

GULF ANALYSIS PAPER

SUMMARY

■ Following the implementation of the JCPOA, tensions remain high in the Gulf. Even with inferior naval assets, Iran chooses to provoke its neighbors with asymmetric tactics. The United States must balance fostering the progress of renewed diplomatic relations with Iran, while easing friction among its Gulf partners. Preventing miscommunication, miscalculation, and dangerous provocation should be a priority. Policy prescriptions such as building tactical communication channels, developing crisis-management mechanisms, and enforcing rules of engagement in the Gulf will assist in this effort. Militarily, the U.S. must enhance its current force posture to deter aggressive activities in the Gulf, including conducting multilateral exercises with its allies and partners, promoting the acquisition of missile defense systems by GCC countries. Utilizing this multipronged approach will mitigate the risk of unintended conflict in the Gulf.

Navigating Gulf Waters After the Iran Nuclear Deal:

Iran's Maritime Provocations and Challenges for U.S. Policy

By Melissa G. Dalton

Iran's maritime provocations have long been an irritant for the U.S. Navy and partners in the Gulf. Now, as the United States and other members of the P5+1 (the five permanent members of the UN Security Council, plus Germany and the European Union) enforce the Joint Comprehensive Plan of Action (JCPOA) to curb Iran's nuclear program, Iranian naval provocations pose a new challenge for the United States. Unintended maritime incidents could escalate and jeopardize a broader set of U.S. policy objectives vis-à-vis Iran, including implementation of the JCPOA; counterterrorism operations against the Islamic State group (ISG); stabilization efforts in Syria, Iraq, and Yemen; and ongoing commitments to Gulf security.

The dialogue that fostered the JCPOA now provides potential for U.S.-Iranian communication on other U.S. policy priorities. High-level U.S. officials may now pick up the phone and make routine calls to their Iranian counterparts—an option unavailable only a few years ago. This new phase of dialogue brings new opportunities, but it also poses risks that the United States must manage carefully. For more than three decades, Iran has relied on its Islamic Revolutionary Guard Corps (IRGC) to secure its interests in the Gulf by using a combination of proxies and asymmetric capabilities in neighboring states and regions with majority Shi'ite populations to promote its interests and marginalize political forces that could undermine its foreign policy agenda.¹ This agenda—an amalgam of geopolitical and sectarian interests—has become more significant in light

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In conjunction with its Gulf Roundtable series, the CSIS Middle East Program issues periodic policy papers addressing a broad range of social, political, and economic trends in the Gulf region. Launched in April 2007, the Gulf Roundtable regularly assembles a diverse group of regional experts, policymakers, academics, and business leaders seeking to build a greater understanding of the complexities of the region. Topics for discussion include the strategic importance of Gulf energy, changing Gulf relations with Asia, human capital development, media trends, trade liberalization, and prospects for greater regional integration. The roundtable defines the Gulf as the United Arab Emirates, Saudi Arabia, Oman, Qatar, Bahrain, Kuwait, Iraq, Iran, and Yemen. The Gulf Roundtable series is made possible in part through the generous support of the Embassy of the United Arab Emirates. ■

of the intensifying rivalry with Saudi Arabia and other Sunni Arab states in the Gulf Cooperation Council (GCC). Iranian-Saudi friction across the region, particularly in the Gulf, will not only continue to shape Gulf security, but will pose new challenges for U.S. policy in the region in the post-JCPOA period.

Iran's capture of two U.S. patrol boats and 10 U.S. sailors in the Gulf just days away from the JCPOA's January 16, 2016, implementation was a reminder not only of opposition within the Iranian regime to engagement with the United States, but also that maritime provocations will remain an instrument of Iran's policy. Iran's asymmetric maritime challenges could heighten the risks of miscalculation in the Gulf and potentially compromise broader U.S. regional objectives. Deterring aggressive Iranian behavior while testing for broader engagement with Iran poses a major test of both U.S. military strategy and diplomacy in the region in the near and far terms.

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U.S. Policy in the Gulf

The United States has several objectives in the Gulf to maintain regional stability: to ensure the free flow of energy resources to the global economy, to counter terrorism and the proliferation of weapons of mass destruction, and to maintain commitments to the region's allies and partners. Over the past several years, the United States has prioritized preventing Iran from acquiring nuclear weapons, leveraging significant diplomatic, economic, and military tools in combination with allies and partners, to pressure and convince Iran to negotiate the future of its nuclear program and ensure that it is used for civilian purposes only.

If Iran complies with the nuclear deal, almost all international sanctions on its oil and banking sectors will be lifted. Some of the new oil export revenue will go toward

fixing Iran's infrastructure and domestic economy; some of the new revenue will be devoted to strengthening the capabilities and reach of the IRGC and Iranian proxies in the region. In July 2015, then-chairman of the U.S. Joint Chiefs of Staff General Martin Dempsey noted five Iranian malign activities that gravely concern the United States and its regional partners: the pursuit of ballistic missile technology, weapons trafficking, the use of surrogates and proxies, the use of naval mines, and undersea activity.²

U.S. force posture in the Middle East seeks to project power and meet U.S. security goals in the region, including countering Iran's anti-access/area denial (A2/AD) activities. U.S. military personnel in the Middle East number more than 35,000, manning ground, air, and maritime assets. These assets include the United States' most advanced aircraft—notably, F-22 fighters—armed with precision-guided munitions, intended to ensure that the United States can respond quickly to contingencies and deter regional aggression.³ The United States has also positioned its most advanced intelligence, surveillance, and reconnaissance assets and an array of missile defense capabilities—including ballistic missile defense (BMD) Aegis ships, Patriot missile batteries, and advanced radar systems—forward in the region.

The U.S. Navy maintains a presence of more than 40 ships in the broader Middle East, including a carrier strike group, conducting freedom-of-navigation operations to ensure the free and safe passage of global commerce through the Gulf, the Arabian Sea, and Indian Ocean. In times of crisis or heightened tensions, U.S. Central Command (CENTCOM) usually has two carrier strike groups deployed in the region. Operational requirements drive the demand for this carrier presence in part, but partner assurance plays a large role in that calculation.⁴ Reductions to fewer than two carriers have been seen by some as a salient sign of American disengagement in the Middle East in favor of “rebalancing” the U.S. presence in East Asia. In an effort to reassure regional allies and partners, in 2013 the U.S. Navy added five coastal patrol ships, enhanced its minesweeping capabilities, and deployed the USS *Ponce*, an afloat forward staging base capable of supporting special operations and humanitarian assistance/disaster relief (HA/DR) in the Gulf.⁵ Notably, the United States did not have an aircraft carrier deployed in the CENTCOM area of operations for several months in late 2015.⁶ The gap in carrier coverage

Lessons from the Tanker War

A series of naval confrontations between the United States and Iran in the 1980s known as the “Tanker War” provide useful insights into Iran’s more recent maritime provocations. The Tanker War originated in the midst of the Iran-Iraq War, when Iraq began attacking Iranian oil tankers in the Gulf in the mid-1980s. Iran retaliated by intercepting Kuwaiti and Saudi ships that it claimed carried supplies and weapons for Iraq, and even boarded a U.S. merchant ship off the UAE coast. In response, the United States deployed warships to accompany all U.S.-flagged ships transiting the Gulf, and expanded its rules of engagement to allow the on-scene naval commander to use lethal force to prevent any Iranian boarding. A year later, the United States agreed to provide naval escort to a number of Kuwaiti tankers, pitting the United States against Iran in a dangerous and escalatory maritime conflict. The Tanker War shaped a generation of Iranian military leaders who currently lead Iran’s IRGC Navy (IRGC-N). It also highlighted four key lessons from the ensuing conflict.

First, Iran compensated for its limited military capabilities—small boats armed with automatic weapons and rocket-propelled grenades operating from oil platforms in the Gulf—with asymmetric tactics, including undersea mines and portable antiship missile launchers.⁸ Second, the United States adapted its operations to address the asymmetric threat: rather than organizing for fleet-on-fleet operations, it used ships, helicopters, special operations forces and small patrol boats to conduct patrol and surveillance operations along the convoy route to prevent and deter Iranian mining or small-boat swarming attacks. Third, even restrained U.S. responses to Iran’s mining attacks escalated quickly and involved neighboring Arab countries. The UAE’s oil facilities came under Iranian attack. At the end of the conflict the United States lost one Marine helicopter and its two-man crew. Iran lost half its operational navy and at least 60 personnel. Finally, the nature of asymmetric warfare in the narrow Gulf corridors, the heavy transit of military and commercial vessels, and proximity to civilian populations heightened the risks of miscalculation to tragic proportions: On July 3, 1988, the USS *Vincennes* and IRGC-N gunboats were engaged in a firefight, when the *Vincennes* accidentally shot down a commercial Iranian airliner—mistaking it for an Iranian attack fighter—killing all 290 passengers aboard.

was the result of a smaller force structure and long-term readiness and resourcing issues, which will likely continue to challenge the forward posture of the U.S. military in the coming decade, raising the importance of allied and partner contributions to maritime security in the Gulf.⁷

Following the JCPOA, the United States will maintain its decades-long strategy of deterring and containing malign Iranian activity while discretely testing for areas of potential cooperation with the Islamic Republic. Despite a robust U.S. naval presence, GCC partners doubt U.S. commitment and fear that the United States seeks to build a new collaborative relationship with Iran that would undermine Gulf Arab interests and security. Gulf Arab partners have fewer reasons now to fear an Iranian nuclear weapons capability than they do a more aggressive Iranian behavior that undermines Gulf stability. Their response has been a

more robust foreign and security policy—particularly the Saudi-led coalition’s intervention against Houthi rebels in Yemen, which the United States has cautiously supported despite the distraction of military operational support away from the battle against the Islamic State group in Syria.

As U.S. cooperation and partnership with Arab Gulf partners becomes more important in light of the JCPOA and other regional developments, working together may also become more difficult due to different priorities and policy objectives.

Iranian Political Dynamics and Interests in the Gulf

The JCPOA and Iran’s reengagement with Western countries generated considerable internal debate within Iran’s ruling circles. Iranian President Hassan Rouhani

advocates a more cooperative policy with the West that would ease international sanctions and broadly improve Iran's stagnant economy through a resumption of oil and liquid natural gas (LNG) sales. Though he and his allies successfully negotiated the JCPOA with Supreme Leader Ayatollah Khamenei's approval, Rouhani's agenda will continue facing limits imposed by key conservative power centers, including the supreme leader, the IRGC, and other hardliners. These powerful actors seek to ensure that Rouhani's initiatives stay within the JCPOA's confines and do not undermine their political and economic interests.⁹ The hardliners' control over defense and foreign policy gives them the a powerful tool to limit both the JCPOA's implementation and prospects for greater cooperation with the United States in places like Syria and Iraq. More ominously, another tool the hardliners include in their arsenal is maritime provocations that would entail a confrontation between Iran, the United States, and Gulf Arab states, particularly Saudi Arabia.

Iran's primary strategic goal in the post-JCPOA period is

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to protect its interests in the Gulf (as well as the Levant and farther west in Central and South Asia) by limiting encroachments in what it considers its sphere of influence in the Gulf by what it views as a U.S.-Saudi hegemony. At the same time, it admits just enough space for engagement to guarantee commercial transit through the Strait of Hormuz and mutual economic benefits. Arms shipments and tangible support for affiliated militias and political actors in Syria, Yemen, and Iraq, alongside oil and LNG shipments (despite stagnant oil prices), are evidence of this approach by the Islamic Republic.

This balancing act requires policies that are both confrontational and cooperative—in line with Iranian strategy. Recent actions illustrate Iran's approach. For example, IRGC-N forces repeatedly harassed commercial

shipping and U.S.-allied naval assets while Iranian diplomats simultaneously conducted nuclear negotiations with the P5+1 members in Vienna in the spring of 2015. The January 2016 episode was part of a series of maritime provocations Iran used to gain leverage in negotiating the JCPOA and compensate for what was essentially a weaker Iranian position. Through its maritime harassment, Iran was trying to remind its adversaries that it could contest the narrow and strategic waterways of the Gulf, through which 35 percent of the world's seaborne oil transits, should it choose to do so. As implementation of the JCPOA progresses, Iran likely will continue using maritime provocations to boost its leverage on a wide range of issues. Rather than project confidence and capability, however, this approach reinforces Iran's constrained capabilities and assets against a much more powerful array of adversaries.

Trying to discern what factors influence the Islamic Republic's official decisionmaking on such instrumental goals—and whether these goals are indeed tactical or strategic—is perhaps the greatest challenge for the United States. Beyond the formal offices of the supreme leader, the president, the Assembly of Experts, the Expediency Council, the Council of Ministers, the Council of Guardians, the Supreme National Security Council, the IRGC, and Basij militias, loose coalitions and patronage networks intersect to create important and powerful elite groups across various foreign policy issue-areas.¹⁰ How this constellation of individuals, factions, networks, and organizations decides to protect its interests and counter its political rivals will depend in part on the extent to which their economic interests are jeopardized or enhanced by greater economic engagement with the West over the next several years. Within this maze of interests, the IRGC's influence has grown and evolved within the Iranian power structure over the past decade. The IRGC remains the most important check on the pro-Western engagement faction led by President Rouhani and Foreign Minister Javad Zarif.

Iranian Military Capabilities and Asymmetric Warfare

Iran's reliance on asymmetric tactics stems from its outdated and limited conventional military capabilities. Asymmetric tactics also provide Iran cover to operate indirectly against its adversaries while maintaining a degree

of plausible deniability designed to shield the regime from swift retaliation and direct confrontation with the United States.¹¹ Though Iran’s manpower potential rivals its immediate Gulf Arab neighbors, its air, naval, and land assets are technologically inferior to those of its primary adversaries—the United States and GCC militaries, which have spent tens of billions of dollars in military modernization over the past decade.

Iran has developed A2/AD capabilities to control the Strait of Hormuz and its approaches. Iran’s strategy in this potential maritime chokepoint is to swarm U.S. naval assets with its fleet of small boats and employ large numbers of portable antiship cruise missiles, along with its inventory of coastal defense cruise missiles. With this asymmetric approach, Iran can overwhelm conventional navies and commercial shipping passing through the strait.

Iran’s conventional navy is estimated to include 18,000 men and 200 vessels, mostly dating back to the Shah’s era.¹² Since 1979, the Iranian navy has remained secondary to the IRGC-N, and operates primarily outside of Gulf waters east of the Strait of Hormuz; it has enduring readiness challenges, with limited domestic repair and overhaul capabilities.¹³

The IRGC-N by contrast numbers approximately 20,000 men,¹⁴ and includes a wide range of ships and several hundred fast attack craft.¹⁵ Responsible for security in the Gulf, the IRGC-N also commands a coastal defense, antiship brigade comprising largely Silkworm antiship missiles. It uses a range of smaller, nimbler ships like the Boghammar fast attack craft and mini-submarines to navigate the Gulf’s narrow waterways and maneuver around much larger U.S. vessels such as those in a carrier strike group. The IRGC-N possesses more than four midget submarines of North Korean origin, and is producing four more.¹⁶ A number of the IRGC-N’s patrol boats are armed with antiship missiles and torpedoes, which augment Iran’s multiple land-based antiship missile batteries. Iran can attack ships passing through the Gulf with antiship cruise missiles from its shoreline, adjacent islands, and oilrigs using relatively small mobile launchers. In addition, nearly all IRGC patrol vessels and many Iranian commercial vessels can lay undersea mines; Iran may have as many as 5,000 mines in its inventory, and has deployed them in previous confrontations.¹⁷ Iran’s navy and IRGC cannot close the Gulf for an extended period, but they could

severely restrict shipping through the Gulf for five to ten days.¹⁸ The IRGC-N is designed to swarm with hit-and-run tactics; it is capable of attacking shipping vessels or raiding shore-based oil, desalination, or power plants quickly and with little warning. Its numbers and tactics would make it difficult to track and destroy every vessel in the event of a conflict.

Although the JCPOA limits Iran’s nuclear-related ballistic missile development for eight years, and development of conventional systems for five years, Iran has signaled its intention to bolster its depleted (and antiquated) missile inventory: the *Soumar*, a land-attack cruise missile, which can fly below radar, was unveiled last year. It has an estimated range of 1,300 miles and makes a valuable addition to Iran’s medium-range ballistic missiles. In addition, Iran reportedly has received its S-300 air defense missile system from Russia, after repeated delays during the JPCOA negotiations.¹⁹ The S-300 is a versatile system that can defend Iranian skies by destroying enemy aircraft, as well as land and sea assets.

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According to one assessment, if the system was deployed in “mountainous terrain overlooking the Strait of Hormuz, the Iranian S-300 could directly threaten oil and natural gas supertankers as well as Western (U.S.) warships.”²⁰ In addition, decades of sanctions on military procurement have forced Iran to develop its own domestic defense manufacturing base for a range of systems, including ballistic missiles, and land- and sea-based vehicles and vessels.

Iran’s Maritime Provocations

Iran has employed its asymmetric maritime capabilities through provocative incidents in the Gulf over the past 25 years. Two incidents in particular highlight the challenge

and risk of these events. In April 2015, IRGC-N forces seized the Marshall Islands–flagged *Maersk Tigris* cargo vessel ship near the Iranian port of Bandar Abbas. Iran claimed the seizure was aimed at enforcing a commercial legal dispute dating to 2005,²¹ but the incident illustrates how Iran uses naval aggression for diplomatic messaging and power projection to enhance its leverage on other issues.²² Iran’s seizure occurred during the Nuclear Non-Proliferation Treaty (NPT) Review Conference, in which Iranian Foreign Minister Zarif led a delegation discussing the Iranian nuclear negotiations.²³ As Zarif engaged in conventional negotiating techniques at the conference, Iran’s IRGC reminded the international community that it could easily undermine global shipping through the Strait of Hormuz, boosting Iran’s overall position. Iran also may have wanted to retaliate against U.S. moves to block Iranian weapons shipments to Yemen or to discourage Saudi Arabia’s military intervention in the separatist conflict there (the Maersk liner was leaving Saudi Arabia for UAE).²⁴

The United States responded to the incident by escorting U.S.-flagged ships through the strait, a practice that dates

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back to the Iran-Iraq war during the 1980s.²⁵ Iran backed down and released the *Maersk Tigris* within a few days, but the incident underscored how maritime brinkmanship in the Gulf can quickly escalate. Later in 2015 another incident illustrated the IRGC-N’s willingness to provoke the United States and its partners in the Gulf. It launched two unguided rockets during a live-fire exercise across the Strait of Hormuz, narrowly missing the U.S. destroyer *Harry S. Truman* and a French frigate, both of which were transiting the strait. The incident occurred several weeks before the January 12, 2016, seizure of two U.S. Naval ships and JCPOA’s implementation. The timing of the incidents at such a critical juncture in the nuclear negotiations was

not coincidental. The IRGC-N’s capture of 10 U.S. sailors threatened to scuttle both the nuclear deal and a prisoner release deal.

Iran could have easily read—and responded to—the January 14 incident as a deliberate sneak attack or reconnaissance mission by the United States. In this case, diplomacy and personal lines of communication between Secretary Kerry and Foreign Minister Zarif prevailed to broker a quick end to the crisis, but the incident could have easily escalated. The challenge for both the United States and Iran is to continue building institutional lines of communication for de-escalation that will extend beyond the personal ties of current senior officials.

Beyond the 2016 incidents, which seemed intended to send a signal during negotiations, other incidents demonstrate the risk of rogue IRGC-N commanders confronting Western vessels. In March 2007, as British and U.S. soldiers were fighting an al-Qaeda-linked insurgency in Iraq, 15 British Marines and sailors operating in the Shatt al-Arab waterway between Iran and Iraq were seized by IRGC-N forces and taken to Iran.²⁶ Such an incident might have provoked war between the United Kingdom and Iran, likely drawing in the United States. However, the British learned that a local IRGC-N commander had ordered the operation without going through his chain of command, and they sought to negotiate release of the British personnel rather than escalating the situation. The 15 sailors and Marines were released two weeks later. Notably, however, Tehran later rewarded the commander for his initiative, and for demonstrating Iran’s ability to project power over a conventionally superior navy.²⁷ The potential for rogue IRGC-N commanders to act unexpectedly is a key concern for both the United States and Iran.

Challenges and Implications for U.S. Policy

The United States’ Arab partners in the Gulf deeply distrust Iran and its motivations in the region. Gulf countries privately view the JCPOA as a betrayal by the United States after decades of partnership. This perception, coupled with a belief that the United States seeks to distance itself from the Middle East in the U.S. pivot to Asia, has led to a particularly strained period of relations—especially with regard to Saudi Arabia’s participation in the U.S.-led

Selected Iranian Maritime Incidents in the Gulf, 2004-2016

Incident	Timeframe	Outcome
IRGC-N naval forces capture six British Royal Navy sailors and two Royal Marines in the disputed waters of the Shatt al-Arab, along the southern boundary between Iran and Iraq.	June 2004	The captured sailors and Marines were released following negotiations.
IRGC-N seizes 15 British Royal Navy personnel while the latter conduct routine boarding of merchant vessels off coast of Iraq and Iran.	March 2007	The British personnel were released after 13 days.
Armed IRGC-N speedboats harass U.S. Navy ships.	December 2007–January 2008	USS <i>Whidbey Island</i> fires warning shots at one IRGC-N patrol boat, and the USS <i>Carr</i> blasts a warning whistle at others.
IRGC-N small boats harass the USS <i>New Orleans</i> , an amphibious transport ship, while the latter transits the Strait of Hormuz. On the same day, Iranian small boats also harass the U.S. Coast Guard cutter <i>Adak</i> , operating 75 miles east of Kuwait City.	January 2012	U.S. Navy officials said the small boats came within several hundred yards of both vessels and did not respond to queries or whistles, as is standard for maritime protocol.
U.S. Coast Guard cutter <i>Monomoy</i> fires a warning shot at a wooden Iranian fishing vessel after its crew levels a machine gun at a smaller Coast Guard craft in the area.	August 2014	Situation de-escalates, but IRGC-N chief mocks U.S. response publicly.
Iran patrol aircraft warns USS <i>Gridley</i> to stay away from an Iranian military exercise.	December 2014	No casualties.
Iranian observation plane flies within 50 yards of an MH-60R Navy helicopter flying from the USS <i>Carl Vinson</i> .	March 2015	No casualties.
IRGC-N seizes Marshall Islands–flagged <i>Maersk Tigris</i> container ship	April 2015	U.S. Navy escorts U.S.-flagged ships through Strait of Hormuz.
IRGC-N launches rockets within 1,500 yards of USS <i>Harry S. Truman</i> and French frigate in Strait of Hormuz.	December 2015	U.S. forces continue normal operations; U.S. calls Iranian action unsafe, unprofessional, and inconsistent with international maritime law.
Two U.S. Navy riverine patrol boats stray off course into Iran’s territorial waters; held on Farsi Island and released 15 hours later.	January 2016	U.S. sailors released unharmed; IRGC-N personally rewarded by Khamenei.

coalition against the Islamic State group in Iraq and Syria. At the same time, Gulf partners have shown a growing propensity for independent action and political will to address their security concerns. In 2014, the UAE acted independently to project power some 3,000 miles beyond its borders, attacking targets in Libya. More recently, Saudi Arabia has waged an air war and blockade against Iranian-backed Houthi rebels in Yemen with a coalition of Arab and Muslim partners. This is not the first time that Saudi Arabia has waged war in Yemen, but it is the first time that it is

coordinating with a coalition of like-minded Arab partners and using U.S. weapons systems to carry out a large-scale air campaign.

This new independence, while consistent with U.S. objectives of strengthening partner capacity, creates new challenges for the United States, because it denies the United States the ability to control decisions on the use of force in the region. In the case of growing Iranian maritime capabilities and continued maritime provocations, there is

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the risk of Gulf partners acting independently of the United States to respond to Iranian harassment of commercial shipping vessels transiting the Gulf, potentially escalating the situation and bringing the United States into a conflict. Heightened Saudi-Iran tensions raise the likelihood for conflict escalation in the Gulf.

Even with U.S. naval superiority, Iran's asymmetric capabilities and tactics give it more options for projecting power against conventional navies than it would otherwise have. Asymmetric tactics enable Iran to maximize its advantages in evading and maneuvering around large U.S. naval vessels and gain greater freedom of action in the Gulf. The use of more conventional weapons, such as antiship missiles and cruise missiles, is an even greater challenge. In either case, the command decentralization of the IRGC-N to a "mosaic defense" could increase risks of miscalculation and escalation in the Gulf, with individual commanders having largely free rein to make judgments about the rules of engagement and the use of force.²⁸ The lack of common rules of engagement, Iran's repeated harassment of U.S. naval ships in the Gulf, and the absence of U.S.-Iran crisis-management mechanisms heighten the risks of inadvertent escalation and miscalculation for both the United States and Iran, as well as for increasingly assertive Gulf countries.

There are compelling reasons for the United States, its partners, and Iran to de-conflict, define the rules of engagement, and establish communication mechanisms to prevent escalation and miscalculation in the maritime domain. However, obstacles will impede steps toward greater cooperation. First, Gulf Arab partners remain deeply suspicious of Iran's intentions and could resist cooperating or even de-conflicting activities; they already doubt U.S. staying power and commitment to pushing back Iranian aggression in the region following the Iran nuclear deal and likely will view attempts to de-conflict and cooperate at low levels as concessions to Iran.

Second is Iran itself: The Islamic Republic—particularly the IRGC—is skeptical of U.S. proposals, believing that even the most benign confidence-building measures are further encroachments on its ability to control the Gulf. The IRGC-N in particular will protest such initiatives as potentially undermining Iran's quest for control over the Gulf as Iran's sphere of influence. The United States will have to determine how far it is willing to go to let Iran be assured of its own security in the Gulf.

Third, the paucity of information and understanding on Iranian foreign-policy decisionmaking hinders the United States' ability to formulate a strategic approach for deterring and responding to Iran's maritime provocations overall. Policymakers trying to either address threats from Iran or pursue tactical-level cooperation are unlikely to have all the information they would like before making timely decisions.

Conclusion and Recommendations for U.S. Policy

In the aftermath of the JCPOA, Iran's asymmetric maritime capabilities and strategy will remain a challenge for the United States. Iran's growing capabilities could at a minimum heighten the risks of miscalculation and escalation, and at a maximum threaten U.S. and partner assets and facilities in the Gulf and broader U.S. policy objectives in the region. Ongoing uncertainty about Iranian policymaking requires the United States to adopt a multifaceted approach toward Iran and U.S. partners in the Gulf in the post-JCPOA period based on building communication and simultaneously boosting deterrence capabilities.

Although some tactical-level communication occurs between the U.S. Navy and the IRGC-N in the Gulf, there are no institutional relationships or agreements to de-conflict or defuse altercations. Any change to the U.S. Navy's rules of engagement vis-à-vis Iran in the Gulf would require a presidential authorization, even in the case of search and rescue contingencies. While the time between an incident and a U.S. authorization—particularly when U.S. service members' lives are at stake—would not necessarily be slow, the Iranian chain of command is far more opaque and uncertain. Stronger and direct operational and tactical-level mechanisms between the United States and Iran in the Gulf could help direct vital information and mitigate the potential for escalation.

Lessons from the Asia-Pacific: Risks of Conflict Escalation in the South China Sea

Persistent tensions in the South China Sea provide an extra-regional example of the risks of misunderstanding and potential for escalation between the United States and a potential adversary. Yet, they also offer an example of ways to deconflict these kinds of maritime encounters. Competing claims over territory, fishing rights, and the South China Sea's reserves of oil and natural gas drive tensions among China, Taiwan, Vietnam, Malaysia, Brunei, and the Philippines. On top of this, the United States and China disagree over the right of U.S. military vessels to conduct military operations within China's exclusive economic zone (or EEZ, per the UN Convention on the Law of the Sea), and to transit territorial seas without prior notification, which the United States asserts it can do in the interest of freedom of navigation. The growth of China's military power and its strategic intentions both influence and are influenced by these regional dynamics. China has increasingly modernized its conventional naval capabilities to assert its claims to the region's waters, but also potentially to deny access to U.S. air and naval forces in the Western Pacific.

It is possible that U.S. naval forces operating within China's "Nine-Dash Line" (its broad and ambiguous delimitation of territorial waters in the South China Sea) could provoke an armed Chinese response. On one hand, the United States maintains that international law and state practice do not prevent military forces of any nation from conducting military operations in EEZs without prior notice or consent of the coastal state. On the other hand, China insists that reconnaissance and patrol missions in its EEZ conducted without prior notification and permission of Chinese authorities violate its domestic law and international law. Incidents over the past 15 years have demonstrated the risks of these differing viewpoints and the potential for escalation. In 2001, a U.S. EP-3 reconnaissance aircraft collided with a Chinese F-8 fighter. In 2009, Chinese vessels harassed the USNS *Impeccable* and the USNS *Victorious* operating in the EEZ, and a Chinese submarine collided with a U.S. destroyer's sonar array.²⁹

In light of these dangers, the United States and China established a hotline in 2007 to deconflict possible miscommunication. Although it was not used in the aforementioned 2009 incidents, it has built momentum for further efforts at cooperation and deconfliction. In 2014, the U.S. and Chinese militaries announced their intent to establish standards of behavior for air and sea forces and agreed to set up a secure video-conferencing service—a high-tech version of the U.S.-Soviet hotline—to enable military leaders to speak face-to-face to help prevent miscalculation. The United States and China, along with 19 other countries, also signed a 2014 Code for Unplanned Encounters at Sea agreement, articulating rules-of-the-road to prevent an escalation of tensions between different militaries at sea. This type of preexisting agreement may help manage crises in the event that Chinese leaders do not respond to hotline calls. Over the long term, the United States and China also agreed to hold joint exercises with the United States in a "third country."³⁰ However, fundamental tensions remain, and the United States continues to assert its rights in the South China Sea with surveillance operations and high-profile freedom-of-navigation operations.

China's growing military capabilities, island building, and strategic trajectory increase the risks of confrontation with the United States, as Washington seeks to redouble its commitments to allies and partners in the Western Pacific. Political and military dialogue and confidence-building measures to increase communication between the U.S. and Chinese militaries seek to mitigate the risks of escalation. However, intensifying U.S.-Chinese mistrust and strategic competition will make managing crises difficult in the coming years.

Building Communications

- Convey risks and possible consequences of provocations to multiple nodes of Iran’s decisionmaking apparatus at the tactical to political-military level; and,
- Build tactical communication channels between U.S. and Iranian navies—starting with Iran’s regular navy in the Gulf and including the IRGC-N over time—and high-level political contacts linked through the P5+1 negotiations to:
 - Develop crisis-management mechanisms for de-escalation, including a hotline between U.S. and Iranian military commands. Exercises based on these initiatives should include Gulf partners to build their confidence and trust in the mechanism and deter the potential for them to take independent action against Iran.
 - Identify and enforce rules of engagement for the Gulf. The United States must make clear that there are consequences for Iranian provocations and to assure regional partners.
- Diversify U.S. and regional partner naval investments in a range of platforms, including littoral combat ships and fast missile craft, to counter fast-attack IRGC-N assets in the Gulf. Maintain regular, periodic deployments of carriers, cruisers, and destroyers as a conventional deterrence, and synchronize naval deployments with the French navy, and over the long term, the British navy (as their carriers come on line).
- Conduct multilateral exercises to demonstrate U.S. allies’ and partners’ countermining and patrolling capabilities.
- Provide immediate U.S. Navy escorts to regional partners’ commercial shipping if harassed by the IRGC-N.
- Continue providing assistance in the acquisition and coordination of BMD and other missile defense systems among the GCC countries to counter Iranian missile development—particularly against Iran’s land-attack cruise missiles. Such systems will be especially warranted after the JCPOA’s prohibition on Iran’s conventional and nuclear-related ballistic missile development expire.

Boosting Deterrence

The United States must deter Iranian asymmetric and destabilizing activities in areas where it is not willing to allow Iran to promote or take advantage of regional disorder, such as Syria and Iraq. It must choose the areas where it will take risks to test for constructive Iranian behavior while minimizing the tradeoff of Gulf Arab partners’ loss of confidence in U.S. commitment to their security. The United States will need to enhance and adjust its current force posture to deter and contain aggressive Iranian activities. Investments in capabilities such as countermine, intelligence, surveillance, and reconnaissance, coastal patrol, missile defense, and special operations are important moving forward. Specifically, the United States should consider the following:

- Use an extensive network of U.S. allies’ and partners’ indicators and warnings in the region to track Iranian movements and enhance manned and unmanned intelligence, surveillance, and reconnaissance capabilities of regional Arab and Israeli partners.

This multipronged approach will enable the United States to deter Iranian aggression in the Gulf and minimize the risks of miscalculation and escalation, while simultaneously improving communication with Iran, which over time can test its willingness to play a more constructive role in regional security. Many factors will contribute to whether the JCPOA implementation era proceeds on track or breaks down. While U.S. actions and those of its allies and partners will affect the direction of regional stability in the years ahead, ultimately Iranian decisionmakers will determine whether Iran continues disrupting the neighborhood or contributes to greater stability. ■

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