

Opening the NATO Supply Route: Does Pakistan have any Option?

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Summary

Though, for the time being, Pakistan may not open the NATO supply line as it has pegged its national pride to its demand to stop US drone attacks, an unconditional apology as well as a hike in the transit fee, all of which has been rejected by the US. For its part, the Pakistan Army also wants the pre-conditions set up by the PCNS to be met. This in fact has left very little room for the civilian government to manoeuvre. Apart from the loss of transit fees, Pakistan stands to lose out from reduced, if at all any, US payments as CSF (Coalition Support Funds). For the Pakistan FY 2012 (July 1, 2011 to June 30, 2012) Pakistan had originally budgeted for a flow of about \$ 1 billion as CSF assistance. In reality it did not get any CSF funds during FY 2012. Now the Pakistan budget for FY 2013 has once again assumed a CSF inflow of more than \$ 1.2 billion. Unless it opens its GLOC, it is very unlikely that the US will transfer any CSF during this fiscal year as well. This will create serious trouble for the Pakistani economy which is dependent on US aid.

Though Pakistan formally decided to re-open the NATO supply route, confusion continues to prevail about its future course of action. Foreign Minister Hina Rabbani Khar justified the decision to re-open this route by saying "It was important to make a point, Pakistan has made a point and we now need to move on and go into a positive zone and try to conduct our relations." She further said this decision is in line with Parliament's recommendation. This statement drew criticism from the opposition political parties and most importantly from the disruptive forces such as the *Difa-e-Pakistan* which have dared the government to open the route. Though the military was part of this decision, it has maintained public silence over the issue saying that any decision on the supply line must conform to the recommendations of the Parliament Select Committee on National Security (PCNS). The PCNS asked for an immediate cessation of drone attacks inside Pakistan; no hot pursuit and non-violation of Pakistan's territorial and air space for transportation of arms and ammunition to Afghanistan. The forthcoming national election to be held sometime this year has made the decision even tougher for the Pakistan government. However, Pakistan and the United States continue to negotiate on the opening of the route. As Rabbani Khar stated yesterday, "what is at stake is much more important for Pakistan than just winning an election."

Tension between the US and Pakistan has been brewing over a period of time. The US decision to initiate dialogue with the Taliban, the Raymond Davis episode, Pakistan's refusal to grant visas to US counter terrorism officials, the US suspension of aid, the Abbottabad raid, the attack on US Embassy in Kabul in which a Pakistan-based terror group was involved, have all contributed to the tension and to increasing suspicion about Pakistan's commitment. The Salala incident only brought these tensions out into the open. Pakistan retaliated by closing the NATO supply line and asking the US to vacate the Samsi air base. A Parliament Committee was formed to dwell on Pakistan's relations with the US and the future course of action. For its part, the US also held an investigation into the incident and found that it was a case of wrong intelligence input in which Pakistan had equal blame to share. Pakistan's demand for an unconditional public apology was refused. Six months after this incident not only is there no sign of the US tendering an unconditional apology but US drone attacks inside Pakistan have continued. Given the stalemate, the question is how dependant the two countries are on each other; an answer to this question would determine how long the current impasse is going to continue.

Pakistan is heavily dependent on the United States to even to plan its budget for the next financial year. According to a news report, Pakistan also budgeted US \$1.34 billion on account of coalition support fund (CSF) reimbursement. The payment of around \$2.5 billion, which Pakistan was supposed to receive from the CSF, has been withheld since December 2010. Pakistan's economy is in a bad shape. It continues to depend heavily on US funds for budgeting its expenditure and repayment of loans. Last year, the US cut \$800 million in aid for the Pakistan military. This year the Senate Panel has voted to cut aid by 58 per cent. The Pakistan Counterinsurgency Fund/Pakistan Counterinsurgency

Capability Fund (PCF/PCCF) has now been reduced to \$50 million and it is now tied to opening of the supply route. This leaves Pakistan with a few options. Yet, the stance that Pakistan has taken over the Salala incident has strengthened the hand of ultranationalist and extremist forces which do not bother to take the economic situation into account.

At the same time, the US dependence on Pakistan has now reduced. It is only dependant on Pakistan to take out the heavy military equipment it has deployed in Afghanistan as the drawdown occurs. Already, logistics for the troops in Afghanistan is being taken care of through the Northern Distribution Network (NDN). The following provides an overview of the NATO supply routes to examine as to what extent Pakistani Ground Lines of Communication (PAKGLOC) are indispensable for the drawdown in 2014.

Ground Lines of Communication (GLOC)

When the US launched Operation Enduring Freedom in Afghanistan and committed US ground troops to that country, it faced some major logistical problems. Afghanistan is a landlocked country. In addition it is a very poor underdeveloped country, classified as a LDC (Least Developed Country), with very little industrial capabilities and capacity to sustain by itself the presence of any Western troop deployment. As a result the US military command had to make arrangements to bring into Afghanistan almost all of the items necessary to sustain the military presence there – construction materials to house the troops, subsistence items such as food/produce/rations and personal demand items, fuel and energy supplies, medical supplies including hospital facilities, in addition to the unit items of the posted troop formations such as vehicles, communication equipment, etc. Given the peculiar geographical environment of Afghanistan, anything coming into Afghanistan must first transit, by surface or over air, one or more neighbouring countries. Since none of the neighbouring countries were US military allies, the US rules required that all sensitive and classified cargo be flown into Afghanistan on military or commercially contracted aircraft. All other cargo was to be shipped via surface routes.

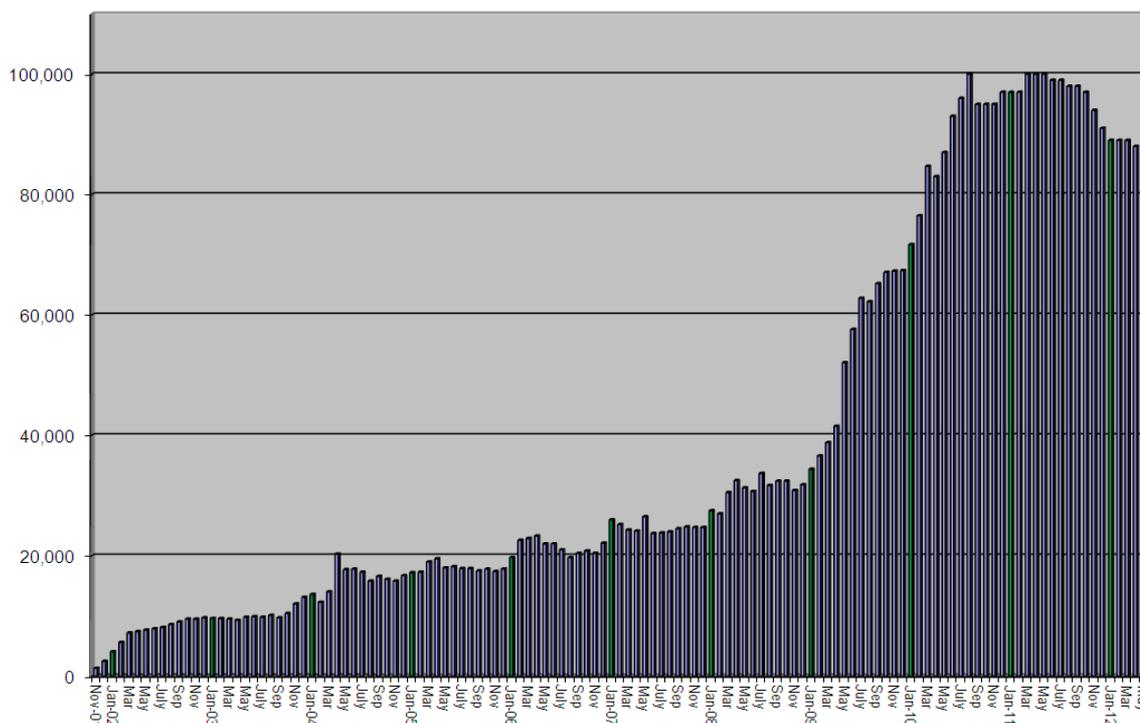
Cargo to be transported

The logistics of getting troops and equipment is a very complex undertaking. Either before, or worst concurrently with, troop deployment, bases had to be set up with housing and associated facilities along with hospital facilities, storage facilities for fuel, aircrafts, vehicles, etc. These one-time requirements are formidable. For instance, the 30,000 troop surge required the US Logistics Command to transport more than 4000 containers in a very short time after the announcement. In addition, the unit items associated with the deployed units too had to be transported including the mine-resistant ambush protected (MRAP) family of vehicles for the deployed troops.

Other materials to be supplied on a regular and sustained basis are sustenance items (Food, produce, rations etc), pharmaceutical items, personal items (cigarettes, snack foods,

soaps, etc). Obviously the amount of such material to be shipped into Afghanistan will depend on the US force level there. Figure 1 below gives the troop build up in Afghanistan from November 2001 to May 2012. As can be seen from the figure, till the end of 2006, the US troop presence in Afghanistan was below 20,000 and even afterwards it was built up to about only 32,000 by the end of 2008 until President Obama's inauguration. Immediately thereafter, in February 2009, Obama announced the addition of some 22,500 troops to augment the US presence in Afghanistan. By November 2009 the number of US troops in Afghanistan rose to 68,000, when President Obama announced that an additional 30,000 troops are to be sent to Afghanistan as part of the surge. By the end May 2010 the US troop concentration had reached a level of 100,000. The surge troops were to be redeployed by the end of September 2012. By March 2012, some 10,000 had already been redeployed and the rest are expected to be redeployed by the end of September 2012.

Figure 1: American Troops Deployed To Afghanistan



Source: Afghanistan Index, May 16, 2012, Brookings

Pakistan Ground Lines of Communication

Given the relatively low level of deployment at an almost steady level, for the first seven years of Operation Enduring Freedom from 2002 to end 2008, the US Department of Defense transported material over sea to one of two Pakistani ports – Karachi and Muhammad Bin Qasim – and from there trucked them to one of the border crossing locations – Torkham and Chaman – for delivery in Afghanistan. This route amounted to 1005 of the surface supplied materials and about 80 per cent of all materials supplied;

about 20 per cent of the supplies were moved by air. While tens of thousands of containers and assorted rolling stock were successfully delivered on these routes, the Pakistan ground lines of communication (PAKGLOC) represented a single point of failure in an increasingly fragile region. By end 2008, cargo making the 10-day journey was notoriously vulnerable to attack by Taliban militants, particularly on the Khyber Pass, which traverses the restive tribal areas along the border with Afghanistan. For instance, on 18 November 2008, the Taliban conducted a raid on 23 commercial trucks delivering NATO supplies in the Khyber tribal area and again on 7 December 2008, insurgents launched the single biggest assault on US supplies in seven years, destroying 160 trucks at two Pakistani terminals near Peshawar. In December 2008, 12 per cent of Afghanistan-bound freight crossing Pakistan’s Northwest Frontier Province en route to the Khyber Pass disappeared, most of it in flames, according to Vice Admiral Mark Harnitchek, deputy commander of the US Transportation Command (TRANS COM).

Northern Distribution Network (NDN)

The concept of the NDN originated in August 2008 when the US CENTCOM Commander asked for northern ground lines of communication (GLOCs) into Afghanistan to augment vulnerable supply routes through Pakistan. In 2009, the US expanded transportation corridors for distribution of materiel to forces in Afghanistan – what is now referred to as



the NDN. The NDN team contracted end-to-end movement of non-lethal cargo with three US flag carriers using the full spectrum of multimodal transportation along established routes. While primarily a GLOC, the NDN is actually comprised of three components: 1) Surface lines of communication (LOCs), 2) Air LOCs, and 3) Local procurement of supplies from NDN host nation partners in the region. The first shipment of US cargo on the NDN was completed on 14 March 2009, on a route that originated in Riga, Latvia, and continued through Russia into Afghanistan.

Riga was the primary point of embarkation in the Baltics initially. However, subsequently, the NDN has now expanded into a series of robust routes that traverse Europe, the Caucasus and the Central Asian States into Afghanistan in addition to a surface route to transport military equipment from Iraq through Turkey that merges with the NDN for onward movement.

The Russian NDN route:

- i) Route: Riga-Moscow-through Russia-Kazakhstan-Uzbekistan (Border at Termez)-into Afghanistan
- ii) Distance:
 - a. By truck: Uzbekistan (Border at Termez)-Kabul: 538 km.
 - b. By rail: Riga- Termez: approximately 4020 km
 - c. Total: 4560 km

The Georgia Route (via Poti)

- i) Route: Poti-Baku (Azerbaijan)-Aktau (Kazakhstan)-Uzbekistan (Border at Termez)-into Afghanistan.
- ii) Distance:
 - a. By Truck: Poti-Baku- Approx. 800 km; Termez-Kabul- 538 km
 - b. By rail: Aktau-Termez -1689 km
 - c. By ferry: Baku-Aktau - 402 km
 - d. Total - 3429 km.

The Pakistan GLOC

Karachi-Torkham (Pakistan Border) = 1762 km

Transit times: (average)

NDN Russia Route: 98 days

NDN Caucasus route: 122 days

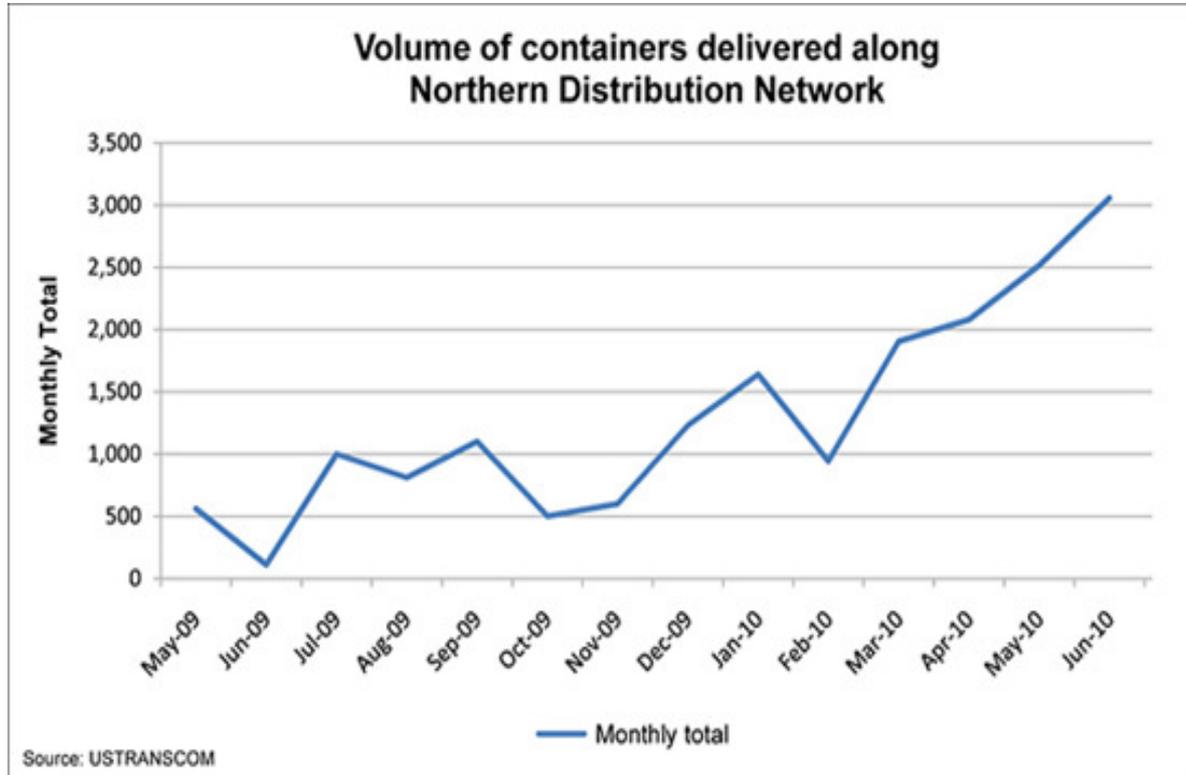
PAKGLOC: 78 days

Cost: On average, NDN costs are approximately double the costs of PAKGLOC. The average cost of transport of a 20’ container through PAKGLOC is around \$ 8300 (2010).

Source: US TRANSCOM, “Northern Distribution Network (NDN) Fact Sheet”

Transportation history

As explained earlier, till early February 2009, PAKGLOC handled 1005 of the surface transportation into Afghanistan. The first NDN shipment was made in March 2009. However, the tempo picked up rather quickly with the monthly total for the NDN surpassing 3000 containers/month by June 2010 (Figure 3).



In the period October 1, 2010 to September 30, 2011, TRANSCOM moved 42,380 twenty-foot container equivalent unit intermodal shipping containers through the NDN network, delivering 268,771 short tons of cargo—a 88 per cent increase over the previous year.

In late 2011, a US Senate Foreign Relation Committee report stated that

“Since 2009, the United States has steadily increased traffic on the NDN, a major logistical accomplishment that has resulted in a series of commercial air and ground routes that supply NATO and U.S. operations in Afghanistan. Close to 75 percent of ground sustainment cargo is now shipped via the NDN. According to U.S. Transportation Command, an estimated 40 percent of all cargo transits the NDN, 31 percent is shipped by air, and the remaining 29 percent goes through Pakistan.”

However, the situation has changed dramatically since then. In November 2011, Pakistan closed all PAKGLOC to express its displeasure over the Salala incident which resulted in the death of 24 Pakistani soldiers. Consequently, for the past six months, 100 per cent of all ground sustainment cargo is being shipped via the NDN. With the strength of US troops set to decline further by another 20,000 or so by end September 2012, it is clear that the NDN will be fully capable of handling all ground sustainment cargo to Afghanistan now and in the future. Not only has the US TRANSCOM been able to successfully bypass the Pakistan closure of the PAKGLOC, this closure seems to have had no impact on US troop operations in Afghanistan. The usage of multimodal transport network, according to the US TRANSCOM annual report, has helped to save a total of \$485 million since 2010. TRANSCOM is now considering using Mihail Kogalniceanu Air Base in Romania as a multi-modal port for moving passengers and equipment into and out of Afghanistan.¹

In recent hearings before the Congress and at his press conferences, Gen. John Allen was quite specific in his answers to queries on the effect of Pakistan’s closure of the PAKGLOC. In response to the query “What has been the impact of the closure of the supply lines? And now that you’re in the spring fighting season, is that closure going to have a greater impact?, Gen”. Allen replied:

“The ground – closure of the ground line of communication has had no impact on my campaign. In fact, there – in the many different measures of stockage levels, if you will, of some of the key supplies that we measure – fuels and food and ammunition, et cetera – my stockage levels are higher today than they were on the 25th of November. It’s an example, I think, of the great strategic logistics capabilities of the United States and our allies that we were able to both sustain the campaign without the ground line of communication and to sustain the future with respect to our military operations.”

“No, it will not. It will not.” (in response to a specific query “So even – it (Pak closure) will have no impact on your spring campaign?”)

¹ US TRANSCOM, *Annual Report*, 2011, p. 7.

It was not surprising, therefore, that Gen. Allen was quite emphatic that “I don’t need the (ground supply lines) to be open to support the campaign..... We don’t want an agreement fast, we want an agreement that’s right. So we’re going to take the time to get it right.”

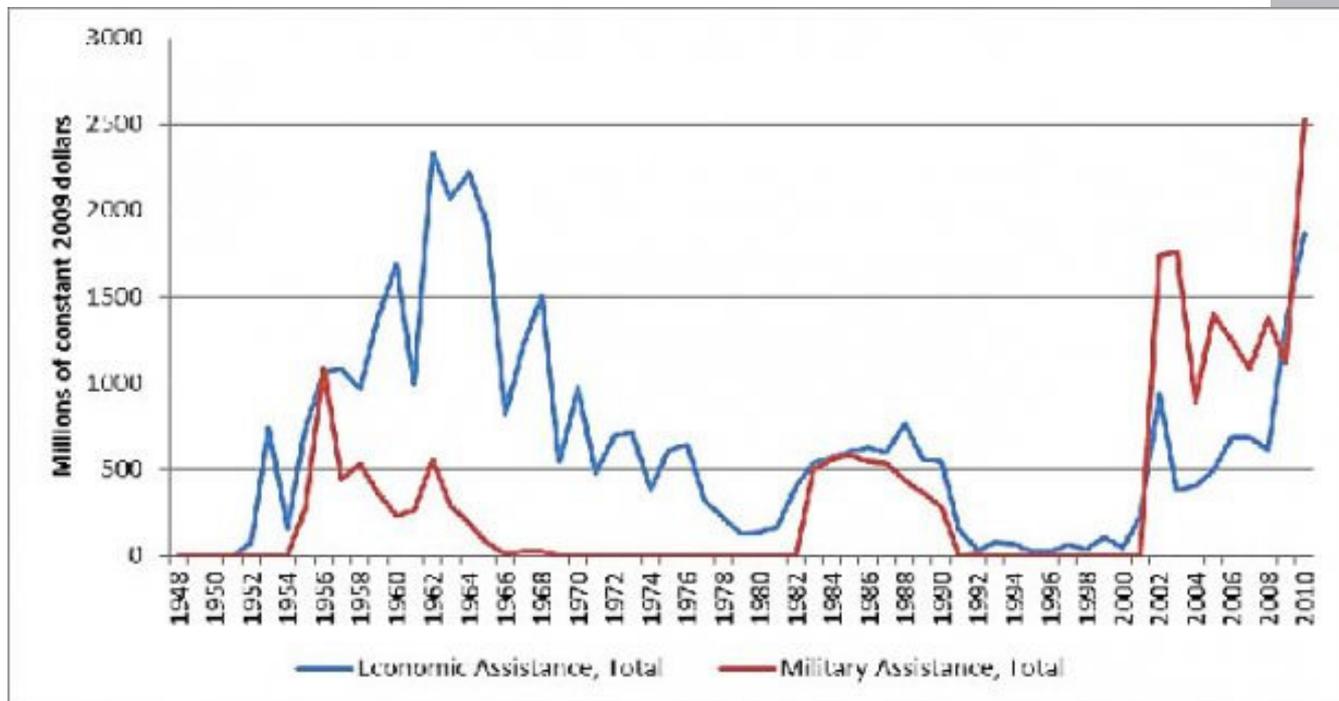
So what is the relevance of PAKGLOC to the US campaign in Afghanistan? As shown above, it is quite irrelevant for inward movement of any ground cargo into Afghanistan. However, with the US set to wind down its operations in Afghanistan by mid 2014, PAKGLOC may be of some help for shipping out some equipment. As Gen. Allen remarked at a meeting, “But they’re helpful to us in sending home our equipment.”

However, even that is contingent upon Pakistan realising in time that its GLOC has a limited shelf life. Already, the first reverse transfer of material out of Afghanistan through the NDN has taken place. In March 2012, the US military sent its first retrograde shipment along the reverse KKT route as part of its drawdown of military forces. Earlier, in December 2011, the US concluded a bilateral agreement with Uzbekistan “on the procedure for ground transit of cargo shipped from the Islamic Republic of Afghanistan through the territory of the Republic of Uzbekistan” including “on procedures for transit through the territory of the Republic of Uzbekistan of motorized wheeled armoured vehicles (not fitted with weapons).”

It has been reported that Pakistan is holding out on the PAKGLOC to extract additional funds from the US; it is reportedly asking for \$ 5000 per container. This effort is likely to backfire if the opening of the PAKGLOC is postponed indefinitely. According to a briefing made by the US Department of Defense to the Senate Foreign Relations Committee staffers, Pakistan earned \$ 160 million in FY 2009 (October 1, 2008 to September 30, 2009) and \$ 100 million in FY 2010, the drop being due to the increased use of the NDN. On the other hand, according to press reports, the US Department of Defense makes approximately \$ 500 million in payment annually in transit fees to Central Asian states participating in the NDN.

Though, for the time being, Pakistan may not open the NATO supply line as it has pegged its national pride to its demand to stop US drone attacks, an unconditional apology as well as a hike in the transit fee, all of which has been rejected by the US. For its part, the Pakistan Army also wants the pre-conditions set up by the PCNS to be met. This in fact has left very little room for the civilian government to manoeuvre. Apart from the loss of transit fees, Pakistan stands to lose out from reduced, if at all any, US payments as CSF (Coalition Support Funds). For the Pakistan FY 2012 (July 1, 2011 to June 30, 2012) Pakistan had originally budgeted for a flow of about \$ 1 billion as CSF assistance. In reality it did not get any CSF funds during FY 2012. Now the Pakistan budget for FY 2013 has once again assumed a CSF inflow of more than \$ 1.2 billion. Unless it opens its GLOC, it is very unlikely that the US will transfer any CSF during this fiscal year as well. This will create serious trouble for the Pakistani economy which is dependent on US aid.

Sixty years of US Aid to Pakistan, 1948-2010, (millions, constant 2009 US\$)



Source: Guardian, as cited in Murtaza Haider, "Can Pakistan Survive without US aid?", Dawn, 15 February 2012.

The US is Pakistan's largest bilateral donor contributing more than 50 per cent of bilateral aid followed by Japan, Germany and United Arab Emirates. The US alone provided a total of \$5.4 billion in FY 2010, making Pakistan the second largest recipient of US aid after Afghanistan. In addition, \$700 million was separately provided as humanitarian aid. US aid will remain a major factor in Pakistan. Opening of the NATO supply route will remain the lynchpin of US-Pakistan relations as the drawdown nears.