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Jordan: Background and U.S. Relations

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Summary

This report provides an overview of Jordanian politics and current issues in U.S.-Jordanian relations. It provides a brief discussion of Jordan's government and economy and of its cooperation with U.S. policy objectives in the Middle East, including the promotion of Arab-Israeli peace.

Several issues are likely to figure in decisions by Congress and the Administration on future aid to and cooperation with Jordan. These include the stability of the Jordanian regime (particularly in light of ongoing political change and/or unrest in several other countries in the region), Jordan's involvement in Israeli-Palestinian negotiations, the civil war in neighboring Syria, and U.S.-Jordanian military and intelligence cooperation.

Although the United States and Jordan have never been linked by a formal treaty, they have cooperated on a number of regional and international issues over the years. The country's small size and lack of major economic resources have made it dependent on aid from Western and friendly Arab sources. U.S. support, in particular, has helped Jordan address serious vulnerabilities, both internal and external. Jordan's geographic position, wedged between Israel, Syria, Iraq, and Saudi Arabia, has made it vulnerable to the strategic designs of more powerful neighbors, but has also given Jordan an important role as a buffer between these potential adversaries.

The United States has provided economic and military aid, respectively, to Jordan since 1951 and 1957. Total U.S. aid to Jordan through FY2015 amounted to approximately \$15.83 billion. On February 3, 2015, the Obama Administration and the Jordanian government signed a nonbinding, three-year memorandum of understanding (MOU), in which the United States pledges to provide the kingdom with \$1 billion annually in total U.S. foreign assistance, subject to the approval of Congress, from FY2015 through FY2017.

P.L. 113-235, the Consolidated and Further Continuing Appropriations Act for FY2015 provides "not less than \$1,000,000,000" in total U.S. foreign assistance for Jordan in FY2015. The act (Section 7034) also reauthorizes loan guarantees to Jordan. It also permits the Secretary of Defense to provide Jordan with Defense Department's Operation and Maintenance (O&M) OCO funds to "reimburse the government of Jordan in such amounts as the Secretary of Defense may determine to maintain the ability of the Jordanian armed forces to maintain security along the border between Jordan and Syria."

H.R. 907, The United States-Jordan Defense Cooperation Act of 2015, if passed, would amend foreign assistance legislation to accelerate arms exports to Jordan and, among other things, authorize the Secretary of State to sign an assistance MOU with Jordan (the MOU was signed in February 2015).

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Overview

Jordan's strategic importance to the United States may be increasing due to its ongoing participation in Operation Inherent Resolve against the Islamic State organization. Across the Middle East, the aim of U.S.-Jordanian military, intelligence, and diplomatic cooperation is to empower political moderates, reduce sectarian conflict, and eliminate terrorist threats.

Jordan's small size, lackluster economy, divided population, controlled political system, weak resource base, and geographic location, along with the unpopularity of its cooperation with the West, are inherent vulnerabilities that U.S. policy makers seek to mitigate. The kingdom fears a terrorist backlash stemming from its participation in coalition air strikes against the Islamic State. The government also is concerned over its ability to materially provide for over 622,000 United Nations-registered Syrian refugees currently residing in Jordan (there may be hundreds of thousands more who are unregistered and more who continue to arrive).

Regional Issues

Jordan's Role in Combatting the Islamic State¹

Since U.S. and coalition airstrikes against the Islamic State² began in August-September 2014 (officially named Operation Inherent Resolve in October 2014), the Jordanian Air Force has conducted airstrikes against Islamic State militants in Syria. However, its role increased significantly after the capture and murder of Jordanian pilot Lieutenant Moath al Kasasbeh by the Islamic State in Syria. On February 3, the Islamic State released a video depicting its killing of Jordanian F-16 pilot Kasasbeh, who was burned alive (reportedly on January 3) while standing inside a cage. News of Kasasbeh's immolation shocked Jordanians across the political spectrum, and the King has vowed to wage a "relentless" fight against the Islamic State. Jordanian authorities immediately executed two previously tried and condemned IS prisoners, one of whom was Sajida al Rishawi,³ an Iraqi woman incarcerated in Jordan for her role in a 2005 Al Qaeda in Iraq bombing attack in Amman that killed 58 people.

In the aftermath of Kasasbeh's immolation, King Abdullah II vowed to wage a "relentless" war against the Islamic State and "hit them in their own ground." Jordan immediately increased the operational tempo of their airstrikes and expanded strikes into both Syria and Iraq. According to one Jordanian military commander, as of late February 2015, the Jordanian Air Force had carried out one-fifth of all sorties by the U.S.-led coalition against the Islamic State in Syria so far.⁴

¹ See also, CRS Insights, *The Islamic State in Syria and Iraq: A Possible Threat to Jordan?* <http://www.crs.gov/pages/Insights.aspx?PRODCODE=IN10143>.

² For additional background, see CRS Report R43612, *The "Islamic State" Crisis and U.S. Policy*, by Christopher M. Blanchard et al..

³ The Islamic State had previously threatened to execute Kasasbeh (apparently, after he had already been murdered) if al Rishawi was not released.

⁴ "Jordan Assumes Leading Role vs. Islamic State Militants," *Stars and Stripes*, February 23, 2015.

However, there may be both political and material limits on Jordan's overall coalition contribution. Although its public was outraged by the murder of Kasasbeh, since Jordan joined the coalition in 2014, there has been significant public discontent with Jordan's overall military role. The kingdom is home to several areas where manifestations of anti-government sentiment are high, economic prospects are poor, and sympathy for political Islam appears to be prevalent. Many Jordanians have tribal or kinship ties with Sunni communities in Iraq and Syria, whose sense of persecution has driven support for the Islamic State and other extremist groups. After the video release of Kasaesbeh's killing, many Jordanians may have rallied behind the King, but according to one unnamed senior diplomat, "This has removed for the time being the question of Jordan being part of the coalition, but the underlying issues are still there."⁵

Moreover, Jordan may not have the military capabilities to wage an expanded and long-term counter-insurgency operation against the Islamic State without significant Arab and Western assistance. Jordan has approximately 75 to 85 combat-capable aircraft, including at least 60 F-16s, yet it may lack significant stockpiles of precision-guided munitions for its jetfighters.⁶

Jordan also may be seeking U.S. approval to export unmanned aerial vehicles (UAVs) to Jordan for its operations in Iraq and Syria. In early February 2015, Congressman Duncan Hunter wrote a letter to President Obama suggesting that the Administration permit the export of the Predator XP to Jordan.⁸ On March 9, 23 lawmakers wrote the President asking that the Jordanian Air Force be permitted to utilize U.S. Air Force-owned MQ-1 Predator UAV assets without transferring actual UAV ownership to Jordan.⁹

Jordan could make other contributions to U.S. efforts, such as intelligence sharing, arming various Sunni Arab and Kurdish militias, continued overt training of Iraqi Special Forces, and possible clandestine training of Syrian rebels. Jordanian intelligence was reportedly pivotal to the U.S. finding and killing of Abu Musab al-Zarqawi, the Jordanian national who founded the Islamic State's antecedent, Al Qaeda in Iraq (AQ-I). Several media reports suggest that Jordanian Special Operations forces assisted U.S. troops in an unsuccessful attempt to rescue American journalist James Foley, who had been held captive by the Islamic State prior to his recent execution. Politically, Jordan has ties to Sunni tribes in Western Iraq who could be valuable partners in the fight against the Islamic State.

Congress Seeking Expedited Arms Sales to Jordan

On February 4, a day after meeting with King Abdullah II, Members of the Senate Armed Services Committee issued a letter to the Administration seeking to expedite bilateral and third-party arms sales of U.S.-origin weaponry to Jordan and to approve technology transfers that would enable the Kingdom to more effectively wage war against the Islamic State. The letter states that "Specifically, Jordan is seeking to obtain aircraft parts, additional night vision equipment, and precision munitions that the King feels he needs to secure his border and robustly execute combat air missions into Syria. We understand the need to ensure the integrity of third party transfers, the protection of critical U.S. technologies, and our commitment to the maintenance of a Qualitative Military Edge (QME) for Israel. However, Jordan's situation and the cohesiveness of the coalition demands we move with speed to ensure they receive the military materiel they require for ongoing operations against ISIL."⁷

⁵ "Jordan takes no Chances in Confronting Jomegrown Jihadis," *Reuters*, February 26, 2015.

⁶ "IDEX 2015: Jordan seeks UAVs for Missions against the Islamic State," *Jane's Defence Weekly*, Feb 24, 2015.

⁷ Senate Armed Services Committee Members Call for Urgent Support to Jordan in Fight Against ISIL, February 4, 2015. Available online at: [<http://www.reed.senate.gov/news/releases/senate-armed-services-committee-members-call-for-urgent-support-to-jordan-in-fight-against-isil>]

⁸ "Rep. Hunter to Obama: Send Jordan the Predator XP," *Defense News*, February 6, 2015.

⁹ "Lawmakers Push White House to Lend Drones to Jordan," *Wall Street Journal*, March 10, 2015.

U.S. Troops in Jordan

According to the President's last War Powers Resolution Report to Congress, "U.S. Armed Forces elements, including Patriot missile systems, fighter aircraft, and related support, command, control, and communications personnel and systems, are deployed to Jordan to support the security of Jordan and promote regional stability. The total number of U.S. forces in Jordan is approximately 1,700 U.S. military personnel. These forces will remain in Jordan, in full coordination with the Government of Jordan, until the security situation becomes such that they are no longer needed."¹⁰ Although precise details of the U.S. military presence in Jordan may be classified, American soldiers support the deployment of a contingent of U.S. F-16s and operate a Patriot missile battery near Jordan's northern border with Syria. Other coalition members also have sent equipment to Jordan. France has sent six Mirage fighter jets, and the United Arab Emirates has sent a squadron of its own F-16s to operate from Jordan. With the increased presence of U.S. and foreign troops in Jordan, some policymakers may be concerned over the safety of U.S. personnel working/residing in the kingdom. In February 2015, the U.S. Embassy in Amman warned that "high-end malls" in Jordan's capital could be attacked by unnamed militants, presumably tied or sympathetic to the Islamic State.

Syrian Refugees in Jordan

The continued inflow of Syrian refugees is placing tremendous strains on the Jordanian government. The United Nations (UN) High Commissioner for Refugees in March 2015 estimated that there were 624,000 registered Syrian refugees in Jordan, increasing the country's population by 10%. Jordanian border authorities at times have blocked some refugees from entering the kingdom and forcibly deported others due to security concerns or the strains the refugee population has placed on the country's northern provinces. Rents have nearly tripled in border towns such as Mafraq and Ramtha, making housing unaffordable for many Jordanians. Jordan's hospitals, schools, sanitation and water systems are facing similar strain. Some Jordanian observers are writing articles openly questioning the wisdom of continuing to accept Syrian refugees and warning that resource, budget, and demographic pressures may disrupt life in the kingdom for a decade or more. According to the U.S. State Department, since large-scale U.S. aid to Syrian refugees began in FY2012, the United States has allocated more than \$467 million in multilateral humanitarian assistance to help Jordan cope with the Syrian refugee crisis.

Jordan, Israel, and the Palestinians

Helping secure a lasting end to the Israeli-Palestinian conflict is one of the highest priorities of the Jordanian government. Although Jordan joined other neighboring Arab states in a series of military conflicts against Israel between 1948 and 1973, the late King Hussein (ruled 1952-1999) ultimately concluded that peace with Israel was in Jordan's strategic interests due to Israel's conventional military superiority, the development of an independent Palestinian national movement that threatened both Jordanian and Israeli security, and the need for Jordan to regain Western support after it backed Saddam Hussein's Iraq politically in the first Gulf War.¹¹ Consequently, in 1994 Jordan and Israel signed a peace treaty,¹² and King Abdullah II has used

¹⁰ Letter from the President -- Six Month Consolidated War Powers Resolution Report, The White House, Office of the Press Secretary, December 11, 2014.

¹¹ In 1991, Congress suspended the delivery of U.S. economic and military aid to Jordan as a result of its support for Iraq. See Section 502 of P.L. 102-27, the Dire Emergency Supplemental Appropriations for Consequences of Operation Desert Shield/Desert Storm, Food Stamps, Unemployment Compensation Administration, Veterans Compensation and Pensions, and Urgent Needs for the Fiscal Year Ending September 30, 1991 and For Other Purposes.

¹² Jordan and Israel signed the peace treaty on October 26, 1994. Later, the two countries exchanged ambassadors; Israel returned approximately 131 square miles of territory near the Rift Valley to Jordan; the parliament repealed laws banning contacts with Israel; and the two countries signed a number of bilateral agreements between 1994 and 1996 to (continued...)

his country's semi-cordial official relationship with Israel to improve Jordan's standing with Western governments and international financial institutions, on which it relies heavily for external support and aid.

Nevertheless, the persistence of Israeli-Palestinian conflict continues to be a major obstacle to Jordan's progress. The issue of Palestinian rights resonates with much of the population, as more than half of all Jordanian citizens originate from either the West Bank or the area now comprising the state of Israel. There are an estimated 2 million United Nations-registered Palestinian refugees in Jordan, and, while many no longer regard their stay in Jordan as temporary, they have retained their refugee status both as a symbolic sign of support for Palestinians living under Israeli occupation and in hope of being included in any future settlement.¹⁵

Furthermore, for King Abdullah II and the royal Hashemite family, who are of Arab Bedouin descent and whose legitimacy historically derives from the support of tribal families from the east bank of the Jordan River, finding a solution to the conflict is considered a matter of political survival. Although the Palestinians may be less rooted in Jordan than its East Bank citizens, addressing their grievances regarding the Israeli-Palestinian conflict is of critical importance to the monarchy because they constitute a majority of Jordanian citizens and have other grievances about their status within Jordan relative to East Bankers. The royal family and their tribal constituents vehemently reject periodic Israeli calls for the reunification of the West Bank with Jordan proper (dubbed the "Jordanian Option"), a maneuver that could substantially alter the demographic and political status quo in Jordan. King Abdullah II has repeated the mantra

Holy Sites in Jerusalem¹³

Per long-standing arrangements with Israel dating back to 1967 and then subsequently confirmed in their 1994 bilateral peace treaty, Israel acknowledges a continuing role for Jordan vis-à-vis Jerusalem's historic Muslim shrines.¹⁴ The Jordanian *waqf* (or Islamic custodial trust) has long administered the Temple Mount (known by Muslims as the Haram al Sharif or Noble Sanctuary) and its holy sites, and this role is key to bolstering the religious legitimacy of the Jordanian royal family's rule. Successive Jordanian monarchs trace their lineage to the Prophet Muhammad. Disputes over Jerusalem that appear to circumscribe King Abdullah II's role as guardian of the Islamic holy sites create a domestic political problem for the King. In November 2014, Jordan recalled its ambassador to Israel in protest after Israel had closed the Mount/Haram to Muslim worshippers. Israel claimed it temporarily denied access to the Mount/Haram in order to reduce Israeli-Palestinian tensions after the shooting of an Israeli rabbi known for supporting Jewish worship (which is prohibited under a longstanding "status quo" arrangement) on the Mount/Haram. Jordan returned its ambassador to Israel three months later.

(...continued)

normalize economic and cultural links. Water sharing, a recurring problem, was partially resolved in May 1997 when the two countries reached an interim arrangement under which Israel began pumping 72,000 cubic meters of water from Lake Tiberias (the Sea of Galilee) to Jordan per day (equivalent to 26.3 million cubic meters per year—a little over half the target amount envisioned in an annex to the peace treaty).

¹³ For more information on Jerusalem and its holy sites, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti.

¹⁴ Article 9, Clause 2 of the peace treaty says that "Israel respects the present special role of the Hashemite Kingdom of Jordan in Muslim Holy shrines in Jerusalem. When negotiations on the permanent status will take place, Israel will give high priority to the Jordanian historic role in these shrines." In 2013, the Palestine Liberation Organization (PLO) reaffirmed in a bilateral agreement with Jordan that the King of the Hashemite Kingdom of Jordan will continue to serve as the "Custodian of the Holy Sites in Jerusalem," a title that successive Jordanian monarchs have used since 1924.

¹⁵ The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) maintains a large presence in Jordan, including part of its headquarters (the other part is in Gaza City). UNRWA has 7,000 staff in Jordan, comprising mostly teachers, doctors, and engineers. It operates 172 schools in Jordan (providing education through 10th grade, then the remainder is provided by the government). According to UNRWA officials, their budget is \$104 million a year. At this point, 83% of all U.N.-registered refugees in Jordan live outside of UNRWA camps.

that his father introduced after relinquishing Jordan's claims to the West Bank: "Jordan is Jordan and Palestine is Palestine."

Israeli-Jordanian Cooperation

Water Sharing¹⁶

On December 9, 2013, Israel, Jordan, and the Palestinian Authority signed a regional water agreement that could pave the way for the Red-Dead Canal, which is a multi-billion dollar project to address declining water levels in the Dead Sea. The Red-Dead Canal is a decades-old plan to provide freshwater to water-scarce countries in the surrounding area while simultaneously restoring the Dead Sea. Under this December 2013 agreement, Israel, Jordan, and the Palestinian Authority have agreed to a water swap. Half of the water pumped from the Red Sea is to be desalinated in a plant to be constructed in Aqaba, Jordan. Some of this water is to then be used in southern Jordan. The rest is to be sold to Israel for use in the Negev Desert. In return, Israel is to sell freshwater from the Sea of Galilee to northern Jordan and sell the Palestinian Authority discounted freshwater produced by existing Israeli desalination plants on the Mediterranean. The other half of the water pumped from the Red Sea (or possibly the leftover brine from desalination) is to be channeled to the Dead Sea.

In February 2015, Israel and Jordan signed an agreement establishing a joint agency to administer the construction of the Red-Dead Canal and an associated desalination plant. The projected cost of the pipeline and desalination construction is preliminarily estimated at \$900 million.

Israeli Natural Gas Exports to Jordan

Jordan depends on oil and gas imports and, since 2011, cut-offs in the supply of Egyptian natural gas due to unrest in the Sinai have cost the Jordanian government several billion dollars by compelling it to import more expensive alternatives. As Israel has developed its own natural gas infrastructure, it has sought export deals with Egypt and Jordan in order to deepen economic ties with them at a time when they have faced energy shortages due to regional unrest. In September 2014, a preliminary \$12 billion agreement was reached to supply natural gas to Jordan's National Electric Power Company (NEPCO) over a 15-year period. Earlier in 2014, a separate 15-year, \$500 million deal was reached to supply natural gas to two Jordanian mineral companies, Arab Potash and Jordan Bromine. The finalization of these deals and their timetables could depend on the resolution of an ongoing antitrust action in Israel involving the private consortiums seeking to export Israeli natural gas.

¹⁶ See, Testimony of Jeremy M. Sharp, Hearing on Water as a Geopolitical Threat, Subcommittee on Europe, Eurasia, and Emerging Threats, January 16, 2014.

Figure 1. Jordan and Its Neighbors



Source: Created by CRS.

Country Background

Although the United States and Jordan have never been linked by a formal treaty, they have cooperated on a number of regional and international issues for decades. The country's small size and lack of major economic resources have made it dependent on aid from Western and friendly Arab sources. U.S. support, in particular, has helped Jordan deal with serious vulnerabilities, both internal and external. Jordan's geographic position, wedged between Israel, Syria, Iraq, and Saudi Arabia, has made it vulnerable to the strategic designs of its powerful neighbors, but has also given Jordan an important role as a buffer between these potential adversaries.

Jordan, created by colonial powers after World War I, initially consisted of desert or semi-desert territory east of the Jordan River, inhabited largely by people of Bedouin tribal background. The establishment of the state of Israel brought large numbers of Palestinian refugees to Jordan, which subsequently unilaterally annexed a small Palestinian enclave west of the Jordan River known as the West Bank.¹⁷ The original "East Bank" Jordanians, though probably no longer a majority in Jordan, remain predominant in the country's political and military establishments and form the

¹⁷ Though there was very little international recognition of Jordan's annexation of the West Bank, Jordan maintained control of it (including East Jerusalem) until Israel took military control of it during the June 1967 Arab-Israeli War, and maintained its claim to it until relinquishing the claim to the Palestine Liberation Organization in 1988.

bedrock of support for the Jordanian monarchy. Jordanians of Palestinian origin comprise an estimated 55% to 70% of the population and generally tend to gravitate toward the private sector due to their exclusion from certain public sector and military positions.¹⁸

The Hashemite Royal Family

Jordan is a hereditary constitutional monarchy under the prestigious Hashemite family, which claims descent from the Prophet Muhammad. King Abdullah II (age 53) has ruled the country since 1999, when he succeeded to the throne upon the death of his father, the late King Hussein, after a 47-year reign. Educated largely in Britain and the United States, King Abdullah II had earlier pursued a military career, ultimately serving as commander of Jordan's Special Operations Forces with the rank of Major General. The king's son Prince Hussein (b. 1994) is the designated crown prince.¹⁹

The king appoints a prime minister to head the government and the Council of Ministers (Cabinet).²⁰ On average, Jordanian governments last no more than 15 months before they are dissolved by royal decree. This seems to be done in order to bolster the king's reform credentials and to distribute patronage among a wide range of elites. The king also appoints all judges and is commander of the armed forces.

Constitution, Parliament, Political Parties, and Judiciary

The Jordanian constitution (promulgated in 1952) empowers the king with broad executive powers. According to Article 35, "The King appoints the Prime Minister and may dismiss him or accept his resignation. He appoints the Ministers; he also dismisses them or accepts their resignation, upon the recommendation of the Prime Minister." The constitution also enables the king to dissolve both houses of parliament and postpone lower house elections for two years.²¹

¹⁸ Speculation over the ratio of East Bankers to Palestinians (those who arrived as refugees and immigrants since 1948) in Jordanian society tends to be a sensitive domestic issue. Jordan last conducted a national census in 2004 (the next census may take place in 2014), and it is unclear whether or not the government maintains such statistics. Over time, intermarriage has made it more difficult to discern distinct differences between the two communities, though divisions do persist.

¹⁹ In July 2009, King Abdullah II named his then 15-year-old son, Prince Hussein Bin Abdullah, as crown prince. The position had been vacant since 2004, when King Abdullah II removed the title from his half-brother, Prince Hamzah.

²⁰ In March 2013, King Abdullah II consulted with members of the 17th parliament before choosing a prime minister. Although the King retains the constitutional authority to appoint and dismiss the prime minister, he has pledged to reach a consensus with lawmakers before choosing a premier. The Muslim Brotherhood, which boycotted the election leading to the formation of the current parliament, seeks a parliamentary system of government in which the prime minister would be chosen by the largest block in parliament.

²¹ The king also may declare martial law. According to Article 125, "In the event of an emergency of such a serious nature that action under the preceding Article of the present Constitution will be considered insufficient for the defense (continued...)"

Jordan in Brief

Population: 6.4-7.0 million est.

Area: 89,213 sq. km. (34,445 sq. mi., slightly smaller than Indiana)

Ethnic Groups: Arabs 98%; Circassians 1%; Armenians 1%

Religion: Sunni Muslim 97.2%; Christian 2%

Literacy: 95.9% (male 97%, female 94%)

GDP: Per Capita \$6,100 (2013 est.), country comparison to the world: 151

Foreign Exchange Reserves: \$15 billion (est. 2015)

Youth Unemployment (ages 15-24): 33%

External Debt: \$11 billion (2015)

Sources: CIA World Factbook, World Bank, IMF.

The king also can circumvent parliament through a constitutional mechanism that allows provisional legislation to be issued by the Cabinet when parliament is not sitting or has been dissolved.²² The king also can issue royal decrees, which are not subject to parliamentary scrutiny. The king commands the armed forces, declares war, and ratifies treaties. Finally, Article 195 of the Jordanian Penal Code prohibits insulting the dignity of the king (*lèse-majesté*) with criminal penalties of one to three years in prison.

Political parties in Jordan are extremely weak, as the Muslim Brotherhood-affiliated Islamic Action Front (IAF) is the only well-organized movement. Most parties represent narrow parochial interests and are composed of prominent individuals representing a particular family or tribe.

Jordan's constitution provides for an independent judiciary. According to Article 97, "Judges are independent, and in the exercise of their judicial functions they are subject to no authority other than that of the law." Jordan has three main types of courts: Civil courts, special courts (some of which are military/state security courts), and religious courts. In Jordan, state security courts administered by military (and civilian) judges handle criminal cases involving espionage, bribery of public officials, trafficking in narcotics or weapons, black marketeering, and "security offenses." Overall, the king may appoint and dismiss judges by decree, though in practice a palace-appointed Higher Judicial Council manages court appointments, promotions, transfers, and retirements.

(...continued)

of the Kingdom, the King may by a Royal Decree, based on a decision of the Council of Ministers, declare martial law in the whole or any part of the Kingdom."

²² New amendments to Article 94 in 2011 have put some restrictions on when the executive is allowed to issue temporary laws.

Figure 2. Select Members of the Jordanian Royal Family

	<p>King Abdullah II ibn Al Hussein (born 1962) King Abdullah II has been King of Jordan since February 7, 1999, when he succeeded his father King Hussein. Since his ascent to the throne, King Abdullah II has maintained a relatively stable country and a favorable international reputation. The king is a major general in the Jordanian military and has studied at Oxford, Georgetown, and the Royal Military Academy Sandhurst. King Abdullah II is married to Queen Rania, and they have four children.</p>
	<p>Prince Feisal ibn Al Hussein (born 1963) <i>Brother to the king</i> Prince Feisal is Deputy Supreme Commander of the Jordan Armed Forces and has served as regent during Abdullah II's absences abroad. He is president of the Jordan Olympics Committee and a member of the International Olympic Committee, and he founded the non-profit organization Generations for Peace. He is married to Alia Tabba, and they have four children.</p>
	<p>Princess Aisha bint Al Hussein (born 1968) <i>Sister to the king</i> Princess Aisha is the defense attaché with Jordan's embassy in Washington. She is a major general in the Jordanian military and a member of NATO's Women Mediterranean Dialogue. Princess Aisha studied at Oxford, the Royal Military Academy Sandhurst, and the National Defense University in Washington. She is married to Zeid Saadedine Juma, and they have two children.</p>
	<p>Prince Zeid Ra'ad Zeid Al Hussein (born 1964) <i>Son of Prince Ra'ad bin Zeid of Jordan; distant relation to the king</i> Prince Zeid has been the UN High Commissioner on Human Rights since September 2014. Before that, he was Jordan's ambassador to the US and non-resident ambassador to Mexico (2007-2010). He played an important role in establishing the International Criminal Court and was elected first president of the Assembly of State Parties of the International Criminal Court in 2002. From 1994-1996, he was a political affairs officer in UNPROFOR in former Yugoslavia. He is married to Sarah Butler, and they have three children.</p>
	<p>Crown Prince Hussein ibn Abdullah (born 1994) <i>Son of the king and heir apparent</i> Hussein was named Crown Prince in 2009 and has occasionally served as regent since coming of age in 2012. He is currently a student at Georgetown University, majoring in Political Science. He holds the title first lieutenant in the Jordanian military. His "Haqeq" (achieve) initiative is a civic-minded youth organization.</p>

Source: Created by CRS. Images derived from various media sources.

Political Opposition

In Jordan, there is widespread dissatisfaction with the state of the economy and widespread apathy over the prospects for meaningful democratic reform. Nonetheless, public opinion seems more concerned with the deteriorating security situation in neighboring Syria and Iraq than in supporting the domestic political opposition. Moreover, although the Jordanian Muslim Brotherhood is the strongest opposition group, it is itself divided²³ between reformists and conservatives and pro- and anti-monarchical factions. Youth protestors also have become active in

²³ "Unprecedented rift splits Jordan's Muslim Brotherhood," *Al Monitor*, March 3, 2015.

opposition political circles, though these groups tend to be small and divided along secular-Islamist or even tribal lines.

The Muslim Brotherhood in Jordan has been described as “loyal opposition” to the monarchy. The group’s political wing boycotted the most recent parliamentary elections, though it continues to be influential in unions, student groups, and professional associations. In February 2015, a state security court sentenced the deputy head of the Jordanian Muslim Brotherhood to 18 months in prison for criticizing the United Arab Emirates in a Facebook post.²⁴

The Economy

With few natural resources²⁵ and a small industrial base, Jordan has an economy which is heavily dependent on external aid from abroad, tourism, expatriate worker remittances,²⁶ and the service sector. Among the long-standing problems Jordan faces are poverty (14.4%), corruption, slow economic growth, and high levels of unemployment (including female unemployment), nominally around 12.5% but thought by many analysts to be in the 25%-30% range.²⁷ Youth unemployment is nearly 33%. Corruption²⁸ is particularly pronounced in Jordan. Use of intermediaries, referred to in Arabic as “*Wasta*” (connections), is widespread, and many young Jordanians have grown frustrated by the lack of social and economic mobility that corruption engenders.²⁹ Each year, thousands of Jordanians go abroad in search of better jobs and opportunities. Like many poor countries, Jordan suffers from a “brain drain” of its most talented workers, and the government has struggled to develop incentives to keep its well-educated, highly skilled workers close to

Renewable Energy in Jordan

Due to the cost of importing oil and natural gas, the government has sought to diversify its energy portfolio by expanding the amount of power generated by renewable, clean energy. By 2020, Jordan hopes that 10% of all energy sources will come from solar or wind power. The U.S. Overseas Private Investment Corporation (OPIC) has lent \$25 million in financing to help construct a solar power plant constructed by a subsidiary of U.S.-based SunEdison. Other international (IFC), European (EBRD, FMO, FinnFund), and Arab lenders (Bahrain) also are providing financing for solar and wind power projects in Jordan. In February 2015, the government issued its first renewable energy tender, awarding renewable energy power to several international and Jordanian companies, including Qatar’s Nebras Power, Diamond Generating Europe (a subsidiary of Mitsubishi Corporation), and Jordan’s Kawar Group.

²⁴ “Brotherhood Figure jailed in Jordan for Insulting Ally,” New York Times, February 17, 2015.

²⁵ Jordan possesses substantial reserves of phosphates and potash. No significant oil and gas fields have been discovered. However, Jordan has one of world’s largest reserves of oil shale. Officials estimate that the country contains the world’s fourth-largest oil shale reserves.

²⁶ It is estimated that up to 20% of GDP comes from remittances. Nearly 10% of Jordan’s population (600,000 est.) reside and work in Arab Gulf countries.

²⁷ One factor that exacerbates the unemployment situation in Jordan is the social stigma attached to menial labor jobs. Referred to as the “culture of shame,” Jordanian tribal traditions look down on certain types of employment such as construction. In fact, the government estimates that there are approximately 300,000 to 400,000 foreign laborers in Jordan working as domestic laborers, bricklayers, and other tasks. According to the Jordanian Employment Ministry, Egyptians make up 68% of foreign workers in Jordan.

²⁸ Jordan was ranked 49 out of 180 countries surveyed in Transparency International’s 2009 Corruption Perceptions Index.

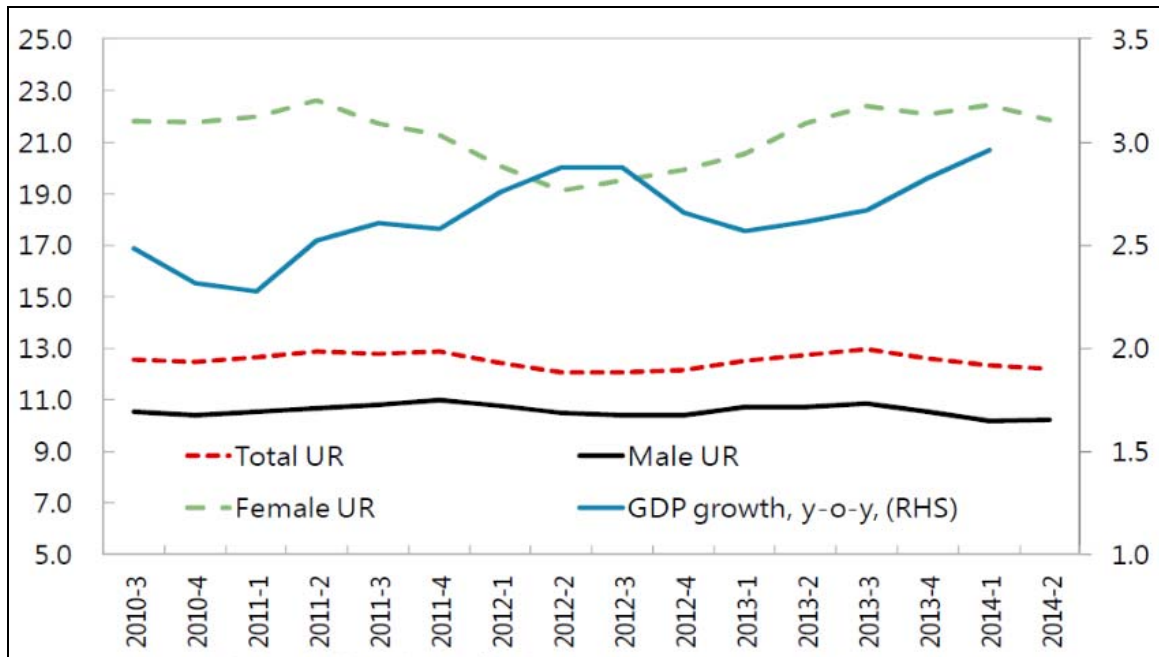
²⁹ In 2006, the Jordanian parliament passed a law establishing an Anti-Corruption Commission (ACC) which has taken on several high level investigations in recent years, specifically looking into accusations of graft in a public housing project (Decent Home for Decent Living) and a water works project (Disi Water Conveyance).

home.³⁰ The government is by far the largest employer, with between one-third and two-thirds of all workers on the state's payroll.

According to the International Monetary Fund (IMF), Jordan's recovery is slowly recovering from the downturn that spread across the region in 2011. In the first half of 2014, GDP growth stood at 3%. The Economist Intelligence Unit predicts that GDP growth will rise to 4.5% in the coming months due to increased tourism and infrastructure projects.

Figure 3. GDP Growth and Male/Female Unemployment in Jordan

(4-quarter moving average, in percent)



Source: National authorities and IMF estimates. Figure from IMF.

Due to perennially subpar economic growth, high energy/food subsidies, and a bloated public sector workforce, Jordan usually runs annual budget deficits (total public debt is \$32 billion) which it partially offsets by appealing to the international community for direct budget support. In order to keep Jordan fiscally stable, the International Monetary Fund agreed to a three-year, \$2 billion loan in August 2012. As part of the IMF deal, Jordan is increasing consumer electricity prices. It already has increased taxes on mobile phones and contracts. Nevertheless, economists are closely following Jordan's overall debt burden, which, according to the IMF, is close to 90% of GDP in 2015.³¹ Five years ago total debt to GDP was 60%.

³⁰ According to the World Bank, unemployment rates for the most highly educated Jordanian women may exceed 60%. See, [<http://blogs.worldbank.org/arabvoices/problem-unemployment-middle-east-and-north-africa-explained-three-charts>]

³¹ International Monetary Fund, Jordan - Fifth Review Under The Stand-By Arrangement, December 2014.

U.S. Foreign Assistance to Jordan

The United States has provided economic and military aid, respectively, to Jordan since 1951 and 1957. Total U.S. aid to Jordan through FY2015 amounted to approximately \$15.833 billion.

Three-Year MOU on U.S. Foreign Aid to Jordan

On February 3, 2015, the Obama Administration and the Jordanian government signed a nonbinding, three-year memorandum of understanding (MOU), in which the United States pledges to provide the kingdom with \$1 billion annually in total U.S. foreign assistance, subject to the approval of Congress, from FY2015 through FY2017. Although Congress had already appropriated aid to Jordan at the \$1 billion level in FY2014, the new MOU replaced a previous five-year agreement in which the United States had pledged to provide a total of \$660 million annually from FY2009 through FY2014. During that time frame, Congress actually provided Jordan with a total of \$4.753 billion in total aid, or \$1.453 billion (\$290.6 million annually) above what was agreed to in the five-year MOU. According to the Department of State, “The United States and Jordan share a commitment to promoting regional security and stability, furthering Jordan’s economic development, and advancing social, political, and economic reform in Jordan. The United States recognizes Jordan’s increased immediate needs resulting from regional unrest, the efforts Jordan is undertaking at the forefront of the fight against ISIL and other extremist ideology and terrorism, the influx of refugees from Syria and Iraq, the disruption of foreign energy supplies, and other unprecedented strains.”³²

Economic Assistance

The United States provides economic aid to Jordan as both a cash transfer and for USAID programs in Jordan. The Jordanian government uses cash transfers to service its foreign debt. Approximately 40% to 60% of Jordan’s ESF allotment may go toward the cash transfer. USAID programs in Jordan focus on a variety of sectors including democracy assistance, water preservation, and education (particularly building and renovating public schools). In the democracy sector, U.S. assistance has supported capacity building programs for the parliament’s support offices, the Jordanian Judicial Council, Judicial Institute, and the Ministry of Justice. The International Republican Institute and the National Democratic Institute also have received U.S. grants to train, among other groups, some Jordanian political parties and members of parliament. In the water sector, the bulk of U.S. economic assistance is devoted to optimizing the management of scarce water resources, as Jordan is one of the most water-deprived countries in the world. USAID is currently subsidizing several waste treatment and water distribution projects in the Jordanian cities of Amman, Mafrq, Aqaba, and Irbid.

Millennium Challenge Account (MCA)

In FY2006, Jordan was listed by the Millennium Challenge Corporation (MCC) as a Threshold country in the lower middle-income bracket. On September 12, 2006, the MCC’s board of directors approved up to \$25 million in Threshold Program assistance for Jordan. Even prior to

³² U.S. Department of State, “The United States and Jordan Sign a Memorandum of Understanding on U.S. Assistance,” Office of the Spokesperson, February 3, 2015.

the selection, the possible choice of Jordan had come under severe criticism. *Freedom House*, the organization whose annual Index of Freedom is drawn upon for two of the “Ruling Justly” indicators, urged the MCC board to bypass countries that had low scores on political rights and civil liberties. It argued that countries like Jordan that fall below 4 out of a possible 7 on its index should be automatically disqualified. Jordan, however, did well on 3 of the 6 other indicators in this category. Several development analysts further argued that Jordan should not be eligible, asserting that it is already one of the largest recipients of U.S. aid, has access to private sector capital, and is not a democracy. In selecting Jordan, the MCC board appears not to have been swayed by these arguments.

In September 2010, the Millennium Challenge Corporation approved a five-year, \$275.1 million compact with Jordan to increase the supply of water available to households and businesses in the cities of Amman and Zarqa. The compact also is intended to help improve the efficiency of water delivery, wastewater collection, and wastewater treatment. If estimates hold true, the clean drinking water generated as a result of the MCC compact may be enough to supply almost 1 million Jordanian citizens with freshwater.

Loan Guarantees

In September 2013, the United States announced that it was providing its first-ever loan guarantee³³ to the Kingdom of Jordan. USAID notified Congress of its intent to obligate up to \$120 million in FY2013 ESF-OCO to support a \$1.25 billion, 7-year sovereign loan guarantee for Jordan. According to the State Department, “this guarantee reinforces the firm U.S. commitment to the people of Jordan by strengthening the Government of Jordan’s ability to maintain access to international financing, while enabling it to achieve its economic development and reform goals.” In February 2014, during a visit to the United States by King Abdullah II, the Obama Administration announced that it would offer Jordan an additional five-year, \$1 billion loan guarantee. The Administration has notified Congress that \$72 million out of the \$340 million of OCO-ESF for Jordan in the FY2014 Consolidated Appropriations Act will be used to support the subsidy costs for the new loan guarantee.

Military Assistance

U.S.-Jordanian military cooperation is a key component in bilateral relations. In 1996, the United States granted Jordan Major non-NATO Ally (MNNA) status, a designation that, among other things, makes Jordan eligible to receive excess U.S. defense articles, training, and loans of equipment for cooperative research and development.³⁴ Since 2009, Jordan has received excess U.S. defense equipment valued at approximately \$81.69 million.³⁵ In the last five years, Jordan

³³ Congress initially authorized additional economic assistance to Jordan in Section 7041 of P.L. 112-74, the Consolidated Appropriations Act, 2012. P.L. 113-6, the Consolidated and Further Continuing Appropriations Act, 2013 specified that such assistance should take the form of a loan guarantee. Section 1706 (j) of the same Act also appropriated \$30 million (from FY2011) for the initial cost of sovereign loan guarantees. The Department of State and USAID intend to transfer and merge \$120 million appropriated in FY2013 Foreign Military Financing (FMF) OCO funding, into ESF OCO for additional subsidy costs related to the bond issuance.

³⁴ See, Designation Of Jordan As Major Non-Nato Ally, Determination of President of the United States, No. 97-4, Nov. 12, 1996, 61 F.R. 59809.

³⁵ Defense Security Cooperation Agency, Country Information Paper, Jordan. According to the Defense Department, in December 2013 the United States delivered 35 Mine-Resistant Ambush Protected vehicles (MRAPS) to Jordan as (continued...)

has received excess U.S. defense articles, including two C-130 aircraft, HAWK MEI-23E missiles, and cargo trucks.

U.S. military assistance is primarily directed toward enabling the Jordanian military to procure and maintain conventional weapons systems. Foreign Military Financing (FMF) grants to Jordan enable its Air Force to maintain a modest fleet of F-16 fighters and purchase Advanced Medium Range Air-to-Air Missiles (AMRAAM). FMF grants also provide financing for Jordan's purchase of U.S. Blackhawk helicopters in order to enhance Jordan's border monitoring and counter-terror capability. In recent years, Jordan also has acquired Javelin missiles, Hellfire missiles, High Mobility Artillery Rocket Systems, and night-vision devices.³⁶

Although most U.S. aid to Jordan is administered by the State Department, the Department of Defense has begun a limited assistance program with the Jordanian military. In FY2015, Jordan has received 1206 assistance for the first time. The Defense Department is providing Jordan's border guard forces with \$11.16 million for ammunition and communications equipment. Section 1207 of P.L. 113-66, the FY2014 National Defense Authorization Act (NDAA), authorized the Secretary of Defense to provide "assistance on a reimbursement basis to the Government of Jordan for purposes of supporting and maintaining efforts of the armed forces of Jordan to increase security and sustain increased security along the border between Jordan and Syria." The FY2015 NDAA did not contain a similar provision. Instead (as discussed below), Defense Department spending for Jordan was contained in the FY2015 Omnibus Appropriations Act.

Jordan is currently the single largest provider of civilian police personnel and fifth-largest provider of military personnel to U.N. peacekeeping operations worldwide. In addition to large-scale military aid grants for conventional weapons purchases, Jordan also receives grants of U.S. antiterrorism assistance from the Nonproliferation, Anti-Terrorism, Demining, and Related Programs account (NADR) and from International Narcotics Control and Law Enforcement (INCLCE) account.

(...continued)

requested by the Jordanian military earlier in 2013.

³⁶ Information provided by the Defense Security Cooperation Agency, January 2014.

Table I. U.S. Foreign Assistance to Jordan, FY2012-FY2016 Request
\$ in millions

Account	FY2012	FY2013 (after sequestration)	FY2014	FY2015 Est.	FY2016 Request
ESF	360.0	347.961	360.0	700.0	360.0
ESF - OCO	100.0	216.443	340.0	—	277.350
FMF	300.0	284.829	300.0	300.0	300.0
FMF - OCO	—	—	—	—	50.0
IMET	3.7	3.608	3.58	3.8	3.8
I206 (DoD)	—	—	—	11.162	—
Total	763.7	852.841	1,003.58	1,014.962	991.15

Notes: In FY2013, USAID notified Congress of a \$200 million cash transfer to Jordan (\$100 million in FY2012 Economic Support Funds (ESF) and \$100 million in FY2013 ESF-OCO).

U.S. Arms Sales to Jordan

On March 5, 2015, the Defense Security Cooperation Agency (DSCA) notified Congress of a \$192 million arms sale to Jordan of M31 Unitary Guided Multiple Launch Rocket Systems (GMLRS) Rocket Pods and associated equipment. According to DSCA, the GMLRS will provide the Royal Jordanian Armed Forces (JAF) a long-range precision artillery support capability that will significantly improve U.S.-JAF interoperability and provide for the defense of vital installations. The principal contractor will be Lockheed Martin Missile and Fire Control in Dallas, Texas.

The following is a list of some recent Foreign Military Sales (FMS) contracts that include Jordan. Each entry lists the prime contractor and its location, the contracting number, and the equipment/service being purchased.

- Hellfire Systems LLC, Orlando, Florida, was awarded a \$144,044,911 modification (P00143) to foreign military sales contract W31P4Q-11-C-0242 (Saudi Arabia, Qatar, Jordan, Iraq, Egypt, Australia) to exercise option for FY 14 Hellfire II Missile production requirement consisting of 2,060 Hellfire II tactical missiles in containers, Air-to Ground (AGM) missiles model AGM-114R, AGM-114R-3, AGM-114P-4A, ATM-114Q-6 and AGM-114R-5. Fiscal 2014/2015 other procurement funds in the amount of \$144,044,911 were obligated at the time of the award. Estimated completion date is Nov. 30, 2016. Work will be performed Orlando, Florida. Army Contracting Command, Redstone Arsenal, Alabama, is the contracting activity.³⁷
- United Technologies Corp. doing business as Pratt & Whitney, East Hartford, Connecticut, has been awarded an estimated \$16,663,785 for the second option to previously awarded requirements for firm-fixed-price contract FA8121-10-D-0008. Contractor will provide remanufacture of FI00-PW-I 00/200/220/220E/229 engine modules. Work will be performed at Columbus, Georgia, and is expected

³⁷ Contracts for February 24, 2015, Department of Defense Documents.

- to be complete by April 22, 2015. This contract is 100 percent foreign military sales for Chile, Egypt, Jordan, Thailand, Taiwan, Greece and Indonesia. This award is the result of a sole source acquisition and one offer was received. Air Force Space Command, Tinker Air Force Base, Oklahoma, is the contracting activity.³⁸
- Raytheon/Lockheed Martin Javelin J/V was awarded a \$25,368,524 modification (P00013) to foreign military sales contract W31P4Q-14-C-0127 (Ireland, Australia, New Zealand, France, Lithuania, Jordan, Norway, Taiwan) for life cycle contractor support and repairs for U.S. Army, Marines, Army National Guard and FMS customers. Fiscal 2015 operations and maintenance (Army) and other procurement funds in the amount of \$25,368,524 were obligated at the time of the award. Estimated completion date is Feb. 28, 2016. Work will be performed in Tucson, Arizona. Army Contracting Command, Redstone Arsenal, Alabama, is the contracting activity.³⁹
 - Technical Communications Solutions Corp.,* Swampscott, Massachusetts, was awarded a \$8,622,068 firm-fixed-price, foreign military sales (Jordan) contract for the installation of fiber optic cable which will satisfy the Jordanian Armed Forces (JAF) fiber optic-last mile (FO-LM) and fiber optic-long haul (FO-LH) requirements, and shall include the installation, testing and sustainment activities required for the JAF FO-LM and the FO-LH cable links. Work will be performed in Jordan, with an estimated completion date of Jan. 6, 2016. One bid was solicited with one received. Fiscal 2015 other procurement funds in the amount of \$8,622,068 are being obligated at the time of the award. Army Contracting Command, Aberdeen Div D, Aberdeen Proving Ground, Maryland, is the contracting activity (W91CRB-15-C-5000).⁴⁰
 - Hellfire Systems LLC, Orlando, Florida, was awarded a \$150,002,546 modification (P00133) to Foreign Military Sales contract W31P4Q-11-C-0242 (Australia, Iraq, Qatar, Saudi Arabia, Jordan, Indonesia, Egypt, Lebanon) to manufacture and deliver 2,109 Hellfire II missile models, air-to-ground missile models AGM-114R, AGM-114R-3, AGM-114P4-A, training guided missile TGM M36E7, and air-training-missile ATM-114Q-6. Fiscal 2012, 2013, 2014 and 2015 other procurement funds in the amount of \$150,002,546 were obligated at the time of the award. Estimated completion date is Nov. 30, 2016. Work will be performed in Orlando, Florida. Army Contracting Command, Redstone Arsenal, Alabama, is the contracting activity.⁴¹
 - Jacobs Technology Inc., Bedford, Massachusetts, has been awarded a \$60,430,781 cost-plus-fixed-fee and cost-reimbursable contract to provide engineering and technology acquisition support services which consists of disciplined systems/specialty engineering and technical/information assurance services, support, and products using established government, contractor, and industry processes. Work will be performed at Hanscom Air Force Base,

³⁸ Contracts for February 13, 2015, Department of Defense Documents.

³⁹ Contracts for February 12, 2015, Department of Defense Documents.

⁴⁰ Contracts for January 6, 2015, Department of Defense Documents.

⁴¹ Contracts for December 17, 2014, Department of Defense Documents.

Massachusetts, Peterson AFB, Colorado, Langley AFB, Virginia, Tinker AFB, Oklahoma, and Seattle, Washington, and is expected to be complete by Jan. 31, 2015. This award is the result of a sole-source acquisition. Fiscal year 2013 and 2014 research and development, procurement, operations and maintenance and foreign military sales (Saudi Arabia, Iraq, Jordan, Australia and Taiwan) funds in the amount of \$39,988,406 will be obligated at time of award. Air Force Life Cycle Management Center/PZM, Hanscom AFB, Massachusetts, is the contracting activity (FA8721-14-C-0018).⁴²

- Oshkosh Corp, Oshkosh, Wisconsin, was awarded a \$21,832,417 modification (000736) to partial foreign military sales contract W56HZV-09-D-0159 to add 100 Family of Medium Tactical Vehicles (FMTV), 88 for the Army Reserve and 12 for the Kingdom of Jordan. Work will be performed in Oshkosh, Wisconsin with an estimated completion of Oct. 31, 2015. Other procurement Army funds in the amount of \$18,898,225 for fiscal 2013 and in the amount of \$2,934,192 for fiscal 2010 were obligated at the time of the award. Army Contracting Command, Warren, Michigan, is the contracting activity.⁴³

Recent Congressional Action

- **The FY2015 Omnibus, P.L. 113-235.** The Consolidated and Further Continuing Appropriations Act for FY2015 provides “not less than \$1,000,000,000” in total U.S. foreign assistance for Jordan in FY2015. The act (Section 7034) also reauthorizes loan guarantees to Jordan. It also permits the Secretary of Defense to provide Jordan with Defense Department’s Operation and Maintenance (O&M) OCO funds to “reimburse the government of Jordan in such amounts as the Secretary of Defense may determine to maintain the ability of the Jordanian armed forces to maintain security along the border between Jordan and Syria.”
- **H.R. 907, United States-Jordan Defense Cooperation Act of 2015.** This bill, if passed, would amend foreign assistance legislation to accelerate arms exports to Jordan and, among other things, authorize the Secretary of State to sign an assistance MOU with Jordan (the MOU was signed in February 2015).

U.S.-Jordanian Trade

Jordan ranked 66th among U.S. trading partners in volume of trade with the United States in 2014. According to the United States Trade Commission, in 2014 Jordan exported over a billion dollars in goods and services to the United States, a large percentage of which consisted of apparel and clothing accessories. In 2014, Jordanian imports from the United States reached two billion dollars. Principal U.S. commodities imported by Jordan consisted of aircraft parts, machinery and appliances, vehicles, and cereals. Two measures, in particular—the Free Trade Agreement and Qualifying Industrial Zones—have helped expand U.S.-Jordanian trade ties and could create more opportunities for U.S. investment in Jordan.

⁴² Contracts for May 14, 2014, Department of Defense Documents.

⁴³ Contracts for May 7, 2014, Department of Defense Documents.

Free Trade Agreement

On October 24, 2000, then-President Clinton and King Abdullah II witnessed the signing of a U.S.-Jordanian Free Trade Agreement, which eliminated duties and commercial barriers to bilateral trade in goods and services originating in the two countries. Earlier, in a report released on September 26, 2000, the U.S. International Trade Commission concluded that a U.S.-Jordan Free Trade Agreement would have no measurable impact on total U.S. imports or exports, U.S. production, or U.S. employment. Under the agreement, the two countries agreed to enforce existing laws concerning worker rights and environmental protection. On January 6, 2001, then-President Clinton transmitted to the 107th Congress a proposal to implement the Free Trade Agreement. On July 23, then-U.S. Trade Representative Zoellick and then-Jordanian Ambassador Marwan Muasher exchanged letters pledging that the two sides would “make every effort” to resolve disputes without recourse to sanctions and other formal procedures. These letters were designed to allay concerns on the part of some Members over the possible use of sanctions to enforce labor and environmental provisions of the treaty. President Bush signed H.R. 2603, which implemented the FTA as P.L. 107-43 on September 28, 2001, during King Abdullah’s visit to Washington, DC, following the September 11, 2001, attacks. For additional information, see CRS Report RL30652, *U.S.-Jordan Free Trade Agreement*, by Mary Jane Bolle.

Qualifying Industrial Zones

One outgrowth of the Jordanian-Israeli peace treaty was the establishment of “Qualifying Industrial Zones” (QIZs), under which goods produced with specified levels of Jordanian and Israeli input can enter the United States duty free, under the provisions of P.L. 104-234. This act amended previous legislation so as to grant the President authority to extend the U.S.-Israel free trade area to cover products from QIZs between Israel and Jordan or between Israel and Egypt. QIZs were designed both to help the Jordanian economy and to serve as a vehicle for expanding commercial ties between Jordan and Israel. Although QIZs have succeeded in boosting U.S.-Jordanian trade, there has been only a modest increase in Jordanian-Israeli trade.

Currently there are 13 QIZs in Jordan employing approximately 43,000 people (working eight-hour days, six days a week), 74% of whom are foreign workers from South and Southeast Asian nations including Pakistan, India, Bangladesh, and Sri Lanka. Employers apparently view foreign laborers as more skilled and productive than native Jordanians. In addition, it is difficult for employers to recruit native Jordanians since workers typically live on site, and many are hesitant to separate from their families, though in some areas native Jordanians are provided with free transportation to the QIZs. According to one Jordanian labor leader, foreign workers are attractive to employers because “they are like slaves. They work them day and night.”⁴⁴ Labor rights activists also have complained that Jordanian workers in the QIZs are excluded from a new minimum wage law.

⁴⁴ “Industrial Zones Create Little Work for Jordanians,” *Financial Times*, February 9, 2009.

Table 2. Annual U.S. Aid to Jordan Since the 1991 Gulf Crisis
(\$ in millions)

Fiscal Year (FY)	Economic Assistance				Military Assistance		Totals
	EconSpt	Food	Devel	PeaceCp	FMF	IMET	
1991	35.0 ^a	0	0	0	20.0 ^a	1.3	56.30
1992	30.0 ^b	20.0	0	0	20.0 ^b	.6	70.60
1993 ^c	5.0	30.0	0	0	9.0	.5	44.50
1994 ^d	9.0	15.0	4.0	0	9.0	.8	37.80
1995	7.2	15.0	6.7	0	7.3	1.0	37.20
1996	7.2	21.0	7.9	0	200.0 ^e	1.2	237.30
1997 ^f	112.2	2.6	4.5	1.1	30.0	1.7	152.10
1998 ^f	150.0	0	0	1.2	75.0 ^g	1.6	227.80
1999	150.0	0	0	1.4	70.0 ^g	1.6	223.00
1999 (Wye)	50.0	0	0	0	50.0	0	100.00
2000	150.0	0	0	1.7	75.0	1.6	228.30
2000 (Wye)	50.0	0	0	0	150.0	0	200.00 ^h
2001	150.0	0	0	1.7	75.0	1.7	228.40
2002	150.0	0	0	1.6	75.0	2.0	228.60
2002 (Suppl.)	100.0	0	0	0	25.0	0	125.00
2003	250.0	0	0	1.0	198.0	2.4	451.40
2003 (Suppl.)	700.0	0	0	0	406.0	0	1,106.00
2004	250.0	0	0	2.3	206.0	2.9	461.20
2004 (Suppl.)	100.0	0	0	0	0	0	100.00
2005	250.0	0	0	1.6	206.0	3.0	460.60
2005 (Suppl.)	100.0	0	0	0	100.0	0	200.00
2006	247.5	0	0	1.6	207.9	3.0	460.00
2006 (Suppl.)	50.0	0	0	0	0	0	50.00
2007	245.0	0	0	0	206.0	3.1	454.10
2007 (Suppl.)	10.3	0	0	0	45.0	0	55.30 ⁱ
2008	361.4	0	0	0	298.3	2.9	662.60
2008 (Suppl.)	200.0	0	0	0	50.0	0	250.00
2009	263.5	0	0	0	235.0	3.1	501.60
2009 (Suppl.)	150.0	0	0	0	(150.0 in FY2010 Advanced funding)	0	150.00
2010	363.0	0	0	0	300.0	3.8	666.8
2010 (Suppl.)	100.0	0	0	0	50.0	0	150.00
2011	362.0	0	0	0	299.4	3.7	665.1
2012	460.0	0	0	0	300.0	3.7	763.7
2013	564.404	0	0	0	284.829	3.608	852.841
2014	700.0 ^j	0	0	0	300.0	3.588	1,003.588
2015 est.	700.0	0	0	0	300.0	3.888	1,003.888

Notes: These figures do not include debt relief subsidy appropriations, food aid between 1999-2006, or amounts for de-mining assistance and counter-terrorism assistance.

- a. Suspended in April 1991 under P.L. 102-27; released in early 1993.
- b. Released in late July 1993.
- c. Restrictions on FY1993 funds waived by Presidential Determination (PD) 93-39, Sept. 17, 1993.
- d. FY1994 funds released by PD 94-11, Jan. 13, 1994, waiving restrictions under P.L. 103-87.
- e. Three components: \$30 million (Administration's original request); \$70 million in additional FMF under FY1996 appropriation (P.L. 104-134) to cover balance of F-16 aircraft package; and \$100 million in special drawdown authority (P.L. 104-107).
- f. These figures include \$100 million in economic assistance under the President's Middle East Peace and Stability Fund (\$100 million in FY1997, \$116 million in FY1998).
- g. For each of these two years, FMF figure includes \$25 million in drawdown authority.
- h. Some of these funds were obligated in later years (FY2001 or FY2002).
- i. Total FY2007 supplemental aid to Jordan was \$85.3 million. The above chart does not include \$25 million in NADR funds.
- j. The total \$700 million FY2014 ESF appropriation to Jordan was split between enduring (\$360 million) and OCO (\$340 million) funds.

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