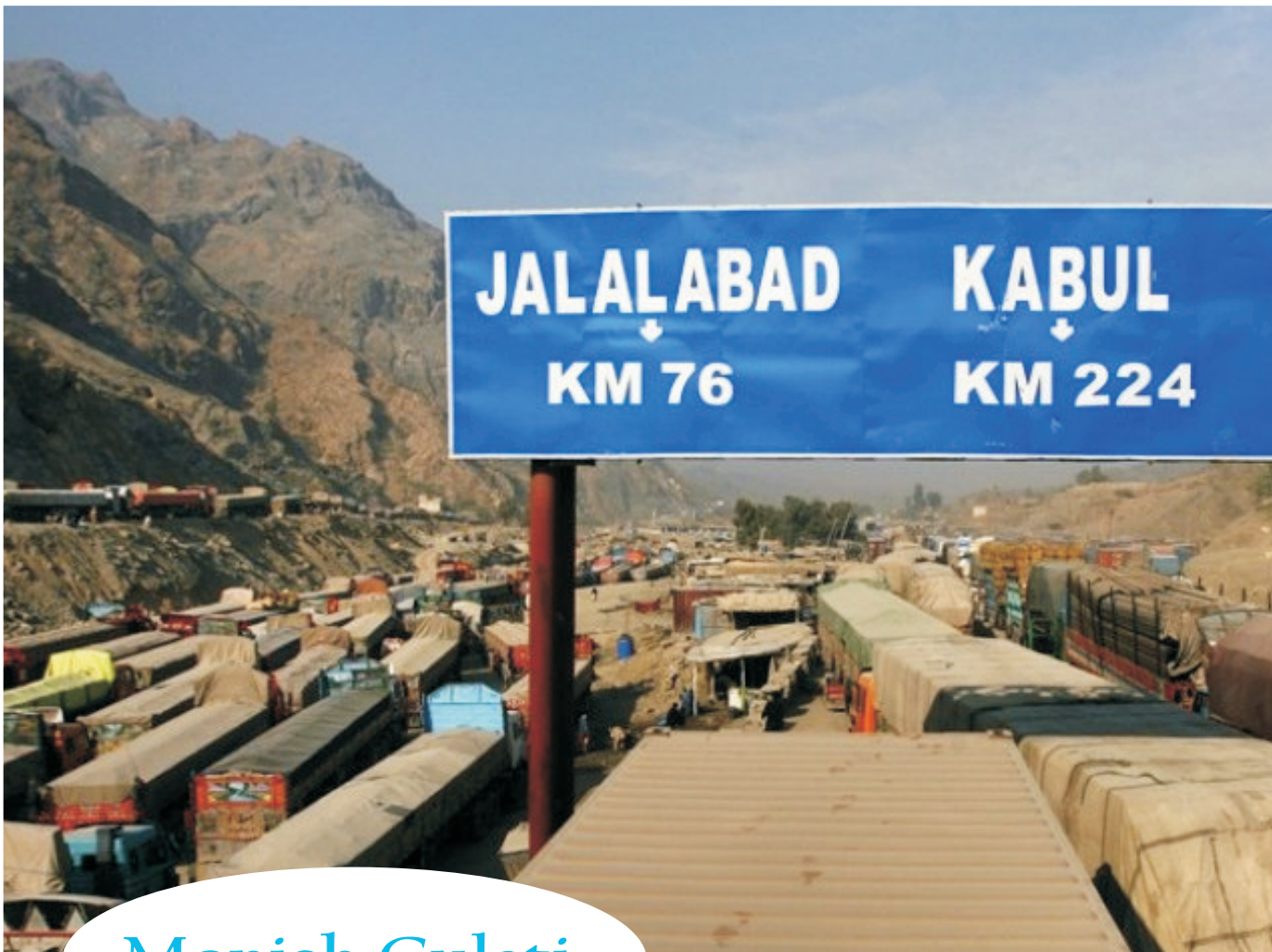




*Occasional Paper
December - 2012*

Unblocking of NATO Supply Routes By Pakistan: Logistics or Plain Politics?



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About The Author

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Unblocking of NATO Supply Routes By Pakistan: Logistics or Plain Politics?

Introduction

The flow of oil through NATO's Pakistani supply lines is due to resume soon, one year after the attack by NATO troops on the Pakistani outpost at Salala. The decision comes after the first two test-run tankers passed safely through the Torkham crossing in the beginning of November, 2012. Earlier the logistical supply lines, but not the oil supply lines, were opened in July, 2012. The entire imbroglio has its beginning on 26 November, 2011, when two NATO Apache helicopters, an AC-130 gunship and two F-15E Eagle fighter jets fired upon Pakistani troops at two check posts in the Salala area of Federally Administered Tribal Areas (FATA), Pakistan. This NATO air strike, better known in the media as the Salala incident or Salala attack, killed 24 Pakistani soldiers including two officers and wounded 13 others. There was immense public outcry all over Pakistan and the government reacted by ordering the evacuation of US personnel from its Shamsi Airfield and immediately closing all NATO Ground Lines of Communications through Pakistan (PGLOCs) to Afghanistan. The conditions laid down to open PGLOCs included an end to the drone strikes on Pakistani territory, an apology for the deaths of Pakistani soldiers in the Salala attack, an increased transit fee on NATO convoys and a ban on transporting weapons and ammunition through Pakistan.¹

Months later on July 03, 2012, the eve of the 236th Independence Day of USA, US Secretary of State, Hillary Clinton, called her Pakistani counterpart, Hina Rabbani Khar, and tendered an apology on account of the Salala attack, "We are sorry for the losses suffered by the Pakistani military". Despite the "did she or didn't she" debate that followed the apology, it was accepted by Pakistan. Curtains dropped on the 'Salala incident' which had been festering for last seven months and the PGLOCs for NATO supplies were thrown open by Pakistan. Meanwhile, US lawmakers from both Republican and Democratic parties welcomed the deal which, they said, would not only help the US forces in Afghanistan but would also help improve relations with Pakistan.

The seven month period between the Salala incident and opening of the PGLOCs had seen hectic political maneuvering by the US and sustenance adjustments by the International Security Assistance Force (ISAF) with respect to its operations in Afghanistan. The likely compulsions of the US apology and the grace (and haste) with which Pakistani accepted the same, raises questions regarding the prime drivers of this rapprochement. It appears that logistics and associated economics of War on Terror in Afghanistan was the compelling reason for US to extend the olive branch on the imbroglio, aided of course by the Pakistani realization that the PGLOCs were after all not so much of a strategic 'trump card' that it thought it to be. However, evaluation indicates that a host of other interrelated factors ranging from the Pakistani apprehension of being left out of the 'game' to the US desire to have Pakistan on-board for its long term strategy for the region may have contributed in bringing the issue to a head. This paper is organised to first describe the PGLOCs, implications they hold for the US and Pakistan and finally analyse the present US-Pak rapprochement from a geo-strategic perspective as we pass the anniversary of the Salala incident.

The PGLOCs

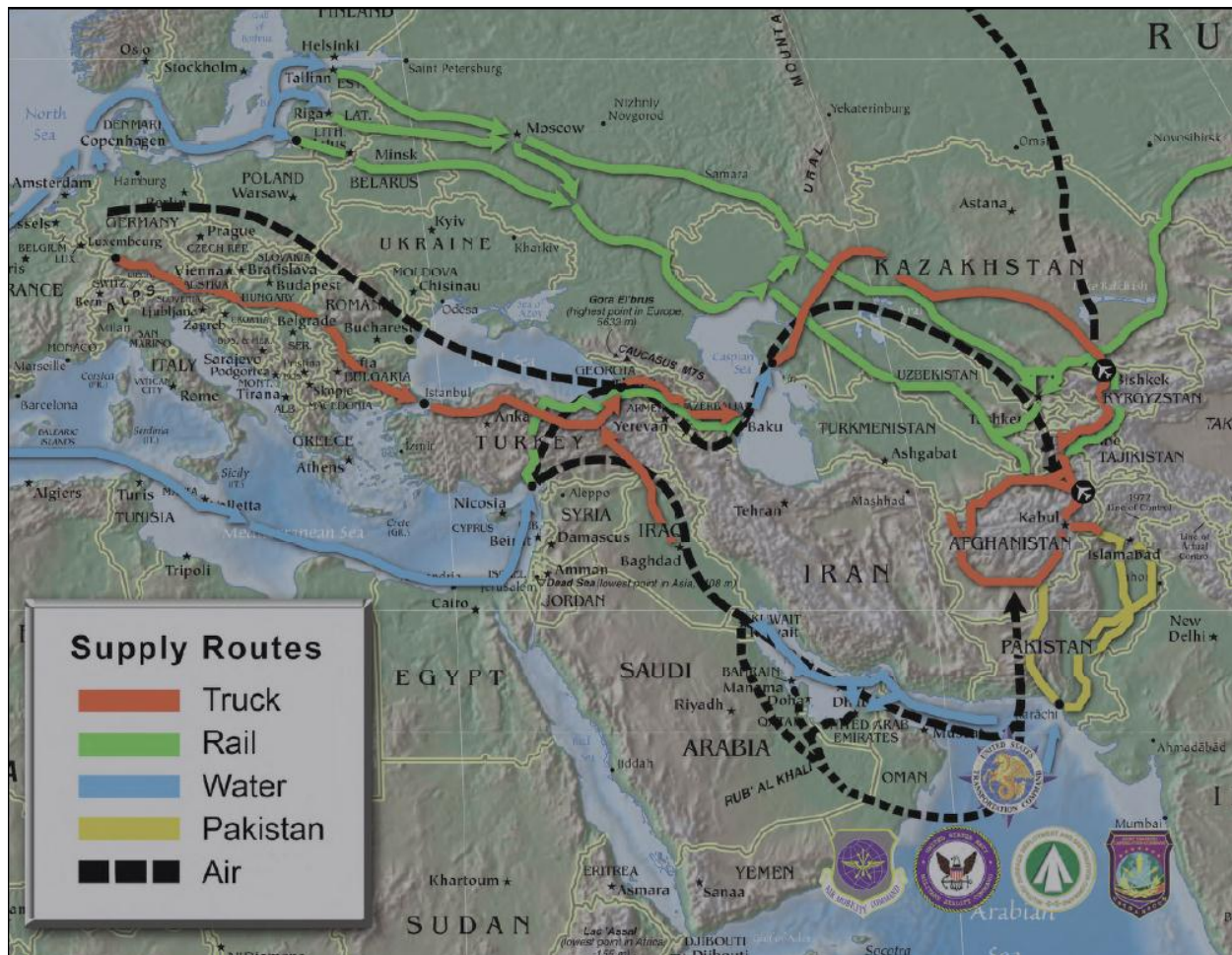
The U.S. military operations (Operation Enduring Freedom) in Afghanistan commenced on October 07, 2001. Troop induction was predominantly by air from Europe, with a staging area at Karshi-Khanabad (K2) air base in Uzbekistan. To provide logistical support a Corps Support Group (CSG) Headquarters was deployed in tandem at K2. On November 15, 2001, a task force occupied Bagram airfield at Kabul and opened a forward logistics hub to handle receipt and distribution of dispatched supplies.

Afghanistan is a landlocked country and logistics have to transit through other countries to be effective; maintenance by air is the other option. Since air maintenance is prohibitively expensive, NATO forces rely on ground routes for non-lethal stores including transport fuel. However, due to operational and political reasons all armaments including munitions, whether small arms, artillery shells, or missiles, are transported by air. Land transportation is principally accomplished by shipping goods by

sea to the Pakistani ports of Karachi, or Bin Qasim (Figure: 1). The PGLOCs start from Karachi, covering Ports of Karachi and Bin Qasim and can be described as:

- **Karachi to Peshawar-Torkham border-Kabul**-Total distance: 2010km (approx). Route: Karachi-Hyderabad-Sukkur-Bhawalpur-Rawalpindi-Peshawar-Khyber pass-Torkham border-Jalalabad-Kabul.
- **Karachi to Quetta-Chaman border-Kandahar**-Total distance: 913km (approx). Route: Karachi-Hab Chauki-Uthal-Bela-Khuzdar-Kalat-Quetta-Bostan-Chaman-Spin Boldak-Kandahar.

Figure: 1- NATO Supply Routes



Source: US TRANSCOM

Transit time is an important metric of route evaluation as it influences the nature of commodity being carried, risk exposure and total cost. In the case of PGLOCs, transit custom clearance takes 7-14 working days in Karachi subject to all documentation being in order. Travel time to Torkham is about 8 days to while it takes 10 days to Chaman. Transportation from the border to destination (Kabul/Kandahar) takes an average time of 3-4 days. Therefore, the estimated transit time on Karachi-Kabul route is 15 days while it takes 18-21 days to Kandahar. Return of empty containers from Kandahar as well as Kabul to Karachi takes 10 days.

Presently, all the cargo moving through Pakistan to Afghanistan can be classified into three distinct categories.² Of these the NATO/ISAF cargo constitutes 83% of the total transit cargo. The NATO cargo up to the Pakistani ports is moved by US contractors who exclusively handle deliveries. Onwards from Karachi, the cargo is handled by sub-contracted Pakistani logistics agencies. Responsibility for safe delivery inside Afghanistan also lies with these private contractors. It was only the transit of the NATO cargo that was stopped after the closure of PGLOCs.³

Around 70 per cent of NATO's surface supplies to Afghanistan move by PGLOCs from Pakistani ports. The quantum of transiting supplies had increased as Operation Enduring Freedom (OEF) evolved in to a NATO operation with a longer forecasted operational time frame and larger troop deployments. The 2003 Invasion of Iraq (19 March 2003) brought about fundamental changes in logistics flowing into Afghanistan by reducing the reliance on 21st TSC in Germany, and placing greater support requirements on the 377th TSC⁴ and the CENTCOM Deployment and Distribution Operations Center (CDDOC), both headquartered in Kuwait (Figure: 1). As the centre of gravity of logistics support shifted to the Middle East, it further increased the inflows to Karachi and Bin Qasim ports and the PGLOCs.

Northern Distribution Network

Afghanistan also borders Turkmenistan, Uzbekistan, and Tajikistan which facilitated the establishment of alternate supply routes or 'logistical arrangements' connecting Baltic and Caspian ports with Afghanistan through Russia, Central Asia, and the Caucasus. These routes are collectively termed as the Northern Distribution Network (NDN). The NDN, therefore, comprises of a series of commercially-based, multinational, multimodal and multi-commodity routes running across the Baltic and Central Asian countries carrying supplies by sea, rail, road and air to the ISAF troops in Afghanistan. Of these, the most commonly used route, which is also one of the longest, starts at the port of Riga, Latvia on the Baltic Sea, and continues for 5,169 km by train southwards through Russia. The supplies then pass through Kazakhstan and Uzbekistan on rail before reaching Afghanistan's northern border at Termez. The supplies are then loaded onto trucks and transported through the Hindu Kush Mountains via the Salang Tunnel to Kabul. Under agreements negotiated by the US with all countries involved in the NDN, the cargo is restricted to nonlethal equipment. Armoured vehicles are shipped only after their weaponry has been removed.

Trial shipments through the NDN started in September 2008, while the regular deliveries commenced in May 2009. The average transit time for supplies on the NDN is upwards of forty days. However, despite the costs and time taken, the quantum of supplies being moved on NDN kept pace with the ISAF troop surges and was at its peak in the period when PGLOCs had been closed. NDN ensured ISAF operations were not constrained by the closure of the GLOCs. Though NDN routes are characteristically more secure and logistically flexible than the PGLOCs, there are diplomatic and geographic vulnerabilities associated with the NDN due to the involvements of multiple countries through which it passes. This is one non-operational reason that continues to make the PGLOCs important to the US.

Comparison

It would be relevant at this point to put the significance of PGLOCs to NATO operations in Afghanistan in perspective as this would also set stage for an analysis of all 'non-operational' factors having a bearing on the issue later. To that end, PGLOCs and NDN are evaluated in terms of the reasons put out by the US to develop the NDN (other than the basic operational imperative to have an alternate supply route). Reliability, lack of security including pilferage losses were identified as major barriers in continued use of the PGLOCs, while time and costs savings weighed in the favour of its use. Of these, cost of supply as a factor deserves a detailed evaluation as it was bandied as an overbearing issue by both the US and Pakistan to drive consensus on the Salala incident.

Costs

The two alternatives to the PGLOCs available to the US were to move supplies directly by air or by rail/road/sea through the NDN. Moving supplies by air was estimated to cost ten times, and through NDN three to six times to what it would cost to transport materials through PGLOCs.⁵ Transporting a container from the US to Afghanistan costs about \$20,000 through NDN, while it cost almost one third or even less to ferry cargo to the Pakistani port of Karachi and then over roads to the Afghan border. Costs on the NDN are higher due to longer distances, more transit time and multiple custom duties as it traverses several countries. Pentagon figures indicated that about \$104 million additional per month was being spent to supply ISAF through NDN; which was \$87 million more per month than the \$17 million it used to cost on the PGLOCs. These costs do not reflect over \$30 million in U.S. aid and an additional \$11 million for fiscal year 2012, Uzbekistan has received to facilitate movement of supplies on the NDN.⁶

Before the route cut-off, about 30-40 per cent of the fuel and 60 percent of NATO surface supplies came through Pakistan. NATO had been progressively increasing its reliance on NDN. In 2011, a total of 27,000 containers were delivered via NDN surface

transportation—an increase of 15% from 2010.⁷ Therefore, when Pakistan closed the border crossings 40 percent of NATO surface supplies flowed through NDN's road, water, rail, and air routes, most of it fuel.⁸ Following the closure of GLOCs, by February 2012, 85% of coalition fuel supplies were being shipped through the NDN. Food continued to be flown in.⁹

It was felt by some that US military and civilian aid to Pakistan (not to count Coalition Support Funds (CSF) payments), before it came to a halt in 2011, was essentially a facilitation fees paid to Pakistan Army to allow supplies to be sent to Afghanistan via Pakistan. Therefore, in cost terms, if you add the \$20 billion paid to Pakistan by the US (excluding CSF payments) since 9/11, the cost of transporting goods via Pakistan would be greater than supplying troops in Afghanistan via alternate routes.¹⁰ In that sense, cutting off of US aid to Pakistan and using NDN routes was cheaper than using PGLOCs.¹¹ Therefore, there was view that this financial burden was undoubtedly a bigger factor on the other members of the coalition than it was for the US.¹²

Security & Reliability

The NDN, despite the travel distance and time, ended up being more secure thus was able to keep supplies moving into and out of Afghanistan on schedule. On the other hand in Pakistan, Taliban attacks on the convoys traversing the PGLOCs escalated with time. On 18 November, 2008, 23 commercial trucks were attacked in the Khyber area, and on 7 December 2008 in the single biggest strike on the supply chain in seven years 160 trucks were destroyed at two terminals near Peshawar. The Taliban continued torching hundreds of tankers and trucks over the next three years outside Islamabad, Quetta, Peshawar and elsewhere. U.S. sources report that over 450 trucks were destroyed in 2009. In 2008, the U.S. military lost as much as 15 percent of its supplies in those areas due to ambushes and theft.¹³

Karachi, the landing harbour, itself is a hotbed of political unrest. There have been instances of cargo ships and oil tankers being sabotaged in the harbour.¹⁴ Al

Qaeda's top spokesman for Pakistan had called on jihadists in Pakistan in a videotaped statement to attack NATO supply convoys to "secure the back" of al Qaeda's ally, the Afghan Taliban.¹⁵ He urged "Mujahid brothers from Karachi and Makran to Khyber that they must pay special attention to targeting American and NATO supply lines". Not only the convoys, but also the owners of the trucking companies contracted to ship supplies to NATO forces in Afghanistan were targeted. A Taliban group vowed, one day after the supply line was reopened, that it would "carry attacks on NATO supplies with a new spirit." Not surprisingly there was little movement reported on the PGLOCs by early August, 2012.

Pilferage losses also rankled with the NATO command. In 2005, reported pilferage losses amounted to approximately \$1.2 million, which by 2006, grew to \$7.1 million. A working Group which assessed categories of loss, including unit cargo, fuel, foodstuffs and contract acquired materiel concluded that the pilferage problem was growing, with a reported \$9.2 million loss during 2007. Because of Pakistani sensitivities about sovereignty, NATO supply trucks are 100 percent civilian-operated, with no military escorts. The drivers of these trucks have been subjected to kidnapping and ransoming. It has been estimated that contracted civilian drivers pay substantial bribes to move their cargo along a typical supply route in Afghanistan.¹⁶ By February 2009 it was reported that 130 Pakistani drivers had been killed on the route. As a result of these irritants and financial losses establishing an alternate supply route became a top US priority.

Drawdown

In addition to costs and security, the other factor influencing logistics was the relocation/thinning of US and NATO personnel, armaments and material from Afghanistan, more popularly referred to as 'Drawdown'. Drawdown came to fore after the NATO Lisbon Summit in November 2010 which set into motion the NATO programme of transition in Afghanistan. Nations contributing to ISAF, and the Afghan Government agreed at the Lisbon Summit, to phase transition of responsibility for security from ISAF to the Afghan National Security Forces (ANSF) and to conclude the

ISAF's mission by the end of 2014.¹⁷ During the Chicago Summit on Afghanistan on May 21, 2012 it was reported that this transition strategy had commenced in July 2011 and the third wave of provinces to enter the transition process had been announced by the Afghan President on 13 May 2012. Accordingly, by mid-2013, all parts of Afghanistan would have Afghan forces responsible for security. The year 2015 would see NATO transit to a new training, advising and assistance mission leaving the ANSF with an estimated annual budget of US\$4.1 billion and force size of 228,500 in-charge.

Under the agreed transition programme, by the end of 2014, for its drawdown NATO would require to transport about 120,000 soldiers, 100,000 shipping containers of equipment and 70-50,000 wheeled vehicles from Afghanistan.¹⁸ NATO officials estimate that for all ISAF military equipment to be moved from Afghanistan on schedule, a container would have to leave the country every seven minutes, 24 hours a day, seven days a week, starting June, 2012. ISAF is planning on moving at least a third of its cargo in Afghanistan through the NDN.¹⁹ American officials also projected that using the NDN for the NATO withdrawal in 2013 and 2014 would cost up to five to six times as much as using the Pakistani routes. The quantum of stores to be moved and the time available further enhanced the importance of PGLOCs as they were the shorter route out.

Impact of Closure

A better assessment of the importance of PGLOCs can be made by evaluating the actual impact its closure had on the operations in Afghanistan. In this context it can be said that the Pakistani reaction to Salala incident did not surprise the US, it only justified their contingency planning; the NDN. This is because in the past too the PGLOCs had been affected by the tenuous nature of U.S. and Pakistani politics. In December 2008 and again in January 2009, as part of a renewed offensive against the Taliban and other insurgent groups Pakistan had closed the border crossing at Torkham and halted all NATO supply convoys into Afghanistan, citing poor security situation. The border was also closed in retaliation for US incursions into Pakistan, first in September 2008 and again in January 2010.²⁰

At the operational-logistics level, US had realized that about 30-40 per cent of the fuel used by coalition forces was being sourced through Pakistan and the fuel storage capacity at Bagram and Kabul air bases was less than 3 million gallons, making them highly dependent on PGLOCs. NATO built an additional 3 million gallons of storage space at Bagram air base in fall 2007 to reduce this dependency.

According to official figures around 7,834 containers and vehicles were stranded at Karachi and Bin Qasim ports for seven months the PGLOCs were shut. Out of these 5,834 containers and vehicles were at the Karachi port area and 2,000 containers at Bin Qasim port. Around 3851 heavy military vehicles were also stranded at the Karachi port including around 350 Humvee vehicles.²¹ This could be compared with the fact that in 2011 NATO had moved more than 35,000 containers through the PGLOCs. Pentagon officials were categorical that the closure of PGLOCs did not impact NATO's military operations inside Afghanistan.

The Consensus

The MoU on the opening of the PGLOCs, for a period up to December 31, 2015 (year after slated completion of the drawdown), was signed by a Pakistani Defence Ministry official Rear Adm. Farrokh Ahmed, and the U.S. Embassy's charge d'affaires, Richard Hoagland.²² It replaced the informal agreements that the US had reached in the past with Pakistan under Gen Musharraf. Under the new arrangement, Pakistan also committed to provide security to NATO container trucks and oil tankers. Police in cities and towns enroute would now handle security until the convoys reach the tribal areas bordering Afghanistan, where the nation's paramilitary Frontier Corps would take over.²³

The final resolution of the Salala incident resulted in whittling down of the initial Pakistani demands. Pakistan, which was charging \$250 per container before it closed the PGLOCs, wanted to increase the transit fee to \$5,000 per container. However, as part of the agreement, Pakistan dropped its insistence on a higher transit fee and in return, was to be reimbursed about \$1.2 billion (withheld in the CSF from last year) for

costs incurred by 150,000 Pakistani troops carrying out counterinsurgency operations along the border with Afghanistan.²⁴ There was also a Pakistani demand to electronically screen transiting containers supposedly to address the problem of NATO containers 'leaking' weapons and other supplies to anti-Pakistan terrorists in Baluchistan and on the Afghan border. This requirement too was diluted.²⁵

The US scaled back its drone attacks significantly from March end to the last week of May 2012 (between March 30 and May 22, the US conducted only three drone strikes). This was the period during which US officials attempted to renegotiate the reopening of PGLOCs. After this period it was business-as-usual for drone operations. Pakistan on its part said the trucks carrying NATO/ISAF cargo will be weighed before and after loading containers. There would be full documentation and declaration of goods to obtain customs clearance.²⁶ Pakistani port authorities also sought to levy a hefty amount of Rs 2 billion on account of different port charges.²⁷

The opinions expressed by observers from both the countries post the consensus on Salala were understandably divergent. The general reaction in Pakistan on opening of the PGLOCs ranged between the view that the entire episode proved that Pakistan's stance was principled and national honour and dignity had been redeemed, to the notion that the NATO bluff of 'Northern Distribution Network' had fallen flat on the ground. Commentators felt that the two countries must now work towards finding common grounds for a blueprint that accommodates their respective, albeit disparate, interests as it had been established that a stable and peaceful Afghanistan is in overriding interest of both. Also the US must respect and recognize that the firm and principled stand of the Pakistan Government on the issue, especially, as the existence of strong body of anti-American public sentiments in Pakistan made finding common political grounds a challenge. Lastly, assertions of the Defence Committee of the Cabinet (DCC) on Pakistan's relations with the US and the future course of action to be adopted, was an indication that the Pakistani institutions have begun to come of age.²⁸

The US on the other hand felt that there existed no guarantee that the Pakistani government would not again close the PGLOCs in the future. To that end, the USTRANSCOM, whose stated priority is to enhance and improve the NDN, continues in its efforts to expand surface networks that supply Afghanistan. The importance of the NDN to U.S was underscored by the commencement of the drawdown.²⁹

Analysis

The decision to open the PGLOCs was in the interest of both the sides but for entirely different reasons. For the US, PGLOCs are a cheaper, faster, albeit less secure and reliable alternative to NDN; this is primarily from the point of view of the drawdown and not operations in Afghanistan. Normalisation of relations would of course go on to make Pakistan more open to US policy on Afghanistan. For Pakistan, besides the funds the PGLOCs brings, it was to stay relevant in the geopolitical game unfolding around Afghanistan. As an observer remarked, it was to get on the 'right side' of the War on Terror and the Global Economy. While being on the right side of War on Terror is self explanatory, it is the influence of the global economy that requires elaboration.

Reconstruction of Afghanistan

Reconstruction of Afghanistan has major geopolitical and economic significance for Pakistan and to that end Pakistan believes that their futures are inextricably related. In 2002, when reconstruction work started in Afghanistan, Pakistan acted by removing existing restrictions on bilateral trade with Afghanistan. Exports to Afghanistan surged to \$1.2 billion by 2006, compared to just \$168 million in 2001. Afghanistan is now Pakistan's third largest export market with bilateral commerce valued at USD 2.5 billion and accounting for 6% of the total exports. Pakistan's Commerce Ministry told the *Business Recorder* that it aims to increase bilateral trade with Afghanistan to USD 5 billion per year by 2015. As economy, including mining activity in Afghanistan picks up, Pakistan is looking at a surge in its revenues particularly from transit trade. Thus, the impending requirement of Pakistan to ensure it is always involved in the development and economic revival activities in Afghanistan.

Transit Trade

A major part of the Pakistani strategy for Afghanistan, in particular post-2014, hinges on securing transit trade to and from Afghanistan including, ideally, the trade that transit through Afghanistan from the CARs and China. The ongoing reconstruction programme of the Afghanistan is expected to scale up post 2014 when the supporting infrastructure of mining and oil leases granted to various countries including India and China starts taking shape giving further impetus to trade. Two imperatives for Pakistan in this regard are internal security and transport infrastructure; both of which are in a questionable state.

Pakistan has evolved extensive plans to revamp its transportation network to support transit trade, which largely hinges on the Chinese finance, technology and their business plans in Afghanistan. It includes providing rail and road connectivity between Pakistani ports and both China and Afghanistan. It has been reported by the Pakistani press that the reason for withdrawal of higher transit fee on NATO supplies was due to Pakistan and the United States Agency for International Development (USAID) joint project to finance the rehabilitation of the road network connecting Afghanistan and Pakistan, in particular, the Peshawar-Torkham and Kalat-Quetta-Chaman roads. USAID is likely to provide USD 1.46 billion for the road rehabilitation effort.³⁰

In addition, two other factors appear to upset the Pakistani business case; the NDN and Iran-India cooperation. In hindsight, all the closure of PGLOCs achieved was to show case to the world a more secure alternative to Pakistan for transit trade - the NDN suitably commercialized within the 'New Silk Route' concept. As trade and economic ties with its northern neighbors expand, Afghanistan's previously, often crippling, dependence on Pakistan for trade is becoming history. For example, Kazakhstan, Russia, Turkmenistan and Uzbekistan now are supplying the lion's share of Afghanistan's imports of petroleum products.

Gwadar vs Chabahar

Iran and Afghanistan have an agreement which permits Afghanistan to use Iran's south eastern port of Chabahar for shipments and trade. Chabahar is the only Iranian port with direct access to the Arabian Sea. It provides the Afghan government alternate access to the Indian Ocean and negates the leverage Pakistan has on the issue. Inside Afghanistan, the road from Delaram, which connects to the ring road around Kabul, to Zaranj has already been built by India.³¹ India expects to use this road to connect Chabahar to Afghanistan and Hajigak mines, where India has mining rights. Iran and Afghanistan have signed an agreement to give Indian goods, heading for Central Asia and Afghanistan, preferential treatment and tariff reductions at Chabahar.

The development plan of the Pakistani port of Gwadar on the Makran coast had taken into consideration the fact that at some stage it would provide Western Afghanistan access to the Indian Ocean. Road and the proposed rail connectivity would link Kandahar in Afghanistan to Gwadar through the Chaman border crossing. Gwadar is also intended to give China access to the Indian Ocean. Pakistan and China have discussed building a 3,000-kilometer rail line between Kashgar in China to Gwadar, during President Zardari's July 2010 visit to Beijing. The cost is enormous; up to \$30 million per kilometer in the highest mountains.³² Viability of Chabahar port affects the potential of Gwadar port.

Trade Issues

The Pakistani Prime Minister Raja Pervaiz Ashraf had commented that national interest was being served by opening of the PGLOCs as prolonged deadlock over the issue could hurt the country's relations with the NATO countries, which included countries favourably disposed towards Pakistan as well as brotherly Muslim states of Turkey, Qatar and the UAE.³³ He went on to add that active support of some of these European Union (EU) countries made possible the approval by the Council for Trade in Goods, on 01 February 2012, of a request by the EU to temporarily lift duties on certain products (75 items) from Pakistan. This EU request for a waiver from its WTO

obligations had been pending since 30 November, 2010. These measures, which are aimed to assist Pakistan recover from massive floods of 2010, would be in effect from 01 January, 2012 to 31 December, 2013.³⁴ There is a realization in Pakistan that as a nation its economy has to make the transition from being dependent on aid to being dependent on trade.

Pakistan is also extremely keen to obtain enhanced access to markets in EU for its exports from 2014 onwards under the EU's Generalised System of Preference or GSP (Plus) scheme. The EU, in 2002 (post 9/11), had provided Pakistan preferential duty free access to its market under GSP regime³⁵ by classifying Pakistan as a frontline state against its war against drug trafficking and production. The results were dramatic; exports of textile and clothing to the EU increased by 23% in 2003 and 18% in 2004. The concession, however, was withdrawn in 2005. The new GSP (Plus) rules will reduce the number of countries that enjoy preferential access to EU markets from 176 to around 75; making it more stringent to qualify for the concessions. Pakistan will be allowed to apply for zero duty access if they agree to (in a verifiable manner) abide by the 27 international conventions in the field of human rights.³⁶ Pakistan continues to be a beneficiary of the American GSP programme. All these concessions are available to Pakistan provided it is on the correct side of the global economy.

Russian & Indian Positions

The Russian and Indian positions on Afghanistan have also influenced the US policy. In March 2008, just as NDN was taking shape, Russia decided to allow NATO member states, and non-member states contributing to ISAF, to send non-military freight through Russia via truck or rail. During a summit in Moscow on July 6, 2009, Russian President Dmitry Medvedev signed a significant military transit agreement with Barack Obama agreeing to expand the transit of military and non-military supplies across Russian territory to the U.S. troops in Afghanistan. This agreement permitted 4,500 flights per year free of any air navigation charges. The new transit routes were estimated to save the United States government up to \$133 million annually in fuel, maintenance and other transportation costs.³⁷ Russia has also offered a base at the

central city of Ulyanovsk, which would aid NATO in the delivery of equipment and other consignments to and from Afghanistan. The proposed location will act as a NATO warehousing and distribution facility on Russian territory.³⁸ In early June, 2012 NATO signed deals with Kazakhstan, Uzbekistan and Kyrgyzstan to use their territory for evacuating vehicles and military equipment from Afghanistan. This will allow NATO equipment to be moved directly though land into Europe, and to air bases to fly the equipment out.³⁹

Russian position on support to the NATO operations has been consistent. Even during the tensions over Georgia, Russia did not retaliate by suspending its transit arrangement with the NATO. However, contentious issues such as deployment of missile defence and Syria remain between the two countries and to avoid its position being compromised US continues to maintain at least one LOC which does not involve transiting through Russia.

India's reluctance to assume a 'dominant' role in the US vision for Afghanistan appears to have been a key check point in US calculations for the region. As NATO forces move out, Washington would like India to step up its role as a provider of regional security. India has resisted Washington's calls for greater involvement in Afghanistan; even though Delhi has poured in \$2 billion in aid and reconstruction. India has signaled its long-term commitment to stability in Afghanistan, but the differences between the two sides remain in as to how to reach that end state. India also has a different strategic posture towards Iran, who will be a key player in the region as US troops depart from Afghanistan in 2014. Iran will be a big part of the strategic puzzle if China and Pakistan are left with all the leverage. No one really knows how the Afghan-Taliban-Pakistan-US dynamic will finally unfold. It may be less important to Washington who rules Afghanistan so long as the US homeland is not attacked from its soil, but it is not so for India. Pakistan will remain a US compulsion in the region.

Conclusion

Five months after opening of the PGLOCs and the return of the 30,000 'surge' troops back to the US there has been some movement on the PGLOCs which were costing the NATO up to \$100 million in additional supply costs per month. US has gone on to waive the necessary legal requirements for this year's USD 2 billion security and civilian aid to Pakistan, arguing that it was in America's national interest. The only major visible outcome of the resolution of the Salala incident is that Pakistan is back on the negotiating table as the political and security transition in Afghanistan is deliberated.

Pakistan will remain a key player for the US in the region. Speaking at Washington's Carnegie Endowment for International Peace in his first public remarks since leaving Islamabad in July this year, former U.S. Ambassador to Pakistan Cameron Munter sums up this sentiment saying "deeper" and "more sophisticated" ties with Pakistan would help overcome entrenched assumptions about each other's motives.

End Notes

¹ Courtney Ranson. "Pakistan and the Northern Distribution Network", Carnegie Endowment, May 03, 2012. <http://carnegieendowment.org/2012/05/03/pakistan-and-northern-distribution-network/aoex>

² First category is Afghan Transit Trade Goods (Commercial Cargo which is commonly called as ATT Goods). It is being handled exclusively by Pakistan Railways and National Logistics Cell (NLC). The second category is Afghan Cargo (Non Commercial which pertains to humanitarian aid). It comprises of Reconstruction Cargo, Rehabilitation Cargo and NGO Goods. It constitutes 17% of the total cargo that moves to Afghanistan. It is also being handled by NLC through its registered Transport Contractors (Hired Mechanical Transport) Contractors. The third category is Coalition Forces (NATO / ISAF and Embassies Cargo). (Source: Umar Hayat, 2012).

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