximately 700, that it will eventually need to replace. U.S. companies are contending with competitively priced Russian and European aircraft for a share of the global military aircraft market. Penetrating the Indian market, and beating European competitors, could, many believe, help U.S. companies compete in other aircraft export markets. Also, it is argued that aircraft sales to India could prove a “tip of the iceberg” for all types of military exports to that country. India has embarked on a long-term plan to upgrade its armaments and strengthen its military, and some say that “high on its list are early warning and missile defense systems, nuclear fuel and technologies and space-related technologies.”²³

Questions remain about the potential domestic U.S. benefit from these prospective sales. While preserving U.S. jobs appears clearly beneficial, the number of jobs preserved and the value of those jobs remains unclear. India would likely demand that the majority of aircraft be produced in India. This would increase jobs in India and reduce jobs in the United States. Also, some say not all jobs are equal in terms of their benefit to the U.S. industrial base. Producing for India and Pakistan the exact same aircraft that is currently being produced in the United States would preserve assembly line-type jobs. Many argue this would do little to advance innovation or make U.S. industry more competitive. Only if the exported aircraft require noteworthy design and engineering changes, they say, would these skills be developed to benefit the of industrial base.

²¹ “US clears sales of F-16s to Pakistan, fighters for India,” op. cit.; *Foreign Military Markets, Asia, Australia & Pacific Rim*, Forecast International; Alon Ben-David. “Equipment deals strengthen Israel, India ties.” *Jane's Defence Weekly*. Jan. 14, 2005 and Rahul Bedi. “India approves AEWS development.” *Jane's Defence Weekly*. Sep. 22, 2004.

²² Leslie Wayne, “A Deal for Jet Fighters Opens the Door to India,” *New York Times*, Apr. 16, 2005.

²³ *Ibid.*