

CSAG INFORMATION PAPER:

CENTCOM Options Regarding OPEC Production Reduction Decision

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The opinions and conclusions expressed herein are those of a number of international officers within the Combined Strategic Analysis Group (CSAG) and do not necessarily reflect the views of United States Central Command, nor of the nations represented within the CSAG or any other governmental agency.

1. **Subject** Analysis of CENTCOM options regarding the OPEC+ decision to cut oil target by 2 million barrels per day (bpd), Oct 5, 2022.
2. **Purpose** To present the results of the CSAG's analysis of CENTCOM options regarding the US Administration's Reaction to OPEC+ Limiting Daily Production Decision. The options in this paper are deliberately opposite to various contemporary perspectives on the issue.
3. **Introduction**
 - a. On October 5, 2022, the Organization of the Petroleum Exporting Countries (OPEC) decided to cut oil production by 2 million barrels per day (bpd).
 - b. According to the OPEC+ Committee of Ministers, the decision to cut 2 million barrels in daily production was made in order to contain energy prices and inflation.
 - c. Democratic members of the US Congress accused Saudi Arabia and the UAE of "actively working against the US" and submitted a bill to Congress to withdraw American troops.
 - d. The President of the US openly stated that the US will reassess relations with the KSA.
4. **Political/Economical Environment**
 - a. President Biden visited KSA in July 2022. The President said that the "the US is invested in building a positive future of the region, in partnership with all of you—and the United States is not going anywhere."
 - b. With the midterm elections in November, containing energy prices and inflation is important to the Biden administration.
 - c. Since the decision was made, West Texas Intermediate (WTI) oil price increased. At the moment of writing, oil prices are easing.
 - d. The vast majority of OPEC+ members produce below current quotas. This means that production will decrease less than OPEC predicted. But ultimately production will decrease, and it may affect the price.
 - e. At this moment, there is no clear sign of a direct economic impact from the OPEC+ decision.
5. **Other Factors**
 - a. The Joint Comprehensive Plan of Action (JCPOA) negotiations are stalled.
 - b. Russo-Ukrainian war is ongoing.
 - c. The room to maneuver for the military commander between political-level narrative and military-level action in the US is not the same as in the KSA.
6. **Military Considerations**
 - a. The CENTCOM military footprint is still the only pertinent deterrent of Iranian ambitions in the Middle East (GCC in particular).
 - b. Significantly reducing military activities in the Middle East will further damage the relations with some

GCC nations, further empowering the “Abandonment Narrative.”

c. There is a risk that halting military cooperation could result into losing ABO privileges and allow the subsequent installation of A2/AD systems in the area by China.

7. **Problem Statement**

CENTCOM must maintain tempo of operations in the AOR and build further on "People, Partners and Innovation" given the US administration political narrative regarding OPEC+ decision towards the KSA.

8. **Possible Options**

	Option 1 “No Change” (Keep Going)	Option 2: “Do More” (Active Support)	Option 3: “Cut Off” (Freeze)
General description	Since this is a political/economical issue. CENTCOM activities will remain at the same pace as planned.	Even though there is a political/economical issue, CENTCOM activities still can increase in line with the commander's priorities.	In line with political narrative CENTCOM will (temporarily) cut off (freeze) activities.
Actions	<ul style="list-style-type: none"> -Continue with regular planned activities (including innovation projects) and theater campaign plans -Take advantage of the effort already put in relationships 	<ul style="list-style-type: none"> -Increase military activities and consider early execution of already planned joint exercises -Further and faster implement innovative joint projects (Regional Security Construct, Centers of Excellence, Red Sand project etc.) -Execute disaster relief/humanitarian assistance activities in the area, with US Forces, to prove our continuous commitment in the welfare of the region -Stimulate political level for faster and more FMS initiatives and weapons supply. -Conduct any significant operation, e.g. secure FSO Safer for UN Operations -Encourage regional partners in innovation projects 	<ul style="list-style-type: none"> -Military footprint reduction -Reprioritize planned activities regarding the KSA -Motivate political level to freeze FMS initiatives
STRATCOM	<ul style="list-style-type: none"> -Do not address political issues -Emphasize current missions with partners -Focus on the military goals as planned -Address current achievements and progress 		-In line with POL level narrative

	<ul style="list-style-type: none"> - Consider the participation of higher level/representative military figures at various activities in AOR - Do not explain (not giving excuses) for POL leaders messaging but dispassionately reflect their irritation. - Take into consideration reactions from regional partners 	
Risks	<ul style="list-style-type: none"> - US MIL-POL disagreement 	<ul style="list-style-type: none"> - Lose more credibility - Negative effect on SC - Lose options to Deter Iran - Abandonment becomes fact - Any action against the KSA could provoke a reaction from other regional partners - Increase of "Say-Do Gap"

9. **Assessment/Recommendation**

The OPEC+ decision is an economic issue which is likely to have minor impacts. However, it has provoked political reactions. A military reaction, as part of the elements of national power, is possible. Therefore, CSAG analyzed the last OPEC+ decision through the lens of CENTCOM.

After analyzing three options and considering that CENTCOM has a 2-year timespan to consolidate an idea of overarching partnership, the CSAG consensus concluded that option 1, "No Change" (Keep Going), is the best way forward.

Considering that CENTCOM leadership has recently completed a 90-day transition period and is building the "People, Partners, Innovation" adage, it is key to give substance to the commanders' priorities to reach his desired end state, CENTCOM must speed up the tempo of the current efforts. Moreover, CENTCOM should be aware of the gap between the political narrative and military action in the AOR, specifically regarding KSA.

It is key for CENTCOM to communicate with regional partners and maintain positive communication attitude, looking to keep up relations and cooperation in the region, and creating military cooperation structures which are less affected by politics.

**“There is at least one thing worse than fighting with allies –
 And that is to fight without them”**

Winston Churchill