The Heritage Foundation
LEADERSHIP FOR AMERICA

BACKGROUNDER

No. 2671 | APRIL 9, 2012

Thinking the Unthinkable: Modeling a Collapse of Saudi Oil Production

Ariel Cohen, Ph.D., David W. Kreutzer, Ph.D., James Phillips, and Michaela Bendikova

Abstract

If an "Arab Spring" uprising completely disrupted Saudi oil production, the U.S. and the global economy would face a massive economic and strategic crisis. Russia and Iran as oil-producing states would likely exploit the crisis to increase their power around the world while undermining U.S. influence, especially in the Middle East. To guard against the economic and strategic dangers, the U.S. should prepare emergency measures before such a crisis. Releasing strategic petroleum reserves in coordination with other countries, tapping the North American energy resources, and reducing domestic energy consumption would limit the impact of the crisis and facilitate recovery. However, it is also in the U.S. interest to use its influence and resources to assist allies and friends during the crisis.

This paper, in its entirety, can be found at **http://report.heritage.org/bg2671**

Produced by the Douglas and Sarah Allison Center for Foreign Policy Studies

The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002–4999
(202) 546-4400 | heritage.org

Iranian threats to block oil shipping in the Strait of Hormuz, if acted upon, could disrupt the global energy supply and cause oil prices to spike. However, as this report suggests, this scenario is relatively short term. It leaves the oil-producing infrastructure intact, and prices would stabilize if military action, led by the United States, and a coordinated international response successfully restore security to the sea-lanes.[1]

However, policymakers need to consider a more dangerous scenario: the collapse of Saudi Arabia's oil production caused by a massive social upheaval like those that have toppled regimes in Tunisia, Egypt, and Libya.

In 2006, 2008, and 2010, The Heritage Foundation conducted simulations to assess the strategic and economic impact of a major disruption of energy supply caused by Iranian military action in the Strait of Hormuz or by coordinated terrorist attacks on key nodes in the global energy infrastructure.[2] This report uses the methodology developed in these previous reports and builds on their findings and models. It examines a situation in which an "Arab Spring" uprising disrupts Saudi oil production, causing a total cessation of oil production for one year—a drop of 8.4 million barrels per day

Talking Points

- A complete disruption of Saudi oil production (8.4 million barrels per day) caused by an "Arab Spring" uprising would significantly affect global energy markets and overall economic activity.
- The United States needs to prepare domestic and international measures before such a disruption of the energy supply and be prepared to secure its access to foreign and domestic oil resources. This preparation will enable the U.S. to lead effectively during such a crisis.
- The United States should maintain a military force structure that can project U.S. power into the Persian Gulf and Saudi Arabia. This along with using U.S. influence in international institutions to secure the release of members' strategic petroleum reserves would help to prevent a political and economic disaster in the United States and Saudi Arabia.
- The U.S. government should allow the development of domestic energy resources and infrastructure.

(mbd)—followed by a two-year recovery. Given the recent events in the Middle East, U.S. and international policymakers should examine such a radical scenario, albeit considered unthinkable by some.

This analysis demonstrates that the most effective response is to plan ahead for a massive oil supply disruption and think strategically about its impact. The United States should create in advance an interagency task force under the National Security Council and the National Economic Council to enhance national security and economic security of the United States by using all available policy tools to guarantee the flow of oil. The U.S. should also reserve the option of deploying military forces to Saudi Arabia or other Gulf Cooperation Council (GCC) countries upon their request. The stabilizing presence of U.S. forces and U.S. leadership around the world would significantly contribute to weathering the crisis. In addition, the U.S. should take steps to mitigate the domestic crisis. Releasing strategic petroleum reserves, tapping the North American resources, and reducing energy consumption by U.S. government agencies would accelerate the recovery at home.

A Hypothetical Scenario: Complete Disruption of Saudi Oil Production

In this hypothetical scenario, the same anger, frustration, and pent-up demands for political and economic reform that has destabilized regimes throughout the Middle East also roils Saudi Arabia, which initially appeared to be immune from the Arab Spring upheavals. As elsewhere, the initial impetus for protests comes from liberal reformers working through a grassroots campaign using Facebook and Twitter, calling for genuine democracy, transparent government, equal rights for women, and greater political, social, and personal freedoms. Shi'a and Sunni religious radicals quickly join the liberal protesters, swelling the crowds of protestors.

Saudi authorities clamp down on the peaceful protests, and Saudi police fire at violent demonstrators largely drawn from the Shi'a minority in the oil-rich Eastern Province.[3] Protesters react by seizing oil facilities and attacking infrastructure. Saudi internal security forces, augmented by Salafist/Wahhabi zealots, who contemptuously denounce the Shi'a protesters as heretics, seek to oust the protesters. As Saudi security forces crack down on the protesters in the Eastern Province, the fighting damages or destroys key energy facilities. Iran stokes the conflict by providing the Saudi Shi'ites with money, arms, propaganda support, and training.

In the ensuing internal strife, the Saudi dynasty in Riyadh is toppled, and the princes flee, are arrested, or are killed. A loose coalition of Wahhabi clerics and elements connected to al-Qaeda in the Arabian Peninsula seizes power and expels all non-Muslim foreign workers. The exodus of skilled technicians and oil workers exacerbates the situation by significantly delaying repairs of damaged infrastructure and impeding operation of oil facilities that are not damaged. As a result, nearly all Saudi oil production stops and oil exports are halted.

The new Islamist regime is reluctant to sell oil to the U.S. and European markets, preferring to sell to China and the Far East. Eventually, Saudi Arabia starts producing oil again at a reduced level of 4 mbd to 5 mbd, similar to Iran's oil production after the fall of the Shah and the rise of Ayatollah Khomeini. If Saudi production fails to recover fully and global demand for oil keeps prices high,

1. James Jay Carafano, William W. Beach, Ariel Cohen, Lisa A. Curtis, Tracy L. Foertsch, Alison Acosta Fraser, Ben Lieberman, and James Phillips, "If Iran Provokes an Energy Crisis: Modeling the Problem in a War Game," Heritage Foundation *Center for Data Analysis Report* No. CDA07–03, July 25, 2007, at *http://www.heritage.org/Research/EnergyandEnvironment/cda07-03.cfm*.
2. *Ibid.*; William W. Beach, James Jay Carafano, Ariel Cohen, David W. Kreutzer, Karen A. Campbell, and Hopper Smith, "The Global Response to a Terror-Generated Energy Crisis," Heritage Foundation *Center for Data Analysis Report* No. CDA08–11, November 10, 2008, at *http://www.heritage.org/research/reports/2008/11/the-global-response-to-a-terror-generated-energy-crisis*; and Ariel Cohen, David W. Kreutzer, William W. Beach, James Jay Carafano, and John L. Ligon, "Coordinated Terrorist Attacks on Global Energy Infrastructure: Modeling the Risks," Heritage Foundation *Special Report* No. 88, March 17, 2011, at *http://www.heritage.org/Research/Reports/2011/03/Coordinated-Terrorist-Attacks-on-Global-Energy-Infrastructure-Modeling-the-Risks*.
3. Global Voices, "Saudi Arabia Protests Reach Eastern Province," March 6, 2011, at *http://globalvoicesonline.org/2011/03/06/saudi-arabia-protests-reach-eastern-province/* (January 9, 2012).

TABLE 1

Summary of Saudi Revolution Economic Analysis

Figures are based on a loss of 8.4 million barrels of oil per day for one year, followed by a two-year recovery.

Change in GDP (Billions of Dollars)	
Total GDP Loss After Recovery	–$447.40
Average GDP Loss After Recovery	–$149.10
Change in Employment (Millions of Jobs)	
Peak Unemployment Change	–1.516
Average Unemployment Change After Recovery	–0.915

Source: Heritage Foundation calculations based on the IHS/Global Insight U.S. Macroeconomic Model.

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other oil-producing countries eventually fill the demand. They include suppliers that use new sources and technologies, such as Canadian oil sands, U.S. oil shale, and so forth.[4]

Saudi Revolution: The Economic Impacts

The Saudi Kingdom is the largest oil producer in the world—occasionally surpassed by Russia—and essentially dominates the oil market due to its large excess production capacity, which it can ramp up to 12 mbd. A prolonged and massive disruption of Saudi oil production would significantly affect global energy markets and economic activity. However, for this economic analysis we look only at the effects on the United States. The impact in Asia, a principal customer of Saudi oil, would likely be much worse. It is difficult to calculate the magnitude of the panic in the global capital market that such a scenario would cause.

A DISRUPTION OF SAUDI OIL PRODUCTION WOULD SIGNIFICANTLY AFFECT GLOBAL ENERGY MARKETS AND ECONOMIC ACTIVITY.

We modeled total cessation of Saudi oil production, an 8.4 million-barrels-per-day reduction, for one year followed by a two-year recovery. For the purpose of this exercise, we optimistically assumed that repairing destroyed and damaged facilities and gradually restoring oil exports to the previous level would take approximately two years. In reality, the repairs and production recovery could take much longer.

Even though withdrawals from strategic petroleum reserves (SPRs)—emergency oil stores in the U.S. and Europe and to a lesser degree in China and Japan—start immediately, SPRs cannot compensate for such a massive disruption. We would expect to see the following impacts over the three-year course of production loss and recovery:

- Gasoline prices jump to more than $6.50 per gallon,
- Petroleum prices jump from $100 per barrel to more than $220 per barrel,
- Employment losses exceed 1.5 million jobs, and
- Gross domestic product (GDP) drops by nearly $450 billion.

Daily withdrawal of 3 mbd from the strategic petroleum reserves—half from the U.S. reserve and half from other countries as coordinated through the International Energy Agency (IEA)—would offset barely one-third of the lost Saudi production in the first quarter. These combined SPR withdrawals would drop to 2 mbd in the second quarter, 1 mbd for the third quarter, and 0.5 mbd for the fourth quarter.

Saudi production recovers to an average of 2.8 mbd in the second year and 5.6 mbd in the third year. It fully recovers by the fourth year, and petroleum and gasoline prices return to the baseline. However, the initial shock of the net loss of 5.4 mbd in the petroleum market has a corresponding impact on the U.S. economy with the greatest impacts occurring in the first two years.

Over the first two years, U.S. GDP loses $214 billion per year. Employment averages 1.1 million jobs below the baseline, bottoming out at more than 1.5 million lost jobs in the second quarter of the second year. Petroleum prices rise more than 120 percent in the first quarter to more than $220 per barrel. At the end of the second year, petroleum prices are still 45 percent above the baseline at $138 per barrel. The gasoline price immediately rises to over $6.50 per gallon. Although it moderates as the economy adjusts to the shock, it is still 28 percent above the baseline at the end of the second year. For the entire three-year period of loss and recovery, employment averages 900,000 fewer jobs and GDP losses

4. James T. Bartis, Tom LaTourrette, Lloyd Dixon, D. J. Peterson, and Gary Cecchine, "Oil Shale Development in the United States: Prospects and Policy Issues," RAND Corporation, 2005, at *http://www.rand.org/pubs/monographs/2005/RAND_MG414.pdf* (January 9, 2012).

U.S. Forces Available to Provide Military Assistance to the Region

Army

- 1 corps headquarters
- 8 division headquarters
- 20 infantry brigade combat teams
- 4 Stryker brigade combat teams
- 12 heavy brigade combat teams
- 10 combat aviation brigades
- 7 Patriot battalions
- 3 Terminal High Altitude Area Defense (THAAD) batteries

Navy

- 3 aircraft carriers and 3 carrier wings
- 25 large surface combatants, including 14 BMD-capable ships
- 19 small surface combatants
- 7 mine countermeasure ships
- 12 amphibious warfare ships
- 22 attack submarines
- 2 guided missile submarines
- 60 land-based intelligence, surveillance, reconnaissance, and electronic warfare aircraft (manned and unmanned)
- 1 maritime prepositioning squadron
- 12 combat logistics force ships
- 8 command and support vessels
- 20 roll-on/roll-off strategic sealift vessels

Marines

- 1 Marine expeditionary force
- 1 Marine division, consisting of 4 infantry regiments and 1 artillery regiment
- 1 Marine aircraft wing
- 1 Marine logistics group
- 2 Marine expeditionary unit command elements

Air Force

- 3 intelligence, surveillance, and reconnaissance wing-equivalents
- 12 airlift and aerial refueling wing-equivalents
- 18 tactical fighter squadrons
- 2 long-range strike (bomber) wings
- 1 command and control wing
- 5 fully operational air and space operations centers
- Space and cyberspace wings

Special Operations

- Special operations teams
- Ranger battalions
- Tilt-rotor/fixed-wing mobility and fire support primary mission aircraft.

total nearly $450 billion, an average loss of $150 billion per year.

U.S. Military Intervention in a Saudi Crisis

The United States has a vital interest in ensuring that no hostile power exercises hegemony over the Middle East, which is not only a key region for energy production, global trade, and investment, but also a potential source of transnational terrorism and nuclear proliferation. The U.S. will likely need to selectively use force to ensure the continued flow of oil from the region, as it did in Operation Desert Storm. Securing the oil fields and supporting allies, especially GCC members and pro-American elements in Saudi Arabia, may be imperative.

If the U.S. government determines that military intervention is necessary, U.S. military actions could include:

- Supporting civil authorities;
- Assisting in humanitarian efforts, provide force protection for nongovernmental organizations (NGO) humanitarian assistance, and protect humanitarian infrastructure;
- Conducting counterterrorism operations;
- Ensuring the Strait of Hormuz remains open;
- Deterring Iran from stepping into the power vacuum; and
- Ensuring that a hostile, radical Islamist power or movement does not seize control of key oil and gas infrastructure in Saudi Arabia and the Persian Gulf.

The U.S. needs to be prepared for the sudden loss of access to bases in the region. Furthermore, ballistic missile defenses (BMDs) need to be increased significantly to mitigate the threat of missile attacks by Iran or other regimes.

This paper does not discuss specific security contingencies in this crisis scenario, but the U.S. government could draw on the force structure detailed in the text box if the crisis requires a military response.

Policy Responses

A collapse of Saudi oil production would drastically affect global energy and the economic situation. The economic performance of national economies around the world would suffer, with some falling into deep recession. Cooperative responses from main producers and consumers would be imperative. However, as previous war-gaming of energy crises has demonstrated, countries pursue their perceived national interests first and worry about international cooperation later.[5]

This section outlines likely policy responses from the most relevant international actors within the first year. These policy responses share a common pattern: each state focuses on its own national interests rather than cooperating with others. Cooperation occurs only when the benefits of cooperation exceed the benefits of unilateral action. These dynamics make it easier for rogue states, such as Iran, to exploit differences among the other actors to prevent them from forming coalitions directed against the rogue states.

The European Union. In the crisis scenario, the economic crisis further undermines the EU political coherence. EU reaction is muted and fragmented because the many competing national interests prevent formulation of a coherent and truly effective response. Despite the EU's efforts in recent years, the liberalization of its energy market is proceeding slowly and would likely stop completely during a massive Saudi oil-supply disruption as each member state tries to cut the best possible deal with other suppliers in Central Asia, the Middle East, and Russia. However, the EU is well positioned institutionally to oversee the member states while they implement oil-saving measures and share crude oil and refined products among themselves.

The massive Saudi oil disruption, which drives up natural gas prices because natural gas prices are directly linked to oil, postpones the closing of the German nuclear power plants and prompts Bulgaria, Hungary, and Lithuania to temporarily reopen closed nuclear power facilities. This partially mitigates the effects of the massive oil disruption within the EU.

The EU also moves promptly to strengthen security measures to protect oil and gas infrastructure, port terminals, and maritime trade routes to ensure the shipment of oil to Europe. Some of the member states—including the U.K., Poland, and France—could contribute additional troops to deploy alongside U.S. forces in Saudi Arabia.

Russia. The increase in oil prices allows the Russian Federation to increase foreign currency reserves in the stabilization fund and the treasury, cash available for the state-owned energy companies such as Rosneft and Gazprom, and foreign asset holdings. The cash surplus allows Russia to expand its already ambitious infrastructure and military modernization plans. Surplus energy revenues are used to increase investments in the oil and gas industry and related infrastructure at home and abroad, laying the groundwork for long-term dominance of the energy market.

Internationally, Moscow negotiates a number of preferred bilateral deals with China and some EU member states, particularly Germany and Italy, to secure their oil needs. Thus, the crisis helps to raise Russia's international profile, and Russia seizes the opportunity to pose as a problem solver, willing to cooperate with principal international players in alleviating energy shortages.

The Russian Federation could secure greater downstream investment leverage abroad and solidify its international position at the expense of the United States. Domestically, the Russian government continues its practice of using international crises to strengthen its control over the media and increase pressure on opposition groups to boost the standing of President-elect Vladimir Putin and his ruling United Russia party. Thus, the hypothetical Saudi crisis likely helps to consolidate and solidify authoritarian rule in Russia, while boosting the regime's revenues.

China. The Chinese government's first priority has always been to maintain power. This includes strengthening the regime's hand over all aspects of public and in some cases private life, becoming even less susceptible to international criticism over its human rights violations and democracy deficit. The Arab Spring has already made the Chinese leadership uneasy and more sensitive to

5. Carafano *et al.*, "If Iran Provokes an Energy Crisis"; Beach *et al.*, "The Global Response to a Terror-Generated Energy Crisis"; and Cohen *et al.*, "Coordinated Terrorist Attacks on Global Energy Infrastructure."

any expressions of social unrest. The energy simulation exercises clearly demonstrated the short-term advantage of the regime's centralized rule because the Chinese government immediately institutes and enforces harsh domestic cutbacks on private oil consumption, limits hours of nonessential transportation, and shuts down industrial plants on a rotating basis. These measures allow China to reduce oil imports and limit increased expenditures for scarce oil in the global markets after the crisis.

Internationally, China likely takes advantage of its vast foreign currency reserves and secures additional supplies from Iran and Russia. In addition, Beijing expands its oil purchases from Angola, Venezuela, and Sudan. Immediately after the crisis, China might negotiate with Taiwan, using oil as a weapon to compel Taiwan to join China. Overall, the crisis would likely push China to greatly strengthen its diplomatic presence around the world and increase its involvement in the Middle East. Beijing would likely expand its efforts to build a naval presence in the Indian Ocean, including the Persian Gulf, building on the "string of pearls" naval strategy.[6]

India. As one of the largest developing markets, India's industrialization and modernization is driving the growing demand for oil. New Delhi's short-term energy policies are focused mostly on addressing energy scarcity. In the case of the collapse of Saudi oil production, India initiates a number of domestic oil-saving measures to reduce consumption and relieve stress on the oil market (e.g., restricted hours for cars on roadways, shortened work time for government employees, reduced use of diesel fuel on Indian railways, and suspension of production ceilings on domestic oil fields).

AS ONE OF THE LARGEST DEVELOPING MARKETS, INDIA'S INDUSTRIALIZATION AND MODERNIZATION IS DRIVING THE GROWING DEMAND FOR OIL.

On the international level, India strengthens its position in the region. It increases the scope of bilateral cooperation with Russia. In exchange for oil, India increases investments in Sakhalin, Russia's resource rich island in the Pacific. India also likely reaches out to Iran to secure a steady oil supply. This partnership would be particularly worrying from the U.S. perspective because the two countries have recently been trying to develop a strategic partnership, while Washington has promoted sanctions against Tehran.

To balance the Chinese economic and strategic expansion, India attempts to strengthen diplomatic and trade ties with countries in the Pacific and Indian Ocean regions, particularly South Korea and Japan. These countries are concerned over the rapid scope of the Chinese military modernization and Beijing's increasing international presence.

Iran. Based on prior Heritage simulation exercises, Iran likely takes advantage of the chaos following the turmoil in Saudi Arabia and the jump in oil prices. Iranian policy presents the appearance of behaving as a responsible actor in helping to defuse the oil crisis and maintaining a steady supply of oil while shifting international attention away from its nuclear weapons program.

However, Iran conditions its cooperation with other countries on their changing their attitude toward Tehran, particularly their support for international sanctions. The Islamic Republic's concerted actions prevent the United States and Western European countries from imposing the next round of sanctions. Tehran refuses to provided additional oil to countries that support sanctions. Thus, the Islamist takeover of Saudi Arabia and the collapse of Saudi oil production benefit the Iranian agenda of becoming the regional nuclear-armed, anti-American power.

What the U.S. Should Do

In the three Heritage exercises analyzed here, the U.S. government initiates a policy response to the oil crises that focuses on addressing the domestic concerns and projects a confident market-based response. As with any energy-related contingency, the primary U.S. goal is to secure access to oil resources at home and abroad.

Such a response would require clear presidential leadership. The Department of Energy and the Department of the Treasury would be the two agencies most engaged domestically and economically during such a crisis. To address the security aspects of the crisis, the Departments of Defense and Homeland Security would take the lead. To secure oil infrastructure and other high value targets, the United States could mobilize up to 50,000 personnel from the National Guard for homeland security.

6. Christopher J. Pehrson, "String of Pearls: Meeting the Challenge of China's Rising Power Across the Asian Littoral," Strategic Studies Institute, July 2006, at *http://www.strategicstudiesinstitute.army.mil/pdffiles/pub721.pdf* (February 17, 2012).

To prepare for such a crisis, the U.S. government should:

- **Plan ahead for a massive disruption of global oil supplies.** The planning should begin with creating in advance an interagency task force under the National Security Council and the National Economic Council to enhance national security and economic security by using all available policy tools, including removing obstacles for market-based solutions, to guarantee the flow of oil. The purpose of this task force is to enable the security and foreign policy structures of the U.S. government, including the intelligence community, to work together with the Departments of Treasury, Energy, Commerce and other agencies and departments in charge of national economic policies. The task force should prepare a detailed program of domestic and international measures that would be implemented when wars, revolutions, and other extreme security events cause major supply disruptions.

- **Increase U.S. military presence in the Arabian Peninsula and the Persian Gulf.** As a status quo power, the United States is interested in maintaining the current balance of power and protecting oil production in the Arabian Peninsula and the Gulf. In such a crisis, the U.S. would certainly ask the Saudi monarchy whether it was willing to accept a direct U.S. military and security presence to prevent a political and economic disaster. The U.S. should make similar offers to the other GCC countries. Special attention should be paid to the battle worthiness and deployment of U.S. assets in the Persian Gulf. The U.S. intelligence gathering assets should be refocused on Saudi Arabia and the Gulf in the run-up to the crisis and certainly in preparation for military intervention if the Kingdom and the GCC countries accept U.S. military help.

- **Lead international efforts to mitigate the crisis.** The United States should use its influence in international institutions—including the U.N., the IEA, NATO, the World Bank—to lead a global response to the crisis. The U.S. should expedite negotiations in the IEA on coordinating the release of members' strategic petroleum reserves. The President, National Security Council, State Department, Treasury Department, and Department of Energy should coordinate with other government agencies in the U.S. and overseas. These agencies would ask other energy-consuming countries to reduce their use of oil, to cooperate with the principal oil-consuming and oil-producing countries, to assist national and transnational energy companies in increasing supply, and to adjust their monetary policies to weather the crisis.

- **Release strategic reserves.** Immediately after a disruption, the government should decide to tap the strategic petroleum reserve, starting at 3 mbd, but gradually declining to 1 mbd within a year. These domestic releases should be coordinated with releases from the strategic reserves of other IEA countries.

- **Tap North American resources.** The government should allow the development of domestic resources on non-park, non-wilderness lands in the U.S. as well as in the Arctic National Wildlife Refuge and offshore in the Pacific, Atlantic, and Eastern Gulf of Mexico. In addition, the government should allow construction of the infrastructure to deliver petroleum from other North American suppliers (e.g., the Keystone XL Pipeline). Because development of petroleum reserves and building pipelines takes years, the U.S. should implement these policies as soon as possible.

- **Rebalance federal consumption.** Just as private industry and households will respond to higher petroleum prices by reducing consumption, the federal government should also reduce consumption. Agencies should be instructed to review their consumption patterns and cut their use of petroleum products.

Conclusion

A crisis in Saudi Arabia would have drastic implications for the United States, its economy, and the whole world. The optimistic scenario modeled here presupposes a one-year cessation of production followed by a two-year recovery. In the real world, the exact length of the recovery period is difficult to predict.

Gasoline prices would rise from $3.95 to more than $6.50 per gallon, petroleum prices would rise from $100 per barrel to more than $220 per barrel, employment losses would exceed 1.5 million jobs, and U.S. GDP would drop by a total of nearly $450 billion.

Based on prior Heritage energy simulation exercises, in such a scenario the United States would fail to actively engage its bilateral partners to prevent its adversaries from exploiting this crisis and harming global U.S. and allied interests. This would likely lead to the loss of American credibility with its partners and adversaries around the world. U.S. allies would expect tangible actions and clear commitments from the United States, especially during a global crisis such as the collapse of Saudi oil production. A United States that lacks a proactive international policy that promptly reaches out to its allies and friends would be perceived as weak.

U.S. resources should not be spent exclusively on addressing the domestic situation, but should also be used to provide robust international leadership. The U.S. should develop policies and lead implementation of a coordinated response, dissuading allies and friends from striking separate deals with other resource-rich countries, such as Iran and Russia, because these actors would likely demand in return assurances or steps that are contrary to U.S. interests.

While some degree of diplomatic engagement between U.S. allies and U.S. adversaries is inevitable during a crisis, the United States should make every effort to prevent a total disruption of its alliance relationships, including in the Gulf. The United States cannot secure its interests or fulfill its energy goals without its allies' cooperation. A sound strategy lies in anticipating, planning, and preparing for possible scenarios such as this, rather than making up policies ad hoc as events unfold.

—***Ariel Cohen, Ph.D.****, is Senior Research Fellow in Russian and Eurasian Studies and International Energy Policy in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.* ***David W. Kreutzer, Ph.D.****, is Research Fellow in Energy Economics and Climate Change in the Center for Data Analysis at The Heritage Foundation.* ***James Phillips*** *is Senior Research Fellow for Middle Eastern Affairs and* ***Michaela Bendikova*** *is Research Assistant for Missile Defense and Foreign Policy in the Allison Center at The Heritage Foundation.*