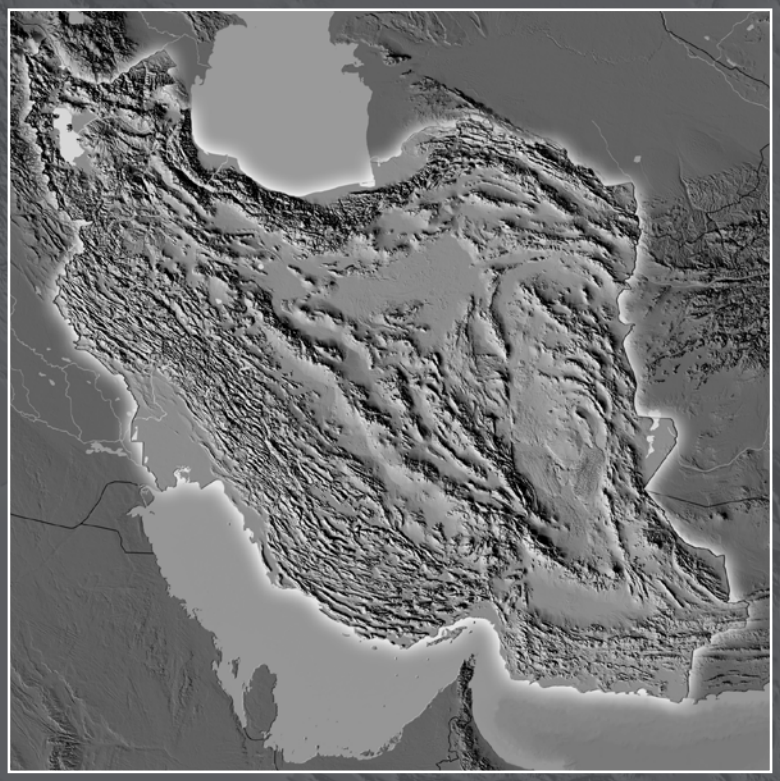
# Operating in the Gray Zone



Countering Iran's Asymmetric Way of War

**Michael Eisenstadt**

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Washington DC 20036
www.washingtoninstitute.org
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# Author's Note

## The Killing of Qasem Soleimani—Avoiding Escalation and a Broader Conflict

This monograph incorporates information available as of mid-December 2019 and was being readied for publication when the most recent round of U.S.-Iran escalation culminated in the targeted killing on January 3, 2020, of Maj. Gen. Qasem Soleimani, the head of the Islamic Revolutionary Guards Corps–Qods Force (IRGC-QF). Tehran has threatened to avenge Soleimani's death, underscoring the importance—more than ever before—of understanding Iran's asymmetric way of war and developing a strategy to counter it.

First, some background. According to U.S. officials, since May 2019 pro-Iran proxies carried out more than ninety attacks on U.S. personnel in Iraq, and between late October and December 2019, Kataib Hezbollah (KH), Iran's foremost Iraqi proxy, launched eleven rocket strikes on Iraqi military bases hosting U.S. military personnel as part of Tehran's pushback against Washington's maximum pressure policy.[1] These incidents were likely intended to warn the United States and to press it to ease sanctions on Iran. Although no U.S. personnel were killed in these harassment attacks—several Iraqis were killed and injured—the size of the rockets used and of the salvos fired increased over time.

Then, on December 27, 2019, thirty-one rockets hit an Iraqi security forces base near Kirkuk, killing a U.S. contractor and wounding four U.S. service members and several ISF personnel—thereby crossing a longstanding U.S. redline.[2] The United States responded on December 29 with airstrikes against five KH bases in Iraq and Syria that it claims hosted the group's command-and-control elements and storage facilities for weapons used in these attacks, killing twenty-five and wounding fifty-one KH fighters.[3] On December 31, hundreds of KH militiamen and their supporters besieged the U.S. embassy in response, torching and wrecking reception areas at the compound entrance. After two days of violence, the rioters withdrew, but KH promised to revive efforts in parliament to expel U.S. forces from Iraq. Then, on January 3, 2020, the United States killed Soleimani and Abu Mahdi al-Muhandis, the KH commander and de facto head of Iraq's Popular Mobilization Forces in a missile strike, citing intelligence that Soleimani was planning a series of attacks on U.S. diplomats and military personnel in Iraq, Syria, Lebanon, and beyond.[4]

With these events, U.S.-Iran tensions have entered a new, more fraught phase, with a heightened potential for escalation, as Iran prepares to avenge Soleimani's death. Strategy, properly understood and practiced, is first and foremost a learning process, and it is therefore essential for policymakers to draw appropriate lessons from these recent events to formulate more effective strategy from here on.

First, the nearly eight months in which the United States did not respond forcefully to a series of military provocations and attacks almost certainly contributed to the increasingly assertive and audacious actions by Iran and its proxies (i.e., the mining of six tankers in May and June, the downing of a U.S. Global Hawk drone in June, the drone and cruise missile strike on Saudi oil facilities in September, and the uptick since late October in rocket attacks on U.S. personnel in Iraq). Might this escalation and the death of the U.S. contractor have been averted had the United States responded earlier with nonlethal "warning shots" of its own? And might this past record of restraint and President Trump's repeated pledges to pull U.S. troops out of the Middle East convince Tehran that he lacks the stomach to endure a prolonged gray zone campaign that inflicts painful costs on the United States?

Second, while the December 29 U.S. strike on KH facilities was a necessary departure from the U.S. policy of excessive restraint, aspects of the operation seem ill-considered. Given local sensitivities regarding the U.S. presence in Iraq, it might have been preferable to target only KH facilities in Syria, while also targeting IRGC-QF facilities or personnel there. And might it have been better to target more junior IRGC-QF personnel than Soleimani in order to deter further action, rather than to undertake such a potentially escalatory act? These U.S. strikes have provoked a backlash in Iraq across the

political spectrum, enabled Iran and its proxies to divert attention from ongoing anti-government and anti-Iran protests there, and may energize efforts in parliament to expel U.S. forces. And rather than deter, they may lead to further escalation and perhaps a broader conflict.

Finally, given the potential risks and costs of the current U.S. approach, which relies on overt action, blunt force, and emphatic messaging, it is appropriate to ask whether there are less fraught and more effective ways to achieve the desired deterrent effect. Such an alternative approach, outlined in this monograph, would rely more heavily on covert or unacknowledged activities, subtlety, and discreet messaging; on the pursuit of advantage through cumulative, incremental gains rather than dramatic, decisive blows that are liable to be escalatory; and would avoid the pitfalls of both excessive restraint and overkill. Such an approach would be more consistent with the U.S. public mood—which is tired of "endless" Middle East wars—the regional operational environment, and a U.S. national defense strategy that seeks to shift focus and forces to the Indo-Pacific region.[5]

It is therefore my hope that as U.S.-Iran tensions enter a new, more dangerous phase, this monograph may provide a road map for an alternative strategy that might help U.S. policymakers navigate the uncertain days ahead and advance U.S. interests in the Middle East, while avoiding further escalation and a broader conflict with the Islamic Republic.

**Michael Eisenstadt**
*Washington DC*
*January 3, 2020*

## Notes

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# Executive Summary

Since the establishment of the Islamic Republic in 1979, Iran has distinguished itself as perhaps the world's foremost practitioner of "gray zone" activities. For nearly four decades, the United States has struggled to respond effectively to this asymmetric way of war. Washington has often granted Tehran unnecessary leeway in the conduct of its gray zone operations due to fears of escalation and "all-out war"—fears that the regime encourages. Yet the whole purpose of this modus operandi is to enable Iran to advance its interests while avoiding such destabilizing outcomes. With the intensification of Washington's "maximum pressure" policy toward Tehran in May 2019—reflected by increased efforts to drive Iran's oil exports to zero—Iran has intensified its gray zone activities as part of its own counterpressure campaign. This has stoked fears of further escalation and a broader conflict. For these reasons, it is more important than ever for the United States to understand Iran's gray zone strategy and to devise its own gray zone strategy to counter it.

## Iran's Gray Zone Strategy

Countries like Iran, Russia, and China often operate in the gray zone between war and peace in order to challenge the status quo, while managing risk and avoiding war. They create ambiguity regarding objectives (through incremental action) and attribution (through unacknowledged covert or proxy activities), denying adversaries a legal justification for action and creating uncertainty about how to respond. The proliferation of gray zone conflicts worldwide is partly a result of Washington and its allies' adherence to a binary conception of war and peace. Grounded in Western state-centric cultural and legal traditions, this dualism enables actors like Iran to operate with relative impunity "in between." Tehran's gray zone activities are informed by the following factors:

**The shadow of the Iran-Iraq War.** Tehran's gray zone strategy is partly rooted in the trauma of the eight-year Iran-Iraq War (1980–88). As a result, the regime has gone to great lengths to avoid conventional wars because it knows how bloody and costly they can be. When it has to fight, it prefers to do so on foreign soil, far from its borders, and to rely on proxies for much of the heavy lifting. Thus, even at the height of the Syrian civil war, which began in 2011, it deployed less than 1 percent of its ground forces to the battlefield and offloaded many of the risks and burdens onto its Shia "foreign legion" in order to minimize its own losses.

**A hybrid deterrence/warfighting triad.** To this end, Iran has created a hybrid, asymmetric deterrence/warfighting triad consisting of (1) a guerrilla navy capable of disrupting oil exports from the Persian Gulf; (2) an arsenal of missiles and drones capable of long-range precision strikes; and (3) a stable of foreign proxies—its Shia foreign legion—to project influence and force throughout the region and beyond. It may now be adding a fourth leg to this triad: offensive cyber operations. Iran also relies on nonmilitary means, such as the threat of withdrawing from the 2015 nuclear deal, to bolster deterrence. This deterrent furnishes the foundation for Tehran's gray zone strategy by constraining adversaries and affording it the freedom to act. Moreover, Iran has developed a distinctive mode of operation for gray zone activities that enables it to advance its interests while managing risk, limiting the potential for escalation, and avoiding war. These activities are often mutually reinforcing: Tehran's robust deterrent facilitates its gray zone activities, which in turn bolster its deterrent posture.

**A distinctive way of war.** Iran will probe and test limits, backing down (temporarily) if it encounters a firm response. It uses indirect means (e.g., mines, improvised explosive devices, rockets), foreign proxies and partners (e.g., Lebanese Hezbollah and Yemen's Houthis), and activities on foreign soil to create standoff and ambiguity while avoiding decisive engagement. It emphasizes proportional responses to make interactions more predictable, while threatening "all-out war" to deter escalatory moves by others. It paces its operations to control their tempo and flow so that events do not spin out

of control. It seeks to diversify and expand its policy toolkit to provide an array of options beyond vertical escalation. And it protracts conflicts to exploit the motivational asymmetries that often give it an edge in prolonged struggles. Tehran's reliance on nonlethal gray zone activities since May 2019 demonstrates that even when it takes audacious actions such as the September 14 strike on Saudi oil facilities, risk management remains a priority—although it occasionally overreaches, a tendency that weak U.S. responses may encourage. Thus, further escalation is quite possible, though an all-out war seems highly unlikely—unless the United States opts for this course of action.

## A U.S. Gray Zone Strategy

The best way to counter Iran's gray zone strategy is for the United States to develop its own gray zone strategy. Such a strategy should constrain Tehran's freedom of action, avoid major escalation, and foil Iran's counterpressure campaign—while buying time for the U.S. pressure policy to work. It should neutralize Tehran's advantages, exploit its vulnerabilities, and turn Iran's strategy against it. And it should alter the psychological dynamic of the conflict with Iran through actions that yield disproportionate effects.

For such a strategy to succeed, U.S. policymakers need to abandon the notion that Tehran has a high tolerance for risks and costs and that the path from local clash to regional war is a short one. (Indeed, Israel's activities in Syria since 2013 have shown that it is possible to wage an effective gray zone campaign against Iran and its proxies without provoking a war.) Policymakers also need to abandon certain ingrained habits of thought and action that are central to the American way of war but inimical to success in the gray zone, such as a preference for overwhelming force, rapid, decisive operations, and lethality. Indeed, Iran's counterpressure campaign shows just how effective *nonlethal* gray zone activities can be.

A U.S. gray zone strategy that entails a light force footprint and emphasizes sustained activities below the threshold of war would be much more compatible with the regional operational environment, the U.S. public mood (which wants no more Middle East wars), and U.S. defense strategy (with its focus on the Indo-Pacific region) than the "go big" approach that has cost the United States so much in blood, treasure, and prestige. The Trump administration has thus far shown little interest in using the military as an integral part of its maximum pressure policy or in pursuing a comprehensive gray zone strategy. Were it—or a future administration—to do so, what would be the core components of such a strategy?

**Bolstering credibility and deterrence.** A robust U.S. deterrent posture is a necessary prerequisite for any American gray zone strategy. This means responding to Iran's probes and tests to show that Washington is more acceptant of risk and less tolerant of Iranian challenges. It also means not crossing Tehran's fundamental redlines unless doing so advances a vital U.S. interest, as such actions tend to spur forceful responses that are difficult to deter.

**Deterrence by denial *and* by punishment.** Washington has traditionally opted for deterrence by denial in its interactions with Tehran by convincing the regime that its attacks will be thwarted. But such an approach permits Tehran to calibrate risks and costs, and to wager only those assets it is willing to lose, thereby lowering Iran's threshold for action. Washington therefore needs to deter by punishment as well by threatening assets that Tehran truly values. Otherwise, Iran will continue to test coalition defenses with impunity.

**Covert/unacknowledged action if possible, overt action if necessary.** Washington should make clear that both sides can engage in unacknowledged or deniable activities. In general, the United States should respond in kind to Iranian actions, using nonlethal means to respond to nonlethal actions and conducting lethal operations only in response to the shedding of American blood. Beyond its intrinsic utility, covert action is much less likely to unnerve Americans at home and U.S. allies who fear the administration seeks war with Iran—a critical consideration at this time. Cyber operations are a particularly tempting form of unacknowledged, covert action. However, the perception that Washington's embrace of offensive cyber operations may be motivated by an aversion to military action could make it difficult to deter strategically consequential Iranian cyber responses. Finally, to deter lethal attacks, Washington should renew previous warnings that if U.S. personnel are harmed, it will target assets of the Islamic Revolutionary Guard Corps–Qods Force (IRGC-QF) using capabilities honed in the fight against al-Qaeda and the Islamic State.

**Piercing Iran's veil of ambiguity.** Tehran may sometimes be deterred when others publicize evidence of its involvement in activities it previously denied or communicate awareness of an impending attack—although such measures will generally not deter it for long. Even so, exposing Tehran's role can help shape domestic and international opinion and convince other countries to aid U.S. efforts to counter threats from Iran.

**Balancing restraint and escalation.** Undue restraint can invite new challenges and therefore increase escalation risks. Undue escalation can likewise unnecessarily increase risks and engender a domestic or foreign backlash that could hinder further action. To avert either outcome, Washington should generally respond proportionally—but unpredictably—to Iranian actions, while targeting assets that the regime truly values.

**Increasing uncertainty, imposing costs.** Washington is often tactically predictable, making it easier for Tehran to assess the risks of testing it and to limit the costs of doing so. Instead, the United States should be tactically unpredictable while acting asymmetrically, expanding its target list beyond the dispensable assets that Iran was willing to hazard in a test or provocation. It should also ensure the regime "gets worse than it gives" in these interactions. Doing so may alter Tehran's cost-benefit calculus and induce it to act with greater caution.

**Altering incentives.** A regional power pursuing its vital interests will generally assume greater risks than a distant Great Power that is not, and that has to manage competing commitments in other parts of the world. Thus, it is critical to avoid cornering Tehran. This may mean easing or tolerating a degree of leakage in U.S. oil sanctions, thereby reducing Iran's incentive to engage in destabilizing activities. Such a calibrated sanctions policy would complement rather than undermine efforts to manage escalation.

**Going long, not big.** In gray zone competitions, advantage is often achieved by incremental, cumulative gains rather than rapid, decisive action. Washington should resist the desire to escalate in order to achieve quick results. This may also mean going slow and broad, pacing and geographically dispersing activities to reduce the potential for escalation with Tehran. Yet it may not be possible to square President Donald Trump's desire to use maximum pressure to catalyze an agreement before his first term ends with his aversion to escalation. In fact, an intensified pressure campaign might trigger escalation *and* scuttle prospects for an agreement.

**Broadening gray zone options.** The United States should diversify its policy toolkit to include varied ways and means in multiple domains and geographic arenas, so that policymakers have a range of response options beyond the escalation of force. This may include novel means and operational approaches employing nonlethal and lethal anti-personnel and anti-materiel devices, electromagnetic and directed-energy systems, offensive cyber tools, and unmanned vehicles, as well as activities in far-flung geographic arenas. That said, the potential for vertical escalation needs to remain part of the policy toolkit, as U.S. escalation dominance constitutes one of its most potent asymmetric advantage vis-à-vis adversaries like Iran.

**Pressure in multiple dimensions from multiple directions.** When facing multiple adversaries on multiple fronts, Iran may phase its activities to avoid overextension—particularly when one of those adversaries is the United States. Accordingly, Washington should work with regional partners such as Israel—which is already striking Iranian targets—and Saudi Arabia to pressure Tehran on several fronts and present it with multiple dilemmas. Success, however, will depend in large part on Tehran's assessment of Washington's willingness to persevere with such a long-term approach, and the stability of its alliances and partnerships.

**Broadening authorities to act.** One of the reasons Washington has failed to respond effectively to Tehran's gray zone activities is the current lack of legal justification to respond militarily to attacks on U.S. allies and partners. This may explain Tehran's targeting choices in its current gray zone campaign. Accordingly, the administration should seek broader, more flexible authorities for U.S. covert action against Iran to prevent further escalation and threats to U.S. interests, and it should work with allies and partners that may not be so encumbered to determine what they can do covertly or overtly to aid this effort.

**Countering regional influence/power-projection capabilities.** If the Trump administration does not work with allies to curb the kinds of Iranian regional activities that helped undermine support for the 2015 nuclear deal, any new deal may not last very long either. A campaign to contain Iranian regional influence might seek to disrupt the activities of the IRGC-QF; interdict arms-distribution nodes and attack weapons-production facilities; disrupt military R&D efforts via cyber and other means; tarnish Tehran's resistance "brand"; deflect the risks and costs of Iran's regional policies back onto Tehran; deny Iran external bases of support among sympathetic foreign Shia communities and cobelligerent Sunni groups; prevent the emergence of economic dependencies in neighboring states that could be leveraged by Tehran; wage psychological warfare against the regime; and prevent the emergence of vacuums that Iran can fill.

**Countering Iran's military capabilities.** The U.S. ability to deter and to operate effectively against Tehran in the gray zone will depend in part on its ability to counter each leg of Iran's deterrent/warfighting triad. The Islamic Republic should lose confidence in its ability to deter the United States, to hold vital U.S. interests at risk, or to terminate a conflict on favorable terms. This means developing weapons, tactics, and operational concepts to counter Tehran's large investment in unconventional naval forces, missiles and drones, and proxy militias, as well as its growing cyber capabilities.

**The long game: catalyzing regime contradictions.** Iran's preference for strategies that rely on indirection and incrementalism are predicated, at least in part, on the assumption that time works in its favor. While U.S. policy should not be based on regime change in Tehran, the United States should nonetheless always act with an eye toward sharpening the internal political, economic, and social contradictions that threaten the long-term viability of the Islamic Republic.

## Conclusion

An effective U.S. gray zone strategy could help foil Iran's counterpressure campaign, constrain its ability to engage in destabilizing regional activities, and dissuade it from eventually attempting a slow-motion nuclear breakout. Failure to pursue such a strategy could embolden Tehran on all these fronts and entail additional costs for the United States: continued policy paralysis due to the fear of "all-out war"; force deployments that add little value while offering numerous lucrative targets; and lost deterrence and credibility. Moreover, the gray zone construct can provide a strategic framework for the "by, with, and through" operational approach in the Middle East, where economy-of-force operations will become increasingly necessary as military focus and assets shift to the Indo-Pacific region. Finally, if the United States proves unable to operate successfully in the gray zone against a third-tier power like Iran, this will raise questions about its ability to counter much more capable gray zone actors like Russia and China and to become proficient in a form of interstate competition likely to predominate in the coming years.

# 1

# Introduction

Since the establishment of the Islamic Republic in 1979, Iran has distinguished itself as perhaps the world's foremost practitioner of "gray zone" activities. For nearly four decades, the United States has struggled to respond effectively to this asymmetric way of war. Washington has often granted Tehran unnecessary leeway in the conduct of its gray zone operations due to fears of escalation and "all-out war"[1]—fears that the regime encourages. Yet the whole purpose of this modus operandi is to enable Iran to advance its interests while avoiding such destabilizing outcomes. With the intensification of Washington's "maximum pressure" policy in May 2019—reflected by increased efforts to drive Tehran's oil exports to zero—Iran has ramped up its gray zone activities as part of a counterpressure campaign. This has stoked fears of further escalation and a broader conflict. It is therefore more important than ever for the United States to understand Iran's gray zone strategy and to devise its own gray zone strategy to counter it.

Since withdrawing from the 2015 nuclear deal with Iran (the Joint Comprehensive Plan of Action, or JCPOA) in May 2018, the Trump administration has been pursuing a maximum pressure policy toward the Islamic Republic. This policy consists largely of crippling sanctions to persuade Tehran to negotiate a new deal covering its nuclear program and a range of "malign" activities not included in the previous agreement.[2] Iran initially responded with a policy of "maximum restraint" in the hope that it could garner international support, isolate the United States, and outlast the Trump administration. In April 2019, the administration announced that it would cease issuing sanctions waivers for eight countries that imported oil from Iran, to drive Tehran's oil exports—once the largest source of government revenue—to zero.[3] In taking this step, Washington crossed one of Tehran's redlines, dating to the early 1980s, which stated that if Iran could not export oil, no Persian Gulf state would do so.[4] Indeed, Islamic Revolutionary Guard Corps Navy (IRGCN) commander Alireza Tangsiri restated the redline the very same day the waiver suspension was announced, saying: "If we are prevented from using [the Strait of Hormuz to export oil], we will close it."[5]

Iran responded with a counterpressure campaign of its own. It conducted a series of carefully calibrated asymmetric military operations in the gray zone short of war. These included attacks on oil tankers and pipelines, the downing of a U.S. drone, proxy rocket attacks on U.S. facilities in Iraq (likely intended to warn, rather than do harm), and most recently, an audacious September 2019 drone and cruise-missile strike launched from Iran on oil facilities in Saudi Arabia. Iran apparently hopes that by imposing costs and demonstrating its ability to further disrupt oil exports from the Gulf and do harm to U.S. personnel in the region, it will force the United States to ease or lift sanctions. It also probably hopes to fracture U.S. alliances and to cow the Gulf Arab states into submission.

In response to Tehran's counterpressure campaign, Washington took steps to bolster its deterrent posture—inter alia, by sending a carrier strike group, B-52 bombers and F-22 stealth fighters, and Patriot missile defense batteries to the region.[6] It responded to the downing of a U.S. drone and the attack on Saudi oil facilities with cyberattacks on an Iranian intelligence database and propaganda dissemination networks.[7] And U.S. forces used nonkinetic means to down at least one and possibly two Iranian drones that had approached a U.S. warship.[8] Meanwhile, efforts to organize an international maritime security force to protect Gulf shipping were finally crowned with success when the headquarters for Coalition Task Force Sentinel was stood up in November 2019.[9]

Tehran is likely to further escalate its gray zone activities in the Gulf and elsewhere as long as the United States continues its efforts to drive Iran's oil exports to zero.[10] This paper argues that the best way to counter Iran's gray zone strategy is with a U.S. gray zone strategy. Such a strategy should constrain Tehran's freedom of action, avoid major escalation, and foil Iran's counterpressure campaign—while buying

## Table 1: Main Lines of Operation for U.S. Maximum Pressure Policy and Iran's Counterpressure Campaign (May–November 2019)

| | | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER |
|---|---|---|---|---|---|---|---|---|
| U.S. | Sanctions | • **May 2:** U.S. halts waivers on purchase of Iranian oil in an effort to cut Iranian oil exports to zero<br>• **May 8:** Iranian iron, steel, aluminum, and copper sectors<br>• **Jun 7:** Iranian petrochemicals company<br>• **Jun 12:** Iraq-based entities facilitating IRGC-QF access to Iraq's financial system<br>• **Jun 24:** Supreme Leader Ali Khamenei, eight IRGC commanders<br>• **Jul 9:** Hezbollah parliamentarians<br>• **Jul 31:** Foreign Minister Mohammad Javad Zarif<br>• **Aug 28:** Missile proliferation entities<br>• **Aug 29:** Financial facilitators moving funds from IRGC-QF to Hamas/financial institutions in Lebanon used by Hezbollah ▪<br>• **Aug 30:** *Grace 1* tanker carrying cargo for Syria<br>• **Sep 3:** Iranian space entities<br>• **Sep 4:** Iranian oil shipping network<br>**Oct 30:** Individuals, corporations, and banks associated with IRGC and Hezbollah •<br>**Nov 4–5:** Armed Forces General Staff and 700 individuals, entities, aircraft, and vessels • ▪<br>**Nov 22:** Minister of Information Mohammad-Javad Azari Jahromi • | | | | | | |
| | Military Actions | • **May 5:** U.S. sends significant military reinforcements to Gulf in response to threat warnings in the Gulf, Yemen, Syria, and Iran, including a carrier strike group, B-52 bombers and F-22 fighters, and a Patriot missile battery<br>• **May 24:** DoD notifies Congress of its intention to send an additional 1,500 military personnel to the Middle East<br>• **Jun 20:** U.S. calls off planned strike on units involved in shoot-down of U.S. Global Hawk drone<br>• **Jun 27:** U.S. deploys nearly a dozen F-22 stealth fighters to Qatar<br>• **Jul 4:** UK forces in Gibraltar seize Grace 1, an Iranian oil tanker busting sanctions on Syria<br>• **Jul 17:** U.S. announces deployment of 500 more troops to Prince Sultan Air Base in Saudi Arabia<br>• **Jul 18:** USS Boxer downs one or two Iranian drones by nonkinetic means<br>**Sep 26:** U.S. announces deployment of 200 troops to Saudi Arabia, including • a Patriot missile battery and four AN/MPQ-64 Sentinel radars<br>**Oct 11:** U.S. announces deployment of 1,800 troops to Saudi Arabia, including an Air Expeditionary Wing (AEW) HQ, • two F-15 squadrons, two airborne warning and control systems (AWACS), two Patriot batteries, and THAAD missiles | | | | | | |
| | Cyber | • **Jun 20:** U.S. reportedly conducts cyberattack on IRGC intel unit that supported previous tanker attacks<br>**Sep–Oct:** U.S. reportedly attacks entities involved in dissemination of regime propaganda in response to strike on Saudi oil facilities • | | | | | | |

**Notes:**

1. This table should not be treated as exhaustive, given that both sides are engaged in unacknowledged covert activities. Moreover, some incidents (e.g., some rocket attacks in Iraq) may not have been carried out by pro-Iran proxies.
2. On October 11, 2019, an Iranian oil tanker was reportedly hit by two missiles in the Red Sea, in a thus far unattributed attack.
3. In June 2019, Iran released Lebanese-U.S. resident and IT consultant Nizar Zakka after holding him for four years. The same month, Iran detained French-Iranian academic Fariba Adelkhah, and in August 2019 it detained British-Iranian academic Kameel Ahmady.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| IRAN | Attacks on Oil | • **May 12:** Four foreign oil tankers damaged by limpet mines off Fujairah, UAE<br>• **May 14:** Kataib Hezbollah launches drone strike on Saudi oil pipeline<br>• **Jun 13:** Two foreign petrochemical tankers damaged by limpet mines in Strait of Hormuz (SoH)<br>• **Jul 10:** Iranian warships attempt to seize British oil tanker in SoH but are warned off<br>• **Jul 13:** Iranian warships seize UAE oil tanker in SoH<br>• **Jul 19:** Iranian warships detain, then release a Liberian-flagged, British-operated, Algerian-owned tanker in Omani waters<br>• **Aug 4:** Iranian warships in Persian Gulf detain Iraqi tanker smuggling oil<br>**Sep 14:** Iranian drone and cruise missile strike against Saudi petrochemical facilities at Abqaiq and Khurais • | | | | | | |
| | Other Military Actions | • **May 19:** Rocket lands near U.S. embassy in Baghdad<br>• **Jun 13:** Iran attempts to down U.S. MQ-9 Reaper drone<br>• **Jun 17–19:** Rockets land near U.S. military and oil company personnel/facilities in Taji, Mosul, Balad, and Basra, Iraq<br>• **Jun 20:** Iran downs U.S. RQ-4 Global Hawk drone skirting Iranian airspace over Persian Gulf<br>• **Jul 6:** Three IEDs target U.S. embassy convoy in Safwan, Iraq<br>• **Jul 16:** Houthi Blowfish bomb boat discovered in Red Sea in the path of British destroyer HMS *Duncan*<br>• **Aug 6:** IED targets British oil company personnel in Basra, Iraq<br>**Sep 23:** Two rockets land near U.S. embassy in Baghdad •<br>**Oct 29:** Rocket lands near U.S. military personnel in Taji, Iraq •<br>**Oct 30:** Two rockets land near U.S. embassy in Baghdad •<br>**Nov 8:** Rockets land near U.S. military personnel/facilities in Qayyarah, Iraq • ▪<br>**Nov 17:** Rocket lands in International Zone in Baghdad • ▪ | | | | | | |
| | Cyber | • **May–Jun:** Iran steps up cyberspying/network reconnaissance of U.S. government and private-sector entities<br>• **Jul–Aug:** Iran steps up cyber intrusions and network reconnaissance activities in Bahrain<br>**Oct:** Iran intensifies cyber reconnaissance of industrial control system manufacturers, perhaps in preparation for destructive attacks on critical infrastructure • | | | | | | |
| | Nuclear | • **May 8:** Iran announces that without sanctions relief it will reduce compliance with JCPOA every 60 days; shortly thereafter, it accelerates enrichment and stockpiling of low-enriched uranium and heavy water<br>• **Jul 7:** Iran announces that it will exceed uranium enrichment caps, increasing enrichment from 3.67% to 4.5%<br>• **Sep 4:** Iran announces that it will ignore JCPOA gas centrifuge R&D limits<br>**Nov 5:** Iran announces that it will begin injecting UF-6 gas at the Fordow enrichment facility • | | | | | | |
| | | **MAY** | **JUNE** | **JULY** | **AUGUST** | **SEPTEMBER** | **OCTOBER** | **NOVEMBER** |

time for the U.S. maximum pressure policy to work. Such an approach could also help counter Iran's destabilizing regional activities and deter it from launching a slow-motion nuclear breakout—whether or not a new deal with Iran is reached.

Thus far, the Trump administration has shown little interest in using the military instrument as an integral part of its maximum pressure policy, though this approach creates unnecessary risk for the United States and its allies. Should it—or a future U.S. administration—opt for a more holistic approach that makes fuller use of the military instrument as part of a gray zone strategy toward Iran, this paper offers a blueprint for doing so. It thus attempts to fill a gap in the policy literature by describing how Iran's hybrid military operates in the gray zone, how it leverages asymmetries to deter, coerce, and impose costs on adversaries, and how the United States can counter these activities by adopting a gray zone strategy of its own.

## Notes

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2

# Defining Gray Zone, Asymmetric, and Hybrid Warfare

Countries such as Iran, Russia, and China operate in the gray zone between war and peace in order to challenge the status quo while managing risk and avoiding war. They create ambiguity regarding objectives (through incremental action) and attribution (through unacknowledged/deniable covert or proxy activities), thereby denying adversaries legal justification for action and creating uncertainty about how to respond.[1] During the Cold War, the United States frequently conducted gray zone activities using special forces and covert intelligence units; in many ways it pioneered this approach, though its capabilities in this area have since atrophied. Today, many U.S. adversaries see their own gray zone activities as a response to perceived ongoing American gray zone challenges intended to undermine their sovereignty and rule.[2]

Gray zone conflicts have proliferated worldwide partly because the United States and its allies adhere to a binary conception of war and peace. Grounded in Western state-centric cultural and legal traditions, this dualism enables actors like Iran to operate with relative impunity below the threshold of war. Gray zone competitions often involve anti–status quo actors challenging more powerful status quo powers by seeking marginal gains and the biggest "bang for the buck" as part of their efforts to use every available advantage.[3]

Nearly all competitive relationships or conflicts involve some kind of effort to exploit asymmetries, with one side applying its strengths against the other side's weaknesses or vulnerabilities; rarely does a competitor or combatant seek to impose its will on an adversary by attacking the latter's strengths.[4] Thus, the United States uses its dominance of the world economy, its unrivaled military power-projection capabilities, its leadership as a technology innovator (especially in the cyber domain), and its global cultural reach to advance its interests. It should not be surprising, then, that its adversaries employ against it whatever asymmetries they may possess or be able to cultivate. But it is nearly meaningless to say that an actor relies on asymmetric approaches against its adversaries without defining the nature of these asymmetries.

U.S. Army War College research professors Steven Metz and Douglas V. Johnson II have offered a comprehensive definition of the concept of military asymmetry, which posits that

> asymmetry is acting, organizing, and thinking differently than opponents in order to maximize one's own advantages, exploit an opponent's weaknesses, attain the initiative or gain greater freedom of action. It can be political-strategic, military-strategic, operational, or a combination of these. It can entail different methods, technologies, values and organizations, time perspectives, or some combination of these. It can be short-term or long-term. It can be deliberate or by default. It can be discrete or pursued in conjunction with symmetric approaches. It can have both psychological and physical dimensions.[5]

Kenneth McKenzie Jr. has written that the most effective asymmetric approaches involve actions that yield disproportionate effects—and that undermine the enemy's will and alter the psychological dynamic of a competition or conflict.[6] And Michael Breen and Joshua A. Geltzer have asserted that the essence of asymmetry is turning an adversary's strengths into liabilities or vulnerabilities, and thwarting its efforts to do the same.[7]

Asymmetries may thus encompass a broad variety of factors. They may be rooted in dissimilarities in the conduct of military activities on the tactical, operational, or strategic levels, or the conduct of long-term competitions. And they may derive from the parties' pursuit of dissimilar objectives. One party, for instance, may seek to destroy the adversary's forces in order to impose its will on the enemy. The other may seek to deny its enemy a victory by attriting its forces, bleeding its society, and thwarting its designs, in order to break its will. Not all asymmetries are consequential, however; some may provide decisive

advantages, others may be of marginal utility. And asymmetries may be of fleeting or enduring significance. (See table 2 for the various types of asymmetry that an actor may cultivate or exploit.)

Finally, according to Frank G. Hoffman, hybrid actors like Iran often employ regular and irregular forces together on the battlefield; blend conventional military capabilities, irregular tactics, terrorism, and criminal activities (e.g., smuggling, money laundering, bribery, cybercrime, and illicit arms transfers); and conduct simultaneous operations across domains—land, sea, air, information, cyber, and space—to create synergies and maximize leverage. They do this to deter or coerce adversaries and influence or subvert foreign governments—in order to achieve a desired political objective.[8] Because hybrid forms of organization are often a prerequisite for hybrid modes of operation, the term *hybrid* may refer to an actor's organizational design as well as the way it employs its assets.

How then do these various operational approaches—gray zone, asymmetric, and hybrid—fit together in the broader scheme? Perhaps the best way to think about this is to superimpose the approaches over the ends, ways, and means construct long used by the U.S. military as a heuristic for formulating strategy. *Means* are the resources—organizations, forces, and capabilities—that constitute the various

## Table 2: Types of Military Asymmetries

| TYPE | COMMENTS |
|---|---|
| **Quantitative** | Pertaining to relative numerical advantages in manpower, equipment (mass), firepower, or other critical resources |
| **Qualitative** | The relative effectiveness of each actor's leadership, training, or technology, and its tactics, operations, or strategy |
| **Conceptual** | The relative ability of each side to understand and navigate the operational environment, to grasp the opponent's methods, and to formulate effective operational approaches and strategies to thwart or defeat them |
| **Operational** | The degree to which actors may rely on dissimilar organizational designs and operational approaches to competition and warfighting: covert versus overt, indirect versus direct, and short-term versus long-term |
| **Geographic** | The degree to which one side has a relative advantage in its ability to hold at risk an adversary's assets, forward bases, or homeland, using deployed forces or proxies |
| **Temporal** | The extent to which actors pursue their objectives through incremental, cumulative gains, versus rapid, decisive action, and to which time replaces space as the major dimension of action |
| **Normative** | The relative degree to which actors are constrained by moral considerations, domestic legal considerations, or the law of armed conflict |
| **Moral/ motivational** | The extent to which one or more actors are motivated by ideological or religious considerations, or are fighting for their vital interests or survival |
| **Ontological** | The degree to which adversaries may be guided by different motives or logic, whether instrumental or expressive/symbolic |

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instruments of national power (diplomatic, informational, military, economic, and cyber). *Ways* describe how these *means* are employed to achieve the policy *ends* of strategy. And in recent years, students of strategy have discussed the need to describe how the ways and means of strategy are combined in accordance with a guiding *causal/strategic* logic—a "theory of success"—to ensure desired ends are achieved vis-à-vis a particular adversary.[9] The theory of success is thus the "strategy bridge" that links *ways* and *means* to policy *ends*. It is constantly tested against reality, and modified in the course of conflict. For this reason, when properly practiced, strategy is essentially a learning process.[10]

In the case at hand, then, Iran operates in the gray zone and leverages asymmetries (ways) and employs hybrid capabilities (ways *and* means) in accordance with its understanding of what is required to prevail against a particular adversary (its theory of success) and achieve its policy objectives (ends). Thus, *ways* + *means* × theory of success = *ends*. This "equation"—and the feedback loop central to the strategic learning process—is depicted in figure 1.

## How Iran Thinks About Asymmetry

Iranian military thinkers and strategists make a distinction between "classic warfare" (*jang-e kelasik*) and "nonclassic warfare" (*jang-e gheir-e kelasik*). In classic warfare, forces comprising small numbers of expensive platforms employ technology, firepower, and combat maneuver to destroy or neutralize enemy forces in decisive battle. In nonclassic warfare, highly motivated asymmetric forces imbued with revolutionary religious fervor, and comprising large numbers of inexpensive platforms equipped with advanced munitions, create synergies by blending unconventional and conventional operations. They prevail by imposing unacceptable costs, undermining the enemy's will, and (if necessary) destroying its forces in battle.[11]

The term asymmetric warfare (*jang-e namoteqaren*) is often used by Iranian officials to describe the nature of the perceived threat to the Islamic Republic—particularly from the United States—as well as Iran's response to this threat. The asymmetries that Iran relies on are intended to counter the significant manpower, material, and technological imbalances between it and the United States. Several core tenets underpin Iran's declared asymmetric warfare approach, which (1) exploits enemy weaknesses and neutralizes enemy strengths; (2) incurs the lowest cost for the greatest benefit; and (3) emphasizes the moral, spiritual, and psychological dimension of warfare. The regime's leadership believes that the latter, which contributes to the steadfastness of the armed forces and the nation, is Iran's true secret weapon—though Tehran leverages nearly every form of asymmetry it can generate (see table 2 and Appendix A). [12]

Iran's approach to asymmetric warfare has been heavily influenced by its experience in the Iran-Iraq War. During the war, the classic approach was embodied by Iran's regular military (Artesh), while the nonclassic, asymmetric approach was championed by the Islamic Revolutionary Guard Corps. Iran's devotion to asymmetric warfare has been heavily influenced by the perceived successes of its asymmetric forces during the war, and after.

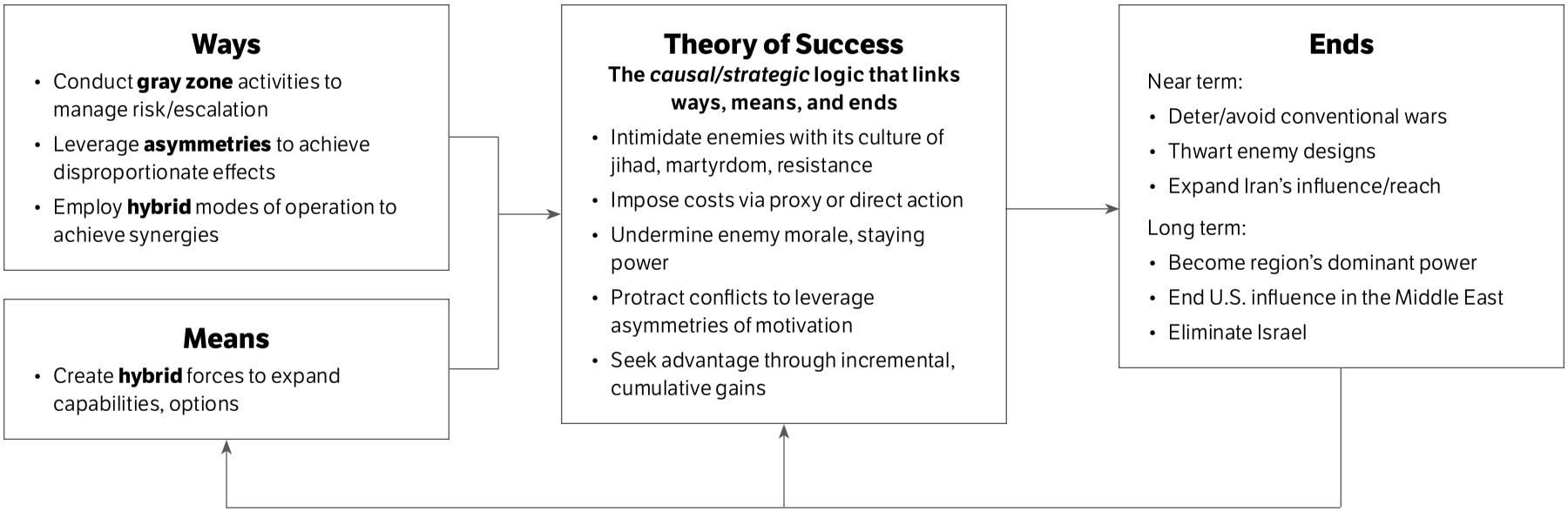
Thus, Tehran is convinced that its Lebanese Hezbollah proxy ousted U.S. forces from Lebanon in 1984 and Israeli forces from Lebanon in 2000 (while defeating the latter there in 2006); that its proxies in Iraq contributed to the U.S. withdrawal from that country in 2011; and that its Shia "foreign legion" has helped defeat anti-regime rebels in Syria since 2011. Clashes with U.S. naval forces during the Iran–Iraq War showcased the potential of Iran's guerrilla navy, while its successful mining of six foreign tankers in May and June 2019 spotlighted its growing naval irregular warfare capabilities. Iraq's missile forces had a decisive impact on the outcome of the Iran-Iraq War, causing Iran to create a large missile force of its own. Tehran has since helped its proxies and partners to create the rocket and missile arsenals that are central to their ways of war.[13] Iran's own growing missile and drone capabilities were demonstrated in its September 2019 strike on Saudi oil facilities. Indeed, this attack and the 1983 Marine barracks bombing are textbook examples of asymmetric operations that achieved disproportionate effects.

It is therefore not surprising that Iran's principal asymmetric forces, which form the mainstay of its deterrent/warfighting triad, all belong to the IRGC. These include the IRGCN (guerrilla naval forces); the IRGC Aerospace Force (missiles and drones); and the IRGC-QF (unconventional warfare specialists who train and assist foreign proxies and partners). Likewise, Iran's growing cyberwarfare capabilities reside mainly in the IRGC.[14] These IRGC entities operate together in a hybrid manner, sometimes with the Artesh, and often in conjunction with foreign proxies and Iran's intelligence agencies and propaganda organs, to achieve synergies and advance the regime's interests.

## Deterrence: The Foundation of Iran's Gray Zone Strategy

The Islamic Republic of Iran is an anti–status quo power that seeks to eradicate U.S. influence in the Middle East, eliminate the state of Israel, and expand its own influence in order to become the dominant regional power. It has at times also feared attack, invasion, and foreign-inspired regime change. Its

## Figure 1: Iran's Gray Zone Strategy




**Iran's Gray Zone Approach**[1]

- Tactical flexibility, strategic consistency
- Indirection, ambiguity, strategic patience
- Reciprocity, proportionality, calibrated use of force
- Protract rather than escalate conflicts
- Manage tempo/scope of operations
- Diversify/expand options to avoid escalation
- Divide/encircle enemies

**Iran's Use of Asymmetry**

- Neutralize enemy strengths, turn them into liabilities, and seek disproportionate effects
- Exploit advantages conferred by geography (proximity to Strait of Hormuz), proxies
- Leverage asymmetries in motivation
- Employ unconventional methods/modes of operation
- Use approaches compatible with the operational environment
- Patience, continuity, policy coherence
- Shape the narrative/create an "image of victory"

**Iran's Hybrid Approach**

- IRGC, Artesh, Basij + militia/terrorist proxies, partners
- Deterrence/warfighting triad:
  - Guerrilla navy (antiaccess/area denial)
  - Missiles/drones (long-range precision strike)
  - Proxies (regular/irregular warfare and terrorism)
- Cyber activities
- Information activities
- Create economic dependencies in neighboring states
- Aid proxies/undermine foes through bribery, corruption, intimidation
- Diplomacy to avoid isolation

1. These elements of Iran's gray zone approach are also core components of its way of war.

leaders recognized that their anti–status quo ambitions could lead to conflict with the United States and various regional powers, and that creating a deterrent balance with Iran's enemies was essential to the country's security. They therefore developed a robust deterrent posture, which also provides the foundation for Tehran's gray zone strategy, by constraining adversaries and affording it freedom to act. Moreover, Iran has developed a distinctive mode of operation for gray zone activities that enables it to advance its interests while managing risk, limiting the potential for escalation, and avoiding war.[15] These activities are often mutually reinforcing: Iran's robust deterrent facilitates its gray zone activities, which in turn bolster its deterrent posture.

Iran's gray zone strategy is a coherent, well-thought-out system, elements of which date to the 1980s. Little is known, however, about the origins of this approach and how Tehran's gray zone "playbook" was put together and evolved. It certainly preceded the rise of IRGC-QF commander Maj. Gen. Qasem Soleimani, though he undoubtedly influenced its evolution in recent years and is likely the main architect of Iran's current gray zone strategy. Moreover, analysts outside the narrow circle of top Iranian policymakers have only limited information about how national security decisions are reached. Supreme Leader Ali Khamenei is believed to define parameters and approve policies. The Supreme National Security Council (comprising the president, members of the cabinet, chief of the judiciary, speaker of the parliament, and heads of the military and security forces) reviews and proposes options—though smaller, informal decisionmaking bodies may review and approve specific actions on a day-to-day basis. The IRGC undoubtedly has a disproportionate role in planning and implementing Iran's gray zone strategy, as it controls nearly all the assets used in these activities. Informal processes and relationships may be as important, if not more important, than formal ones, and may account for Iran's occasionally erratic behavior.[16]

**A hybrid deterrent/warfighting triad.** To deter its enemies, Iran has created a hybrid, asymmetric force structure whose defining feature is a deterrence/warfighting triad consisting of (1) a guerrilla navy capable of disrupting oil exports from the Persian Gulf; (2) an arsenal of missiles and drones capable of conducting long-range precision strikes; and (3) a stable of foreign proxy forces—its Shia foreign legion—capable of undertaking conventional and unconventional operations and terrorist attacks throughout the region and beyond.[17] Moreover, Iran may now be adding a fourth leg to this triad: offensive cyber capabilities. It also relies on nonmilitary means (e.g., threats of withdrawing from the 2015 nuclear deal) to bolster deterrence.

Each leg of this hybrid deterrence/warfighting triad embodies distinct advantages and drawbacks. Efforts by Iran's naval forces to close the Strait of Hormuz could temporarily roil global financial markets, but this would be a last resort because most of Tehran's oil exports and nearly all its imports pass through the strait. Even a temporary disruption of traffic through the strait would antagonize many European and Asian states that depend on Gulf oil—including major powers like China, which Iran does not want to alienate. [18] Moreover, Tehran's terrorist arm has atrophied in recent years—as demonstrated by the ill-conceived plan to assassinate the Saudi ambassador to the United States (2011) and a series of bungled attacks on Israeli targets in Asia (2012). Iran therefore cannot be sure that planned terrorist operations will succeed.[19] Although terrorist attacks might afford it a degree of standoff and ambiguity, follow-on attacks might take weeks or months to plan and could be difficult to implement against an alerted enemy. By contrast, missiles and drones permit quick, flexible responses during fast-moving crises, and can generate greater cumulative effects on enemy morale and staying power in a shorter period than can terrorist attacks.[20] For these reasons, Iran's missile and drone force constitutes the backbone of its strategic deterrent vis-à-vis the Gulf Arabs and the United States, while Hezbollah's more than 130,000 rockets and missiles are the mainstay of its strategic deterrent against Israel.[21]

Cyber is playing an increasingly important role in Tehran's deterrence and warfighting calculus. It fits well with the regime's preference for ambiguity, standoff, and deniability, and its narrative that the country is an emerging technological power. Cyber operations may entail less risk and give Iran options not provided by the other legs of its triad, allowing it to strike at adversaries globally, instantaneously, and on a sustained basis, as well as to achieve more decisive effects than it can in the physical domain. Iran has shown, moreover, that it prefers to respond in kind to cyberattacks, and that a third-tier cyber power can carry out significant nuisance and cost-imposing attacks—though it has not yet demonstrated an ability to conduct strategically consequential attacks. Yet because the U.S. economy, critical infrastructure, and military depend on relatively vulnerable computer networks, Americans live in a cyber "glass house" that presents tempting targets to adversaries like Iran.[22]

Iran's approach to deterrence draws on widely accepted principles, as well as the innovative use of nonmilitary elements. Thus, it has a declaratory policy of deterrence by punishment as well as denial: it has threatened to respond to a U.S. or

Israeli preventive strike with a "crushing response"[23] against Tel Aviv and Haifa[24] and against U.S. bases throughout the region.[25] It has vowed that any attack on Iran would result in the defeat of the enemy's designs.[26] And it has created a "passive defense organization" to harden and disperse critical infrastructure so as to limit the benefits an adversary might accrue from an attack.[27] To strengthen deterrence, Iran has identified several redlines whose violation would prompt a military response: (1) direct attacks on Iran; (2) efforts to halt its oil exports; and (3) threats to its territorial integrity. Tehran would also probably consider overt attempts to overthrow the Islamic Republic as a redline.

**Nonmilitary elements of deterrence.** Iran has also bolstered its deterrent image and posture via various nonmilitary means:

- *Nurturing a culture of jihad, martyrdom, and resistance in order to strengthen its staying power and intimidate its enemies.* Iran has tried to convince its enemies that it is a "nation of martyrs" willing to die for their country—although its behavior since the Iran-Iraq War has shown that it is, in fact, generally rather risk averse and sensitive to casualties.

- *Exporting oil and gas via existing pipelines through Turkey and Iraq and, in the future, via proposed pipelines through Syria and Pakistan—and tying neighboring states into its electrical grid (e.g., Iran provides Iraq with 5–10 percent of its electricity).* In addition to the economic benefits and political leverage such arrangements confer, Tehran may hope that these dependencies will deter the United States from attacking Iran.[28]

- *Forging ties with foreign Shia and Muslim communities by coopting foreign Shia clerical networks and engaging in religious outreach via Iranian cultural centers, which are often staffed by intelligence personnel.* Iran may hope that if it is attacked, such ties will cause these communities to rally to its side and facilitate overseas operations by its intelligence services.

After the exposure of its covert fissile-material production facilities in 2002, Iran probably saw nuclear negotiations with the EU-3 and then the P5+1/EU as an insurance policy against attack by Israel or the United States. Accordingly, it may yet see a diplomatic process with the Trump administration as a way to avoid escalation with the United States—should that become an urgent concern—as well as a means of ending U.S. pressure and sanctions. And it has repeatedly used the threat of withdrawing from the 2015 nuclear accord to deter adversaries committed to the survival of the agreement.

## Notes

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# 3

# Iran's Gray Zone Strategy

Tehran's preference for gray zone strategies is rooted (at least partly) in the trauma of the eight-year Iran-Iraq War (1980–88), which haunts Iranians to this day.[1] Since then, the regime has gone to great lengths to avoid or deter conventional wars because it knows how bloody, costly, and prolonged they can be. This conclusion was reinforced by its ringside view of the brief and decisive U.S. victory over the Iraqi Army in Kuwait (1991)—something that Iran could not accomplish in eight years of grinding combat with Iraq—and the long and difficult U.S. military campaigns in Afghanistan (2001–present) and Iraq (2003–11, 2014–17). Tehran's aversion to large-scale conventional combat is therefore not grounded in a transitory calculation of the regime's interests; it is a deeply rooted aspect of the regime's strategic culture that is reflected in its way of war. Accordingly, Iran prefers to advance its anti–status quo agenda through covert action, proxy warfare, and psychological operations, and to mire its enemies in proxy conflicts far from its borders.[2] In the words of one senior IRGC officer:

> Today, our strategic depth has shifted far away from our borders…[this] means that the area of conflict is pushed to places away from our borders so that our territory remains more secure. It means facing the enemies of Islam in Iraq and Syria so that [we] do not have to fight them in Tehran, Kermanshah, and Esfahan.[3]

When war is deemed necessary, Tehran will seek to minimize costs. During the Syrian civil war (2011–present), Iran never deployed more than a fraction of 1 percent of its ground forces to the theater, and it offloaded many of the risks and burdens of fighting onto its Shia foreign legion.[4] Thus, while Lebanese Hezbollah draws on a human resources base about one-fiftieth of Iran's (1.5 million Lebanese Shia vs. 80 million Iranian citizens), it has lost about four times as many fighters in Syria as has Iran (2,000 vs. 550).[5] However, these casualty figures and videos of IRGC-QF "advisors" in Syria captured by rebel forces indicate that IRGC personnel in Syria are relatively risk acceptant compared to their civilian masters in Tehran.[6]

Tehran's approach to gray zone activities enables it to seek advantage over its enemies while managing risk, limiting the potential for escalation, and avoiding war. To these ends, Iran's gray zone planning and campaign design efforts emphasize: (1) tactical flexibility; (2) indirection, ambiguity, and patience; (3) reciprocity, proportionality, and calibrated use of force; (4) protracting rather than escalating conflicts; (5) managing the tempo and scope of operations; (6) diversifying and expanding options; and (7) dividing and encircling enemies. Each of these is addressed in greater detail below.

## Tactical Flexibility, Strategic Consistency

Once Tehran commits to a particular strategic direction, deflecting it from its course is often difficult. It will probe and test limits, then back down (temporarily) if it encounters a firm response—renewing the challenge at another time and place, under more favorable circumstances. Conversely, the lack of a firm response frequently encourages more assertive behavior.[7] Iranian officials often do not seem to consider themselves bound by past threats or commitments, which may be issued in response to the needs of the moment and forgotten once uttered, or when new conditions arise.[8]

Thus, Iran backed off from threats to close the Strait of Hormuz in January 2012 following new U.S. and EU sanctions, when Washington warned that doing so would cross an American redline.[9] That same month, after warning the United States not to return an aircraft carrier to the Persian Gulf, Iran backed down when Washington did so shortly thereafter—though it subsequently tried to down U.S. drones in the Gulf, in November 2012 and March 2013.[10] And after Ali Akbar Velayati—a former foreign minister and a senior advisor to Supreme Leader Khamenei—warned Israel in January 2013 that an attack on Syria would be treated as an attack on Iran, Tehran did nothing when Israeli aircraft bombed convoys in

Syria carrying arms for Hezbollah. Israel has conducted hundreds of such strikes since then.[11]

## Indirection, Ambiguity, and Patience

Tehran uses indirect action (such as mines, IEDs, and rockets),[12] foreign proxies (like Lebanese Hezbollah and to some extent Yemen's Houthis), and activities on foreign soil to create standoff and ambiguity, while avoiding decisive engagement with the enemy. It does this to sow doubts about its role, encourage speculation about the culpability of rogue regime elements, and provide a face-saving "out" for conflict-averse adversaries. Because Iran prefers indirect action, and because it seeks advantage through incremental, cumulative gains, its approach requires patience. Tehran's preference for proxies, moreover, seems rooted in a conspiratorial worldview in which ubiquitous enemies use agents and proxies against it, leading it to recruit its own agents and proxies.[13]

Tehran has long relied on armed proxies and partners to project influence and power.[14] It will often peel off extremists from Shia groups entering the political mainstream to create radical proxies that share its worldview, though it tailors its approach to local conditions. Thus, some proxies create parallel social-welfare institutions and militias to undermine and counter the authority and power of the state—the so-called Hezbollah model. Others are embedded in the state to counterbalance the traditional security forces and serve as power centers responsive to Tehran's preferences; this is the so-called IRGC model embodied by groups such as the Badr Organization, Kataib Hezbollah, and Asaib Ahl al-Haq in Iraq, or the National Defense Forces in Syria. And some partners are insurgent groups like Hamas in Gaza and the Houthis of Yemen. Many of these proxies fund their activities by engaging in licit and illicit economic activities or by receiving allocations from the state budget, thereby reducing the economic burden on Iran.[15] The range of actors that Tehran has worked with as proxies, partners, and cobelligerents, including Sunni jihadist groups, demonstrates the degree to which Iran is opportunistic, pragmatic, and tactically flexible in its approach.

Tehran has not always tried to conceal its role in unacknowledged covert and proxy operations. Naval mines sown by Iran during the Iran-Iraq War, and weapons transferred to Iraqi Shia militant groups after 2003 and to Houthi rebels fighting the Saudi-led coalition since 2015 often bear manufacturers' logos and data plates attesting to their origin in Iran. And malware used in Iranian cyberattacks has contained Persian terms interspersed in the computer code. In these cases, the unacknowledged but "implausibly deniable" nature of these actions allows Tehran to demonstrate the resolve required to coerce its enemies, while creating sufficient ambiguity about its role to avoid retribution.[16]

Recently, Iran has shown a greater willingness to directly attack regional enemies. Thus, since February 2018 the IRGC-QF has attempted several attacks on Israel using rockets, missiles, and drones. Likewise, the September 2019 drone and cruise-missile attack on Saudi oil facilities shows that Iran is increasingly willing to attack regional enemies directly. This element of Tehran's approach to gray zone operations may be in flux, and the U.S. military should consider the force protection implications of this—although Iran may be attacking U.S. allies because it does not want to attack U.S. forces directly.

## Reciprocity, Proportionality, and Calibrated Use of Force

Tehran generally uses force in a measured, tit-for-tat manner, responding in kind at a level broadly commensurate to the perceived challenge. It does so to garner legitimacy for its actions, to be more predictable—in order to limit the potential for miscalculation or escalation, and to deter. Thus, in response to Iraq's use of chemical weapons during the Iran-Iraq War, then Majlis speaker Akbar Hashemi Rafsanjani warned that Iran would "retaliate in kind to the same level as Iraq."[17] More recently, in response to threats of military strikes on Tehran's nuclear program, Supreme Leader Khamenei warned Israel and the United States that if Iran is attacked by either, "we will attack them on the same level that they attack us."[18]

This logic has guided Tehran's past actions. During the Iran-Iraq War, Iran answered attacks on its oil industry with attacks on Gulf shipping. It responded to air raids on Tehran with rocket and missile strikes on Baghdad. And it threatened to respond to Iraqi chemical warfare with chemical attacks of its own. From 2010 to 2012, Iran responded to cyberattacks on its nuclear program, oil and financial sanctions, and the targeted killing of its nuclear scientists with cyberattacks on U.S. financial institutions and on Saudi Aramco. It also attempted attacks on Israeli diplomats in Georgia, India, Thailand, and elsewhere. Most recently, Iran responded to the Trump administration's efforts to reduce its oil exports to zero by mining four foreign oil tankers off the Emirati coast, and it responded to sanctions on its largest petrochemical company by mining two foreign petrochemical tankers transiting the Strait of Hormuz.

## Protracting Rather than Escalating Conflicts

Tehran's preference for strategies of indirection and the calibrated (i.e., limited) use of force ensures that conflicts will often be protracted. This enables it to exploit the motivational asymmetries that it believes

give it an edge in these long struggles, and to avoid escalation—which would generally play to its enemies' strengths. Thus, in its decades-long struggle against U.S. influence in the Middle East, Tehran has supported proxy attacks on U.S. personnel and interests in order to wear down American resolve (e.g., the 1983 U.S. Marine barracks bombing, the 1996 Khobar Towers bombing, and the provision of arms to Iraqi Shia insurgents fighting U.S. forces in Iraq from 2003 to 2011). Tehran's efforts to destroy Israel have likewise involved a patient, decades-long buildup of proxy and partner military capabilities in Lebanon (Hezbollah), Gaza (Hamas and Palestinian Islamic Jihad), and most recently Syria—where the IRGC-QF now also conducts direct attacks on Israel.[19]

## Managing the Tempo and Scope of Operations

Tehran judiciously paces its activities—arranging them in time and space—to control the tempo and flow of operations so that they do not spin out of control. This limits the potentially harmful effects of time pressure on judgment, enabling Iranian decisionmakers to manage risk and limit the potential for escalation.[20] It also reduces pressure on adversaries to act, and feeds the hopes of foreign decisionmakers that by not responding militarily, they might avoid further escalation.[21]

Thus, weeks or months may pass between an event and Iran's response, or between activities in Iran's gray zone campaigns. For instance, after Saudi forces helped Bahrain quash protests by largely Shia opposition groups in March 2011, Iran set in train a plan to assassinate the Saudi ambassador in Washington DC, which would have been carried out six months or so later had it not been thwarted. And after Israeli forces downed an explosives-laden Iranian drone over northern Israel in February 2019 and then struck at the IRGC-QF base in Syria that was the source of the attack, Iran attempted three months later to retaliate with a rocket attack.

In Tehran's current counterpressure campaign against the United States, it has conducted activities at different intervals along different lines of operation, in different domains, and in different arenas of operation (limpet mines in the Gulf, rocket strikes in Iraq, drone and cruise-missile attacks in Saudi Arabia, and cyber operations against all its adversaries). Iran's deliberate, measured pacing may also be influenced to some extent by considerations related to the demands of consensus decisionmaking and military planning and logistics.

## Diversifying and Expanding Options

Tehran is an adaptive actor that adjusts its gray zone strategy as needed. To this end, it has developed a diversified toolkit to provide an array of options beyond vertical escalation. This enables it to tailor its approach to its adversaries and circumstances (see table 3 for details about Iran's gray zone toolkit).

Tehran's gray zone approach evolved over the past two decades as the challenges it faced became more complex. In the decade after the existence of its nuclear weapons program was revealed in 2002, Iran responded to growing pressure on the program by accelerating its nuclear activities. It hoped to make a simple point: the greater the pressure, the greater its progress. As pressure broadened and intensified, however, Tehran responded in kind. It countered U.S.-Israeli cyberattacks on its nuclear program with cyberattacks on U.S. banks and financial institutions (2012). It answered attacks on its nuclear scientists with attacks on Israeli diplomats (2012). And it responded to U.S. drone overflights with attacks on U.S. drones in the Persian Gulf (2012–13).

As nuclear negotiations gained momentum and the Syrian civil war intensified, Iran ramped down many of the aforementioned gray zone activities to create a more conducive environment for negotiations (though unobtrusive activities, like cyberspying, continued). Following the conclusion of the JCPOA in July 2015, Tehran resumed some of these activities—taking U.S.-Iran dual nationals hostage, conducting missile tests, harassing U.S. naval vessels in the Persian Gulf, and intensifying cyber activities against Saudi Arabia—as the longstanding cold war between the two heated up due to the war in Yemen.

In the first few months of the Trump administration, Iranian proxies in Syria tested, probed, and tried to attack the U.S. enclave in Syria at al-Tanf, presumably to test the new president. When these steps were met with a firm response (U.S. combat aircraft downed several drones and bombed several militia convoys), Tehran ceased its military pressure on the United States but ramped up pressure on Israel and Saudi Arabia, as if to say, "Hurt us, and we'll hurt your friends."[22] Since then, Tehran has launched direct attacks on Israel and Saudi Arabia, while eschewing direct action against U.S. personnel and interests—instead using proxies to signal the United States (by rocketfire in Iraq) regarding the dangers of escalation.

As the Syrian civil war wound down in 2017, Iran ramped up efforts to transform Syria into a springboard for military operations against Israel. Since then, Israel has launched hundreds of strikes on Iranian bases and military facilities in Syria, including drone bases, barracks, intelligence sites, and facilities for the production of precision missiles.[23] In response, Iran attempted to relocate these missile facilities to Lebanon, and in late 2018 commenced the transfer of advanced missiles to proxies in Iraq, believing that Israel would not hit missiles based

## Table 3: Iran's Gray Zone Toolkit and Targets

| TOOL | U.S. | EU | SAUDI ARABIA | ISRAEL | COMMENTS |
|---|---|---|---|---|---|
| Detaining/taking hostage foreign citizens and dual nationals | ✕ | ✕ | | ✕ | Employed by Iran and its proxies since the 1980s to intimidate, deter, extract concessions, and obtain ransom money. Tehran is currently holding about a half dozen U.S.-Iran dual nationals and U.S. residents hostage |
| Harassment and nonlethal/ lethal attacks on diplomats | ✕ | ✕ | ✕ | ✕ | Employed since the 1980s to limit diplomats' freedom of movement, telegraph threats, and exact retribution |
| Embassy invasion/ takeover | ✕ | ✕ | ✕ | | Employed since the 1980s against at least half a dozen countries to harass, humiliate, and exact retribution |
| Proxy/unilateral terrorism | ✕ | ✕ | ✕ | ✕ | Employed by Iran and its proxies since the 1980s to intimidate, impose costs, deter, extract concessions, exact retribution, and signal defiance/resolve |
| Ballistic-/cruise-missile tests and operational launches | ✕ | ✕ | ✕ | ✕ | For propaganda purposes, to signal defiance/resolve, intimidate, achieve operational goals, impose costs, and exact retribution |
| Attacks on civilian maritime traffic | | ✕ | ✕ | | Mines, boat bombs, and antiship missiles, to signal defiance/resolve, impose costs, and exact retribution |
| Harassment of U.S. and allied naval vessels | ✕ | ✕ | | | Includes IRGC small boats operating in an "unsafe and unprofessional" manner to harass, signal defiance/ resolve, and perhaps normalize operations at close distances to U.S. warships to set conditions for a future surprise attack |
| Attacks on U.S. and allied naval vessels | ✕ | ✕ | ✕ | | Include use of small boats, mines, boat bombs, and antiship missiles to impose costs and signal defiance/ resolve |
| Diversion/detention of civilian vessels | | ✕ | | | In response to the diversion/detention of its own ships or as a result of commercial disputes |
| Attempts to shoot down drones | ✕ | | | | Include use of surface-to-air missiles and combat aircraft to down drones in order to signal defiance, impose costs, and for area denial |
| Cyber activities | ✕ | ✕ | ✕ | ✕ | Include net reconnaissance, cyber spying (intellectual property theft, industrial espionage, intelligence gathering), distributed denial-of-service attacks, and destructive attacks to signal intent, gain advantage, impose costs, and exact retribution |
| Information operations | ✕ | ✕ | ✕ | ✕ | Jamming of foreign radio/TV broadcasts, spin and propaganda activities, influence operations, incitement to violence, and electoral interference |
| Rocket/IED attacks on U.S. personnel in Iraq | ✕ | | | | Nonlethal and lethal attacks to signal intent, intimidate, deter, impose costs, and exact retribution |
| Nuclear activities | ✕ | ✕ | | ✕ | Include breaches of JCPOA caps or activities proscribed by Nuclear Nonproliferation Treaty and the imposition of restrictions on inspection and monitoring activities to signal defiance/resolve, engage in brinkmanship, use as a bargaining chip, or drive a wedge between the United States, EU, and Israel |

there to avoid retribution against the 5,000 U.S. service members in Iraq.

Israel commenced strikes against these proxies in Iraq in July 2019, further complicating Tehran's calculus, and raising concerns that Iran would respond with proxy attacks on U.S. personnel in Iraq.[24] Likewise, a September 2019 Israeli drone strike in Lebanon on equipment reportedly earmarked for a missile-production facility there has raised concerns about an Israel-Hezbollah war. And while Iran has attempted (unsuccessfully) to retaliate for Israeli strikes in Syria and Iraq, it has thus far avoided targeting U.S. personnel in Iraq. This is probably because it wants to avoid a fight with the United States—particularly in Iraq, and while it is also involved in ongoing tensions with Israel and Saudi Arabia. However, its successful September 2019 strike on Saudi oil facilities might encourage it to try striking at Israel again—especially since everything else it has tried has had little impact on U.S. policy.[25] This could lead to a broader confrontation between Israel and Iran that could draw in other regional actors.[26]

## Dividing and Encircling Enemies

Iran's involvement in unacknowledged/deniable actions and its perceived willingness to escalate often stokes disagreements among policymakers in hostile states. Thus, the June 1996 Khobar Towers bombing in Saudi Arabia sparked a bitter debate in the Clinton administration about how to respond. This was resolved by the election of reformist Iranian president Mohammad Khatami in May 1997 amid U.S. hopes that this would herald a change in Tehran's policy.[27] Likewise, Iran's attacks in the Gulf from May–June 2019 intensified frictions between a war-averse President Donald Trump and his hawkish national security advisor, John Bolton, leading to the latter's departure.[28]

Tehran likewise attempts to drive wedges within enemy coalitions. During the Iran-Iraq War, it sponsored terrorist attacks against several Gulf Arab states and France and struck neutral shipping in the Gulf to compel these states to cease their support for Iraq. During the decade-plus of nuclear negotiations that preceded the JCPOA, Iran tried to splinter the P5+1 by offering lucrative oil and gas deals to members that eased their stance toward the Islamic Republic.[29] And in response to the Trump administration's maximum pressure policy, Tehran attacked and impounded tankers belonging to key U.S. allies, highlighting Washington's unwillingness to safeguard their interests.

Tehran also seeks to encircle adversaries with proxy or partner militaries. This enables it to threaten Israel, Saudi Arabia, and the United Arab Emirates in ways they cannot reciprocate. Iran's support for Hezbollah in Lebanon and Hamas in Gaza, along with its efforts to create a Shia militia army in Syria—all armed with rockets, missiles, and drones—reflects a desire to enmesh Israel in highly destructive wars every few years, and to threaten it with "destruction" through a rain of rockets. Likewise, Iran has supported and enabled Houthi attacks on Saudi oil facilities and tankers in the Red Sea, and on civilian airports in Saudi Arabia and the UAE.

## How Iran Leverages Asymmetry

The efficacy of Iran's gray zone strategy is enhanced by the way it leverages various types of asymmetry. The most important of these are:

**Forces tailored to exploit geography and counter enemy advantages.** Tehran's disciplined and focused force-building efforts have yielded tremendous "bang for the buck." Iran has leveraged its location adjacent to the Strait of Hormuz to create a naval force that can threaten the world's most important oil transit chokepoint and counter the asymmetric U.S. strategy of sanctioning Tehran's oil exports.[30] Iran's ties to the Houthis enable it to also threaten the Bab al-Mandab, another vital chokepoint.[31] Its coastal defenses and fast attack craft, midget submarines, and small boats armed with modern antiship missiles, torpedoes, and mines, can hold large U.S. surface combatants at risk.[32] Indeed, the U.S. recently, for the first time, initially avoided sending a deployed carrier strike group into the Persian Gulf, presumably due to the risk involved.[33]

Iran has built a substantial missile and drone arsenal for much less than it would have cost to build a modern air force, and it has forced its adversaries to build expensive missile defenses that would likely be overwhelmed in a crisis. These missiles and drones can target regional bases used by the U.S. military and may eventually be able to target carrier strike groups.[34] They have already forced the United States to move some of its land-based aerospace assets further away from Iran.[35]

Finally, Tehran has created an army of proxy and partner militias to deter its enemies and project influence and power far from its borders, while offloading many of the risks and burdens of doing so onto others. Some of these groups have been innovators in the field of irregular asymmetric warfare. Hezbollah pioneered the use of suicide bombings, IEDs, and massive bunkered rocket arrays.[36] And the Houthis (presumably with substantial help from Iran) pioneered the use of attack drones, missiles, and boat bombs.[37] Iran's reliance on proxies for unconventional warfare and terrorism exploits its enemies' sensitivity to casualties and harnesses the discipline and commitment of highly motivated actors.[38]

**Motivational advantages.** Iranian leaders believe that the culture of jihad, martyrdom, and resistance that the regime tries to inculcate in its followers provides it with a decisive edge over the United States, especially in protracted struggles in which the motivation and staying power of the two sides may play a decisive role. This is because they believe that the moral, spiritual, and psychological dimensions of warfare trump the material and technological.[39] Drawing on Islamic religious traditions that assert that faith and steadfastness yield victory, Iranian leaders claim that religious zeal can compensate for quantitative or qualitative disadvantages.[40] They believe these moral and spiritual qualities are a source of strength that the United States and its allies—mired in materialism—cannot even begin to imagine.[41]

Yet most Iranians do not embrace the regime's value system. Moreover, experience shows that Tehran has often leveraged more prosaic motivational asymmetries to prevail over adversaries. Thus, Iran supported Hezbollah and Iraqi Shia groups, which successfully resisted the Israeli occupation of Lebanon and the U.S. occupation of Iraq, respectively, because they were defending their families and homes. Further, a regional power like Iran will often take greater risks and evince greater commitment in pursuing its vital interests than a distant Great Power like the United States that is not, and that is juggling multiple commitments elsewhere in the world.[42]

**Unconventional methods and modes of operation.** Iran has excelled at operating in ways that the United States has found difficult to counter, reflecting dramatic differences in U.S. and Iranian ways of war. The United States prefers to fight conventional enemies in open terrain (or on the open seas) and to prevail through rapid, decisive operations that yield low-cost victories due to superior training and technology, and overwhelming firepower. The Islamic Republic of Iran embodies the very antithesis of this approach. As described above, it emphasizes indirection, incrementalism, and covert/proxy action to create ambiguity—and provide an "out" for adversaries who wish to avoid a fight. Rather than seeking a quick decision, Tehran often strives to protract struggles. It does this so that asymmetries in motivation and misperceptions regarding its willingness to incur costs enable it to seize the initiative and maintain its freedom of action—significant advantages in protracted conflicts that are won on points, not knockout blows.

**Patience, continuity, and policy coherence.** Iran's preference for gray zone strategies that rely on indirection, incrementalism, and patience is well suited to a culture that operates on a long time horizon, and a government whose senior leadership is characterized by significant continuity. The two officials who have had the greatest influence over Iran's regional policy are Supreme Leader Khamenei and IRGC-QF commander Soleimani, who are unelected and have held their jobs for decades (Khamenei since 1989; Soleimani since 1998). Because of their long experience in dealing with the United States, they often know the issues and American habits and foibles better than U.S. officials know Iran. Moreover, because they have been in their current positions for so long, they can implement long-term approaches. (If Khamenei is moved by a sense of urgency due to advanced age and reported poor health, he shows no sign of it.) Finally, because of Soleimani's close ties to the Supreme Leader, his prestige within the system, the IRGC's influence and lack of oversight of its activities, Iran's regional policy benefits from a degree of coherence—reflected in its whole-of-government approach to projecting influence and power—to which its adversaries can only aspire.[43]

By contrast, American popular culture emphasizes quick results and instant gratification (e.g., fast food, same-day delivery, and while-you-wait service). U.S. presidents serve four-year terms, creating pressure to produce foreign policy successes before their reelection campaigns get under way. Thus, President Barack Obama's desire to conclude a nuclear deal with Iran before the end of his second term may have caused him to concede on key issues to seal a deal. The Trump administration's doubling down on "maximum pressure" to forge a new deal with Tehran may likewise be motivated by the fear that a Democratic successor might reinstate the 2015 nuclear accord. Finally, the U.S. government has long been unable to forge a coherent approach to Iran due to the often flawed policy assumptions that each new administration brings with it, a dysfunctional policy process that is unable to effectively align ways and means with ends, and the failure to cultivate the competencies needed for the challenging tasks of conventional deterrence and coercive diplomacy.[44]

**Compatibility with the Middle East operational environment.** Iran takes a patient, relatively low-cost, bottom-up approach to seeking long-term regional influence. It does so through patronage,[45] exporting its brand of revolutionary Islam to receptive Shia communities, and by employing a whole-of-government approach that integrates all elements of national power.[46] This slow-and-steady approach is particularly well suited to a conflict-prone region in which balancing behavior by regional spoilers and external actors ensures that the payoffs of major conventional military victories are often short-lived.[47] By contrast, America's expensive, "go big" approach of the 1990s and 2000s strove for quick victories by deploying

large expeditionary forces to roll back aggression (e.g., Iraq's 1990 invasion of Kuwait or the Islamic State's 2014 conquest of much of Syria and Iraq) or overthrow regimes (e.g., the post-2001 U.S. interventions in Afghanistan and Iraq). This approach delivered short-term victories at the expense of long-term success. The American way of war as embodied by these operations was not compatible with either the operational environment or the security challenges the United States faced, and continues to face, in the Middle East. It remains to be seen whether the United States can develop an operational approach—gray zone or otherwise—that is more compatible with the region's operational environment.

**Shaping the narrative: creating an "image of victory.**" In accordance with the adage that "perception is reality," Tehran invests tremendous effort in shaping narratives. After every military engagement, the regime strives to create a dramatic "image of victory" so that Iran and its proxies can claim success.[48] Thus, after downing an American drone in June 2019, Tehran displayed wreckage to substantiate its claims of success. By contrast, when the United States claimed to have downed one or two Iranian drones a month later, Iran cast doubts on these claims when the U.S. military was unable to produce any wreckage.[49] And in January 2016, IRGCN forces released the crew of two U.S. riverine boats that had strayed into Iranian waters only after they had filmed and distributed humiliating images of contrite and tearful American sailors.[50]

To shape their narrative, senior Iranian officials engage in incessant messaging and are permitted significant latitude to do so. For instance, Foreign Minister Mohammad Javad Zarif frequently tweeted in real time during nuclear negotiations with the P5+1, gaining hours on the United States in shaping the news. Speed and agility in messaging is one of the most important asymmetries cultivated by Iranian officials; the truth is rarely, if ever, a critical consideration.[51] Iran's proxies and partners do much the same—though Hezbollah's Hassan Nasrallah has made his reliability as a source of information central to his "brand."[52]

**Proxies and influence.** A strategically lonely state, Iran has created its own regional alliance system—the so-called axis of resistance—almost from scratch. It has done so by exploiting the opportunities created by the U.S. invasion of Iraq and the Syrian and Yemeni civil wars to create a range of regional partners and proxies. Tehran's Arab proxies provide it with a major edge in its ability to understand, navigate, and shape the Arab environment. These proxies understand the culture and politics of the Arab region in ways that outsiders (including Iranians) cannot, and provide Tehran with a degree of insight and awareness that Washington often lacks. Because the Shia are a minority sect (in most parts of the region) who have often had to survive by their wits, they are often more skilled at navigating the environment than those accustomed to getting their way because they enjoy strength of numbers or wealth. Tehran's transnational network of Shia proxies now includes Lebanese, Syrians, Iraqis, and Yemenis, as well as Afghans, Pakistanis, Indians, and even Nigerians—providing entrée to peoples and regions previously inaccessible to Iran.[53]

While this effort to create a Shia foreign legion—which, according to Iranian military officials, consists of 200,000 trained fighters[54]—is ostensibly a military undertaking, it is first and foremost a political-cultural project. It involves reshaping the identities of Shia communities in the Levant and elsewhere in order to enhance Tehran's regional reach and fundamentally transform the geopolitics of the greater Middle East. Indeed, IRGC commander Hossein Salami has claimed that because it is rooted in a shared ideological worldview,

> the essence of Iran's presence and influence in the region is such that it cannot be rolled back. This is not the kind of presence and influence America has in the region…this is a matter of faith. The spirit of Jihad and the revolution against the rule of tyranny—against the Zionists, the Americans, terrorism, and the takfiris—is the internal conviction of the people of the region, and it has taken the form of physical patterns of power. Nobody can eliminate this expansion, connection, influence, and presence.[55]

Such judgments may be premature. The Middle East is strewn with the ruins of ancient empires and once-great civilizations. Tehran's intervention in Syria helped catalyze the region's ongoing sectarian polarization, an unprecedented jihadist mobilization, and helped convince the 75 percent Sunni Arab population of the region that Iran is a grave threat to their identity and interests. At present, divisions among the Arabs have precluded a concerted response, and Tehran's "axis of resistance" enjoys greater zeal, commitment, and unity of purpose than its rivals. But that could change if Syria were to relapse into civil war, the most recent waves of Arab Spring unrest in Iraq and Lebanon were to intensify, or unrest in Iran were to intensify and spread.

## Tehran's Vulnerabilities

Despite the many strengths of Iran's preferred approach, it also has many weaknesses and vulnerabilities—some manifest, many of them latent. As stated above, Tehran's growing regional influence,

its support for corrupt and self-serving politicians in Iraq and Lebanon, and its military interventions in Syria and Yemen have engendered an anti-Iranian regional backlash that could cause problems for it in the future.[56] Iran's chief regional partners are either weak states that have experienced bouts of unrest (Iraq and Lebanon) or failed states rent by ongoing violence (Syria). In Syria, pro-regime forces control only half the country, have been unable to quash the remnants of the anti-regime rebellion, and must secure long, exposed lines of communication through former rebel areas. And since 2012, Iran has reportedly pumped $16 billion into efforts to keep the Assad regime afloat and to support its other partners and proxies in Syria, Iraq, and Yemen.[57] Iran's "arc of influence" in the Fertile Crescent is founded on an axis of weak and failing states and sectarian militias that may prove more a long-term liability than an asset.[58]

Iran's continued involvement in activities that violate international norms—like hostage-taking, the assassination of Iranian oppositionists living in Europe, attacks on neighboring states, and attacks on maritime traffic and Gulf oil infrastructure—ensure that it will remain something of a pariah state internationally. In its dealings with proxies and allied states it often tends to overpromise and under-deliver, undercutting its credibility. Its spin and information activities are often undermined by its own political and economic problems, its tendency to meddle in its neighbors' affairs, and the tendency of its officials to engage in bluster and to lecture and condescend toward others—particularly Arabs (even those who are allies). And it should be kept in mind that many of Iran's achievements in recent years were due to its exploitation of U.S. policy missteps and its filling of vacuums created by the United States. For Tehran, U.S. policy has been a gift that keeps on giving. Iran's future will be much more difficult if the United States simply stops making unforced errors.

In the long run, the Islamic Republic's lack of legitimacy is a potentially fatal vulnerability, manifested by periodic bouts of domestic unrest rooted in popular dissatisfaction with rampant corruption, economic mismanagement, and the regime's closed politics. As a revolutionary regime, the Islamic Republic's leadership fears counterrevolution more than anything else. It is for this reason that former IRGC commander-in-chief Mohammad Jafari has stated on several occasions that the 2009 "sedition" against the Islamic Republic (the popular protests that followed that year's elections) "was much more dangerous than the [eight-year] imposed war" with Iraq.[59] Thus far, these bouts of unrest have not seriously threatened the regime's survival. Yet the regime's unpopularity, particularly among the country's youth, does not bode well for its long-term prospects.[60] And if Iran were to be mired in widespread unrest, this could undermine its ability to project power in the region. Thus, instability and unrest in Iran could be a geopolitical game changer. None of Iran's main adversaries faces a similar long-term challenge—at least not yet.

## U.S. Challenges in Countering Iran's Gray Zone Strategy

U.S. policy toward Iran has long relied on leveraging political, economic, and informational asymmetries. Since the early 1980s, Washington has used its diplomatic clout to isolate Tehran and limit the latter's ability to purchase arms from potential suppliers. It has also used its disproportionate weight in the world economy to impose costs on Iran through primary and secondary sanctions. And it has used U.S. dominance in the cyber domain to counter the regime's efforts to restrict use of social media and the Internet by the Iranian people.[61]

Yet the United States has significantly underperformed when leveraging military asymmetries to deter or coerce Iran.[62] It failed to deter (or effectively respond to) actions like the 1983 Marine barracks bombing in Lebanon, the 1996 Khobar Towers bombing in Saudi Arabia, the transfer of arms to militant Shia militias targeting U.S. forces in Iraq after 2003, or the 2011 plot to assassinate the Saudi ambassador to the United States in Washington DC.

Washington has often granted Tehran unnecessary latitude for its gray zone activities due to fears that pushback could lead to escalation and a broader conflict with Iran. Tehran often plays on these fears by threatening "all-out war"[63]—even though the very purpose of its gray zone strategy is to avoid just such an outcome. Washington's fears may be rooted in lingering memories of Iran's support for terrorist and "resistance" groups that have killed hundreds of Americans and wounded thousands more in Lebanon, the Gulf, and Iraq since the early 1980s, and concerns that they may kill again.[64] They may also be rooted in fears about the potential for miscalculation in the geographically confined waters of the Persian Gulf, which afford little response time for U.S. forces there. This raises the possibility of a replay of nightmarish events like the accidental Iraqi attack on the USS *Stark* in May 1987, or the accidental U.S. shoot-down in July 1988 of Iran Air Flight 655.[65] And they may reflect the caution and war-weariness caused by eight years of hard fighting in Iraq: following the 2003 U.S. invasion, nearly 4,500 Americans were killed and more than 32,000 wounded there.[66]

Yet, for nearly four decades, Tehran has shown that within the context of an activist anti–status quo foreign policy, it is relatively risk averse. This remains the case, as made clear by the measured gray zone

campaign that Tehran has mounted—thus far without casualties—against the Trump administration's maximum pressure policy. However, risk averse does not mean risk avoidant—as demonstrated by Iran's bold September 14 attack on Saudi oil facilities. And the lack of a firm U.S. response to recent Iranian attacks—and the growing role of an increasingly confident IRGC in Iranian decisionmaking—makes it more likely that Iran will conduct even more audacious actions in the future. This dynamic is compounded by an erratic streak in Iran's behavior, which has occasionally produced unpleasant surprises, like the 1983 Marine barracks bombing, the 1996 Khobar Towers bombing, the 2011 plot to assassinate the Saudi ambassador in Washington, attempts in 2018–19 to launch drone attacks against Israel, and the September 2019 strike on Saudi oil facilities. Because some key Iranian officials may believe the Islamic Republic is on a roll, Tehran may overreach. Thus, further escalation and a broader conflict is possible, even if "all-out war" is not likely.[67]

The United States likewise has a history of dramatic policy departures. For example, although Baghdad was told that Washington had no position on the crisis that preceded Iraq's 1990 invasion of Kuwait, President George H. W. Bush subsequently organized a global coalition to expel Iraqi forces from there. President George W. Bush rejected "nation-building" during the 2000 presidential campaign, but after 9/11 and the U.S. invasion of Iraq and Afghanistan, he oversaw in these countries the costliest nation-building efforts since World War II. And President Barack Obama, after pledging to avoid yet another Middle East war, led the campaign against Islamic State following its June 2014 conquest of northern Iraq.[68] The world will learn soon whether President Trump, who has vowed to keep the United States out of new Middle East wars, is also capable of dramatic policy reversals.

How might these various contradictory tendencies work themselves out in the current context?

- The United States might change the rules and dramatically escalate in response to an egregious Iranian action—just as Israel, in 2006, went to war with Hezbollah when two of its soldiers were kidnapped by the group, after it had responded hesitantly to four previous kidnap attempts.[69]

- Tehran—perhaps believing that the United States was behind the unrest recently roiling the country—might be tempted to land a decisive blow to cause President Trump to withdraw U.S. troops from the region. This would enable it to finally achieve a longstanding goal—much as the 1983 Marine barracks bombing caused the United States to withdraw its troops from Lebanon.

- The parallel conflicts involving Israel and Iran/Hezbollah in the Levant, and the United States and Iran in the Gulf, as well as various proxies acting covertly and overtly, in concert and perhaps independently, create a heightened potential for crossover, convergence, and escalation.[70]

These risks can be mitigated. To do so, Washington needs to answer several questions: What Iranian actions, if any, might prompt it to respond militarily? Under what conditions might Tehran further escalate? How might the periodic bouts of domestic unrest in Iran affect its external risk calculus? Under what circumstances might the Middle East's various parallel conflict tracks converge? And how might the United States preclude such eventualities? Moreover, it is unclear how the possibility of renewed Iran-U.S. negotiations could affect Tehran's calculus. Might it restrain itself in the military domain, as it did when the negotiations that led to the JCPOA gained momentum? Might negotiations be seen by Tehran as an insurance policy against U.S. escalation or an Israeli strike?[71] On the other hand, might Tehran escalate to strengthen its hand in negotiations? And how might Israel respond to negotiations, given that it might not be happy about the terms of a new U.S.-Iran deal? Perhaps most important, Washington can mitigate these risks by a gray zone strategy that leverages various asymmetries to deter Tehran, constrain its freedom of action, and turn Iran's gray zone strategy against it. How to do this will be addressed in the next chapter.

## Notes

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5. See the Twitter feed of Ali Alfoneh (@Alfoneh), passim.
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13. This is also a feature of Iranian domestic politics, which often features the use of shadowy paramilitary-type groups such as Ansar-e Hezbollah to attack reformist politicians who are perceived as threats to "the system." This would seem to indicate that these are culturally patterned approaches to domestic politics and foreign policy. For more on conspiracy-mongering and Iranian politics, see Ervand Abrahamian, "The Paranoid Style in Iranian Politics," in *Khomeinism: Essays on the Islamic Republic* (Los Angeles: University of California Press, 1992), 111–31, and Ahmed Ashraf, "Conspiracy Theories," *Encyclopedia Iranica*, December 15, 1992, http://iranica.com/articles/conspiracy-theories.
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# 4

# Toward a U.S. Gray Zone Strategy

The best counter to Iran's gray zone strategy is an American gray zone strategy. Such a strategy should constrain Tehran's freedom of action, avoid major escalation, and foil its counterpressure campaign—while buying time for the U.S. pressure policy to work. It should neutralize Iran's advantages, exploit its vulnerabilities, and turn its gray zone strategy against it. And it should alter the psychological dynamic of the conflict with Iran by actions that yield disproportionate effects. Such a strategy will not deter all destabilizing Iranian activities, but it could prevent those that are most problematic—altering the terms of engagement with Tehran by forcing it to pursue its goals by less effective means.

An American gray zone strategy would necessarily emphasize activities below the threshold of war—and thus would require a light force footprint. It would therefore be more compatible with the regional operational environment, the U.S. public's aversion to more Middle East wars, and the current U.S. defense strategy, with its focus on the Indo-Pacific region,[1] than the "go big" approach that has cost the United States so much in blood, treasure, and prestige in the Middle East. It could also provide a strategic framework for the "by, with, and through" operational approach favored by the U.S. Department of Defense, especially in parts of the world—like the Middle East—where economy-of-force operations will become increasingly necessary as focus and assets shift to the Indo-Pacific region.[2]

For a U.S. gray zone strategy to succeed, U.S. policymakers need to disabuse themselves of the notion, which Tehran actively encourages, that Iran is relatively tolerant of risks and costs, and that the path from a local clash to a regional war is a short one. The whole logic of Tehran's gray zone strategy is to manage risk, avoid escalation, and avert war. If U.S. policymakers understood this, it would immediately negate Tehran's single-most important advantage: the flawed assumptions that have guided U.S. policy toward Iran for several decades, rooted in a faulty understanding of the sources of Iranian strategic conduct. Indeed, Israel's activities in Syria since 2013 have shown that it is possible to wage an effective gray zone campaign against Iran and its proxies without provoking a war—even though these activities have led to the death of 100–150 IRGC personnel.

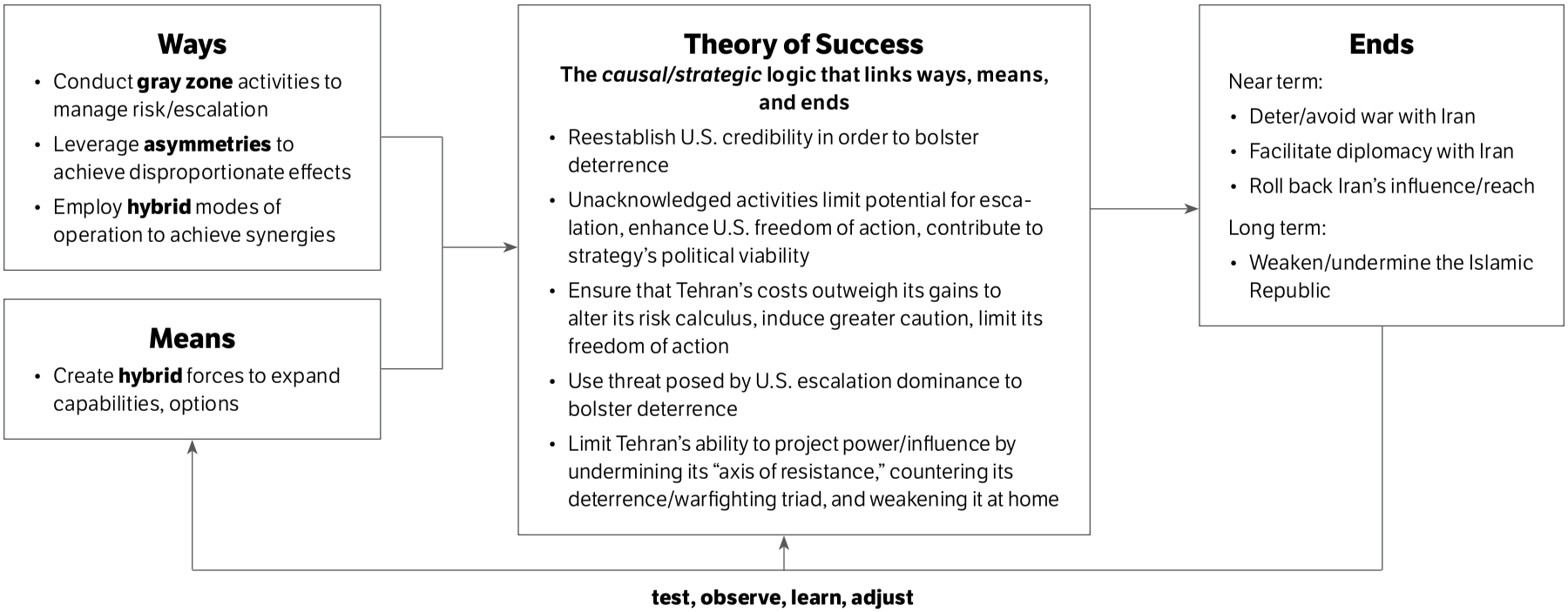
U.S. policymakers will also need to abandon certain ingrained habits of thought and action that are central to the American way of war but inimical to success in the gray zone, such as a preference for overwhelming force, rapid and decisive operations, and lethality.[3] Indeed, Iran's current counterpressure campaign shows just how effective nonlethal gray zone activities can be.[4] For Washington, this will require changing the mindset of policymakers who have been incentivized by four-year election cycles and the polarization of U.S. politics to adopt short-term policy approaches. This will not be easy, but such change will be necessary if the United States is to succeed in the Middle East and elsewhere against gray zone actors like Iran, Russia, and China.[5]

Based on the challenges posed by Iran's particular gray zone approach, the current contours of the U.S.-Iran relationship, and the characteristics of the Middle East operational environment, a U.S. gray zone strategy toward Iran should consist of the following elements: (1) bolstering deterrence—the cornerstone of any gray zone strategy and a matter of pressing concern, in light of Iran's ongoing counterpressure campaign; (2) disrupting Tehran's regional influence and power-projection activities—which threaten U.S. interests and American allies and partners; and (3) countering Iran's military capabilities—which will be a long-term process involving the development and integration of new tactics, operational approaches, and capabilities. These elements, and the gray zone campaign design considerations that flow from them, are discussed in detail below—and depicted in figure 2.

## Bolstering Deterrence

A robust deterrent posture is a prerequisite for an effective U.S. gray zone strategy toward Iran. Creating an effective deterrent will require a number of steps:

## Figure 2: A Proposed U.S. Gray Zone Strategy Toward Iran




**Elements of an American Gray Zone Approach**

- Respond firmly to Tehran's tests/probes to bolster deterrence, limit its freedom of action
- Create uncertainty regarding intentions/actions to keep Iran off-balance, complicate its risk calculus, induce caution
- Go long, not big: seek advantage via incremental, cumulative gains, and favorable cost-benefit ratios in each exchange
- Go slow and broad: manage tempo/scope of operations to avoid escalation
- Diversify/expand toolkit to provide options beyond escalation
- Heighten political/socioeconomic contradictions underpinning Islamic Republic rule

**Elements of an American Asymmetric Approach**

- Neutralize Iran's strengths, turn them into liabilities, and seek disproportionate effects
- U.S. can operate along Iran's borders, strike at its heartland. Tehran cannot respond in kind except via cyber
- U.S. escalation dominance complicates Iran's risk calculus
- Leverage U.S. leadership to create broad international coalition to pressure Iran
- Leverage U.S. economic dominance via sanctions
- Leverage dominant U.S. IT/media role to use Internet, radio, and television for influence operations vis-à-vis the Iranian people

**Elements of an American Hybrid Approach**

- Conventional, special operations, and CIA paramilitary forces
- Cross-domain operations
- "By, with, and through" allied and partner forces
- Cyber activities
- Economic sanctions
- Information activities to heighten impact of sanctions
- Diplomacy to isolate Tehran, cap its nuclear program, and limit its regional influence

**Restoring U.S. credibility.** Forty years of experience has taught Tehran that it can conduct gray zone activities (including lethal operations) against American interests without risking a U.S. military response. Thus, although U.S. aircraft carriers have plied Persian Gulf waters since 1990, never once have they launched aircraft against Iran in anger, despite the latter's responsibility for the death of hundreds of U.S. service members in Iraq and elsewhere during this period.[6] Multiple U.S. administrations sent mixed messages, using lazy and imprecise language ("all options are on the table")[7] or bombast ("any attack… will be met with unrelenting force")[8] to convey deterrence threats, and then did nothing when redlines were crossed. Moreover, the Trump administration crossed an Iranian redline (attempting to drive Iran's oil exports to zero) when vital U.S. interests did not require it, prompting a forceful response that it was (inexplicably) unprepared for. Thus, restoring U.S. credibility is an essential prerequisite for an effective gray zone strategy toward Iran. This means responding to Iranian tests, probes, or provocations (e.g., attacks on maritime traffic in the Gulf) in ways that show that the United States is now more risk acceptant, in order to induce greater caution by Iran. This also means not crossing Tehran's fundamental redlines unless it is a vital U.S. interest to do so, as such actions tend to spur forceful responses that are difficult to deter.

**Deterrence by denial *and* by punishment.** Washington has traditionally opted for deterrence by denial in its interactions with Tehran. It has tried to convince the regime that attacks on merchant vessels will be foiled, terrorist plots will be thwarted, and missiles and drones will be intercepted.[9] But such an approach permits Tehran to calibrate risks and costs, and to wager only those assets it is willing to lose, thereby lowering Iran's threshold for action. Washington therefore needs to deter by punishment as well. It needs to threaten assets that Tehran truly values, and to be unpredictable in ways that will make it difficult for the regime to manage risks and costs. Otherwise, Iran will continue to test coalition defenses with impunity. Washington should supplement the proposed actions with overt and private communications to Tehran which underscore its readiness to impose further costs if the regime launches additional attacks, but which also define a de-escalatory off-ramp for Iran.

**Covert/unacknowledged action if possible, overt action if necessary.** Washington should make clear that both sides can engage in unacknowledged or deniable activities. The United States should respond in kind to Iranian actions, using nonlethal ripostes to impose material costs on Tehran—eschewing lethal operations as long as American blood has not been shed. Covert action should be the option of choice, as it is much less likely to be politically controversial or to unnerve Americans and allies who fear the administration seeks war with Iran—since many of these activities will be invisible to the public, and perhaps even to Iran.

Because the United States lacks true proxies, these operations will generally have to be undertaken unilaterally and, when appropriate, with regional partners. However, it may not be easy to find enthusiastic regional partners, given current doubts about U.S. commitment, resolve, and competence. And to deter lethal attacks, Washington should quietly make clear to Tehran that if American personnel are wounded or killed by Iran or its proxies, the United States will target the IRGC-QF using capabilities developed and honed in the fight against al-Qaeda and IS.

While the strike on the Abqaiq crude oil processing plant in September 2019 highlighted the vulnerability of Saudi Arabia's oil infrastructure,[10] Iran's own oil industry is vulnerable to sabotage, cyberattacks, and precision strikes that could threaten its residual oil exports. Around 90 percent of these exports go through a single oil terminal on Kharg Island.[11] Fires and accidents are not uncommon at petrochemical facilities, so a well-executed covert operation at Kharg could be both plausibly denied and quite costly to Iran. This should give the regime pause.

Finally, cyber operations are a particularly tempting form of unacknowledged, covert action.[12] However, the perception that Washington's embrace of offensive cyber operations may be motivated by an aversion to military action could make it difficult to deter strategically consequential Iranian cyber responses. To deter in the cyber domain, one has to be willing to act in the physical domain.[13] Moreover, because the impact of cyberattacks is often impossible for third parties to discern, the resort to cyber may neither assure allies nor deter adversaries elsewhere in the world.

**Piercing Iran's veil of ambiguity.** Tehran may sometimes be deterred when others publicize evidence of involvement in activities it has previously denied or communicate awareness of an impending attack. Thus, the highly publicized capture of the warship *Iran Ajr* in September 1987 as it was laying mines in the Persian Gulf led to a six-month hiatus in Iranian mining activities.[14] More often than not, however, publicizing evidence of the regime's role in ostensibly "deniable" actions or communicating awareness of an impending attack is unlikely to deter Iran for long. After all, Iran often leaves hints of its role. Mines used to disrupt U.S.-led convoy operations during the Iran-Iraq War often bore Iranian markings, as did weapons

transferred to pro-Iran proxies in Iraq (after 2003) and Yemen (after 2015). Similarly, computer code written for malware used in Iranian cyberattacks has often incorporated telltale Persian terms. And U.S. warnings of an imminent Iranian attack in May 2019 and U.S. military deployments to the region to deter such an action did not stop Tehran from undertaking covert mine attacks on tankers in May and June.

Even so, exposing Tehran's role is useful because it can help shape domestic and international opinion and convince other countries to aid U.S. efforts to counter threats from Iran. Thus, Washington should reveal as much intelligence as is feasible and prudent about Iranian and proxy threats to U.S. personnel, Gulf oil, and maritime freedom of navigation. Indeed, credible intelligence apparently helped convince the United Kingdom, France, and Germany that Iran was responsible for the September 2019 attack on Saudi oil facilities.[15]

**Balancing restraint and escalation.** In responding to Iranian actions, undue restraint can invite new challenges and increase escalation risks. Thus, the U.S. failure to respond to previous challenges may have emboldened Iran in 2011 to plot the murder of the Saudi ambassador in Washington DC—something that would have once been considered unthinkable. Moreover, the U.S. failure to respond militarily to the mining of tankers in the Gulf in May–June 2019 and the subsequent downing of a Global Hawk drone may have contributed to the much more impactful strike on Saudi oil production facilities in September 2019. Conversely, undue escalation can likewise unnecessarily increase risks and engender a domestic or foreign backlash that could hinder further action. To avert either outcome, Washington should respond proportionally—but unpredictably—to Iranian actions, while targeting assets that the regime truly values.

**Increasing uncertainty, imposing costs.** Washington is often tactically quite predictable, making it easier for Tehran to assess the risks of testing it and limit the costs of doing so. Instead, the United States should be tactically unpredictable while acting asymmetrically, expanding its target lists beyond those dispensable assets that Tehran is willing to hazard in tests or probes. It should also ensure the regime "gets worse than it gives" in these interactions. Doing so may alter Tehran's cost-benefit calculus and induce it to act with greater caution. (For instance, if Tehran or its proxies were to conduct lethal attacks on U.S. personnel in Iraq or elsewhere, the United States might respond in kind but asymmetrically by targeting key IRGC-QF assets in the region.) By contrast, the United States has often been utterly unpredictable in matters of policy. It abandoned claims of neutrality when Iraq invaded Kuwait in 1990, discarded pre-9/11 pledges to eschew nation-building abroad, and cast aside promises to avoid a third Middle East war prior to the 2014 rise of IS. Washington should use this record of volatility to keep Tehran guessing and thereby bolster deterrence vis-à-vis the Islamic Republic.

**Altering incentives.** A regional power pursuing its vital interests will generally assume greater risks than a far-off Great Power that is not, and that has a range of global commitments to juggle. Thus, Washington should avoid cornering Tehran or otherwise further incentivizing it to take risks. This might require it to be lax in implementing some of its oil sanctions, thereby reducing Iran's incentive to engage in destabilizing activities. Such steps would ensure that the administration's sanctions policy complements, rather than undermines, the president's desire to avoid escalation.

**Going long, not big.** In gray zone competitions, advantage is often achieved by incremental, cumulative gains rather than rapid, decisive action. Washington should therefore resist the desire to double down on sanctions or to escalate militarily in order to achieve quick results. This may also mean going "slow and broad," pacing and geographically dispersing activities to reduce the potential for escalation with Tehran. These tenets may clash with President Trump's desire to forge a new deal with Iran before the end of his term; it may not be possible to square his high-pressure approach to jump-starting talks with his desire to avoid escalation. In fact, doubling down on pressure might lead to escalation *and* scuttle any prospect for negotiations.

**Broadening gray zone options.** The United States should broaden and diversify its policy toolkit to include varied ways and means in multiple domains and geographic arenas, so that policymakers have a wide array of response options beyond the escalation of force. This may involve developing novel means and operational approaches for the gray zone, including nonlethal and lethal anti-personnel and anti-materiel capabilities,[16] electromagnetic and directed-energy systems, offensive cyber tools, and unmanned vehicles, as well as activities in far-flung geographic arenas. That said, the potential for vertical escalation needs to remain part of the U.S. gray zone policy toolkit, as escalation dominance—embodied by its unmatched power-projection and precision-strike capabilities—constitutes one of its most potent asymmetric advantages vis-à-vis adversaries like Iran.

**Pressure in multiple dimensions from multiple directions.** When facing multiple adversaries on multiple fronts, Iran may curtail some activities to avoid overextending itself—particularly when one of those adversaries is the United States. For instance, in 2017, Tehran ramped down tensions with the United States in Syria and the Gulf when it ramped up pressure on Israel and Saudi Arabia.[17] Thus, Washington should work with regional partners like Israel—which is already striking Iranian targets in the region—and Saudi Arabia, to pressure Tehran on several fronts and present it with multiple dilemmas. Success, however, will depend in large part on Tehran's assessment of U.S. willingness and ability to persevere with such a long-term approach, and the stability of U.S. alliances and partnerships.

**Broadening authorities to act.** One of the reasons that Washington has often failed to respond effectively to Tehran's gray zone activities is rooted in the nexus of law and politics. Iran's frequent reliance on proxies has sometimes complicated efforts to demonstrate culpability with sufficient confidence to justify a military response. Moreover, Iran's current approach of threatening U.S. interests by attacking U.S. allies and partners limits Washington's ability to respond. The United States is not bound to any of these countries by a mutual defense treaty. In addition, neither President Trump nor the American public would support military action in response to attacks on most of these allies (e.g., Saudi Arabia), and there is no legal justification for military action against Iran in the post-9/11 Authorization for Use of Military Force.[18] Thus, the United States lacks legal authorities to answer attacks that target its allies or partners. This may explain Tehran's targeting choices—which focus on U.S. regional allies—in its current gray zone campaign. Accordingly, the administration should seek broader, more-flexible authorities for U.S. covert action against Iran to prevent further escalation and threats to U.S. interests. And it should work with allies and partners who may not be so encumbered to determine what they can do covertly or overtly to aid this effort.[19]

**Backstopping deterrence by threatening destabilization.** Tehran has long used the threat of instability and subversion to intimidate and deter its enemies; Washington should be prepared to turn the tables on the Islamic Republic. Iran's leaders have often alleged that U.S. "soft war" efforts to support "sedition" and undermine the Islamic Republic are a greater threat to the regime than military strikes or an invasion. Recent unrest and deteriorating economic conditions in Iran due to renewed U.S. sanctions may have intensified these concerns. The United States should leverage this fear to deter Iran from targeting U.S. personnel in the region and beyond.

To this end, the United States should prepare a political warfare campaign consisting of psychological warfare operations, sabotage of economic targets, and arming of restive minorities (Kurdish, Arab, and Baluch, among others) to destabilize the Islamic Republic. These activities might not threaten the regime's survival, but they could force it to invest more resources in internal security, diverting resources from regional power projection.

Because such actions would cross another one of Tehran's redlines and could prompt a forceful response, it would be best to keep such an option in reserve, to be used only in extremis, in response to Iranian attacks on U.S. personnel in the region or elsewhere. But the knowledge that Washington could greatly complicate Iran's internal security situation might deter attacks on U.S. personnel and interests. And the ever-present threat of even greater unrest at home could complicate Tehran's long game in the region.

## Countering Tehran's Regional Influence/ Power-Projection Capabilities

The Trump administration—like its predecessor—has shown no interest in countering Iran's regional activities. Yet if it does not act to curb the kinds of Iranian regional activities that helped undermine support for the 2015 nuclear deal, any new deal may not last very long either. Moreover, a diffident U.S. response to its regional activities might encourage Iran to further increase pressure on U.S. regional allies, and to see what it can get away with in the nuclear arena as well. To avert such destabilizing outcomes, the United States should work with allies and partners to contain Iran's influence, and disrupt its efforts to project power in the region. A gray zone campaign to contain Iranian regional influence could include the following elements:[20]

**Degrading the IRGC Qods Force.** The single most important thing the United States could do to disrupt Iran's ability to project influence in the Middle East would be to disrupt the activities of the organization that oversees these efforts: the IRGC-QF, commanded by General Soleimani.[21] Such a campaign might consist of several elements (some of which are already being implemented by the United States and some by Israel, with U.S. assistance): discrediting the QF leadership in the eyes of Supreme Leader Khamenei by demonstrating, through military actions and sanctions, that Iranian adventurism comes with a significant price; disrupting QF advise, assist, and support activities, by interdicting the transfer and disrupting the development of advanced military capabilities;

tarnishing the Islamic Republic's "resistance brand" by disrupting Iran's proxy activities and bleeding its proxies whenever possible; and exploiting fissures and resentments in the "axis of resistance" through information operations that highlight how Iran offloads risks and burdens onto others, resulting in heavy casualties for its proxies and partners. And if American personnel are targeted by Iran or its proxies, the United States should make good on past threats to target the QF.[22]

**Tarnishing the resistance "brand."** Nothing succeeds like success. Just as the Afghan mujahedin's victory over the Soviets inspired a generation of Sunni jihadists, the successes of Iran and its proxies are energizing a generation of Shia jihadists and aiding Tehran's efforts to create a transnational Shia jihadist network under its control. The resistance brand has appeal because its adherents believe it embodies a formula for success used by Iranian proxies and partners to, inter alia, expel Israeli forces from Lebanon in 2000 and U.S. forces from Iraq in 2011, and to defeat the "U.S.-Saudi-Zionist" conspiracy to unseat Bashar al-Assad in Syria since 2011. Defeat, however, will tarnish this brand. If "resistance" can no longer yield glorious victories, Iran may find it more difficult to recruit new proxies. Efforts to undermine Tehran's military achievements should include not only economic sanctions and information operations, but the use of proxies to bleed pro-Iran forces wherever possible. Right now, Israel is effectively playing this role. The United States needs to find additional effective partners for this line of operation.

**Preventing vacuums.** Many of Iran's successes in extending its regional influence have resulted from the opportunistic filling of vacuums created by the United States. When Washington has stepped back, Tehran has often stepped forward. Accordingly, the United States should remain engaged in the region, shoring up stable allies to prevent the emergence of ungoverned spaces. It should likewise avoid creating vacuums that Iran can fill with its local proxies and partners. And whenever possible, Washington should work to create sustainable political arrangements in ungoverned spaces, as it did by partnering with Syrian Kurdish fighters against IS starting in 2014 and subsequently by working with the Syrian Democratic Forces in northeastern Syria—and helping them govern the areas they controlled.

**Addressing Shia grievances.** Tehran has often taken advantage of the grievances of beleaguered Shia communities and the repressive and sectarian policies of some U.S. Sunni Arab allies to create proxies and partners. America's Sunni Arab partners can deny Iran such opportunities by adopting more inclusive politics, as it is easier to prevent the creation of Iranian proxies than to deal with them afterward. However, this will require far-reaching changes in the zero-sum, winner-take-all approach that defines politics in much of the region.

**Deflecting risks and costs back onto Iran.** Iran tries to offload the risks and costs of its anti–status quo regional policies onto others, and to fight its enemies far from its borders. Thus, it prefers to fight to the last non-Iranian proxy in places like Syria and Yemen, and to use the resources of others to subsidize these groups. For instance, the Iraqi government funds the more than 120,000 fighters of the Popular Mobilization Forces, whose senior leadership and most able units respond to Tehran's orders. This enables Iran to carry out an imperial policy on the cheap. But its growing regional role creates vulnerabilities that the United States should exploit, by playing the role of spoiler and preventing Iran from consolidating its influence. Thus, Washington and its allies should try to deflect risks and costs back onto Iran by supporting regional actors willing to counter Iranian influence, by enacting sanctions that penalize those who subsidize Iranian regional activities, and by information operations that highlight the costs of the regime's military activities abroad. In addition to acting against Iran in theaters far from its borders, the United States and its allies should consider how small actions along Iran's borders—and, in certain circumstances, on its soil—might yield disproportionate effects.

**Disaggregating the "axis of resistance."** Hezbollah, Syria, and Iran are the core members of the "axis of resistance" and have generally acted with unity of purpose in pursuit of their vital interests. Peripheral members of the axis such as the Houthis of Yemen, however, have greater autonomy, and occasional members such as Hamas and Sudan have moved in and out of Iran's orbit in accordance with their own interests (the latter broke with Iran in 2015 due to Saudi and Emirati financial inducements).[23] The United States and its Arab allies should seek to keep Sudan out of Iran's orbit and avoid pushing Iraq, the Houthis, and Hamas further into its arms.

**Disrupting arms-distribution nodes and production facilities.** Iran has tried to develop air, land, and sea lines of communication to arm and reinforce its network of proxies and partners throughout the region. Interdiction operations can disrupt and slow the development of this network, and regional distribution hubs can be shut down—as when Sudan yielded to Saudi pressure to break with Iran in 2015.[24] To counter

these interdiction efforts, Iran reportedly started building weapons factories in Lebanon for Hezbollah, in Yemen for the Houthis, and in Syria for pro-regime forces.[25] If completed, these facilities would greatly reduce the efficacy of interdiction operations and enhance the capabilities of these Iranian partners. The United States should continue to support efforts by allies like Israel to prevent construction of these facilities or to destroy them, and should, along with its allies, use cyber and other means to disrupt military R&D efforts that support Iran's proxies and partners.

**Denying external bases of support.** Iran has tried to create external bases of support for its policies among Shia populations in the region and beyond. It provides political, financial, intelligence, and paramilitary support to politicians, militia heads, and warlords who serve as its proxies or partners in Lebanon, Iraq, Afghanistan, and elsewhere. And it seeks to shape the functioning of the political system in these countries through bribery and intimidation, in order to provide these proxies and partners with a competitive advantage vis-à-vis rivals who lack a state patron.[26] Iran also funds mosques and cultural centers around the world to engage in religious outreach and educational activities, and to provide cover for Iranian intelligence operatives.[27] It likewise provides scholarships for foreign Shia to attend religious seminaries in Iran—where they are exposed to, and indoctrinated in, the regime's radical ideology—in the hope that they will identify with Iran and work on its behalf when they return home. Some are also recruited to serve as agents of Iran's intelligence services.[28] For this reason, the United States should press countries around the world to expel Iranian intelligence personnel who operate under the cover provided by religious and cultural institutions and discourage their citizens from studying in Iran.

**Preventing economic dependencies.** Iran tries to foster economic dependencies in vulnerable neighbors for financial gain and political leverage. It dumps cheap, subsidized food products and consumer goods in Iraq and Afghanistan to undercut agriculture and light industry in these neighboring states, and it favors its political allies in these countries when awarding business contracts. Tehran's damming and diversion of rivers has undermined Iraqi agriculture and stoked Afghan fears that it will interfere with several critical dam projects.[29] Iran provides 5–10 percent of Iraq's electricity needs, and many Iraqis believe that Tehran manipulates these supplies for political ends.[30] Iran is likewise seeking a role in Syria's reconstruction.[31] U.S. information operations should highlight these manipulative practices to demonstrate how Tehran buys covert influence and keeps its neighbors down to build Iran up. And the United States should encourage Arab investment in Iraq and Afghanistan to reduce Iranian influence in both countries.

**Engaging in psychological warfare.** Tehran presents itself as a dependable partner, a formidable adversary, and a rising power. Its successes in extending its influence in Lebanon, Syria, Iraq, and Yemen have enhanced its standing in the eyes of supporters, while unnerving adversaries. Its spin has often been undercut, however, by a tendency to engage in vain and provocative boasts, to meddle in neighbors' affairs, and to lecture and condescend toward others—particularly Arabs. Washington should highlight the gap between Tehran's words and deeds by publicizing corruption in high places and human rights violations in Iran, and by publishing data on how much the Islamic Republic spends to fuel conflicts in Syria, Lebanon, Yemen, and Gaza at the expense of the Iranian people. The United States should also continue to publish captured documents that demonstrate Iran's tacit support for groups like al-Qaeda and that highlight how Tehran uses its Shia foreign legion as cannon fodder in Syria. This could sharpen latent resentments among some of these groups toward their often overbearing Iranian patrons.[32]

**Ensuring geopolitics and time are not working against the United States.** Finally, to effectively compete with Iran in the gray zone, the United States needs to ensure that long-term geopolitical trends in the Middle East favor Washington and its allies, and that time is therefore working in their favor.[33] Here, Washington faces numerous challenges. Its willingness to "stay the course" in the Middle East is waning, and recent U.S. attempts to disengage from the region have created vacuums that Iran has filled. Key U.S. alliances (with Saudi Arabia and Turkey) are fraying, and future waves of Arab Spring unrest in the region could affect the stability of other key allies, such as Jordan and the Gulf Arab states. Finally, the region seems to be in the early stages of a nuclear proliferation cascade.[34] The United States cannot contain Iran's influence if it plans to disengage from the region, as its allies lack the capacity to contain Iran on their own. On the other hand, the Islamic Republic has experienced periodic bouts of domestic unrest, and the regime remains profoundly unpopular among the overwhelming majority of the Iranian people. It is unclear whether U.S. sanctions will—in the long run—strengthen the regime internally (as sanctions did in Iraq and North Korea), or undermine regime control. While widespread unrest or another revolution in Iran could be a geopolitical game changer, it could also be profoundly destabilizing, producing

another failed state in the Middle East—which is not in the U.S. interest.

**Countering Iran's long game: sharpening regime contradictions.** Tehran's preference for strategies that rely on indirection, incrementalism, and patience is predicated, at least in part, on the assumption that time works in its favor. Its own experience demonstrates the risks of such an approach. Iran was compelled to end the Iran-Iraq War without anything to show for its massive investment of blood and treasure. As the war ground on and Tehran proved unable to achieve a military decision, Iran's isolation, Arab financial and military support for Iraq, and the latter's ability to acquire large quantities of arms on the international market tilted the military balance in Iraq's favor. Today, Iran faces major challenges that could similarly derail its long game: domestic unrest, major economic challenges (exacerbated by U.S. sanctions), and uncertainties about the long-term stability of Iraq, Syria, and Lebanon. While U.S. policy should not be predicated on regime change in Tehran, Washington should always seek ways to sharpen the internal contradictions that threaten the long-term viability of the Islamic Republic.

## Countering Iran's Military Capabilities to Bolster Deterrence and Disrupt Power Projection

In the long run, Washington's ability to counter Tehran's gray zone strategy will depend in part on its ability to counter, or neutralize, each leg of the deterrent/warfighting triad that underpins this strategy. The Islamic Republic should lack confidence in its ability to deter the United States, to hold vital U.S. interests at risk in wartime, or to terminate a conflict on favorable terms. While the United States has made progress in all three areas, important gaps remain:

- *Naval guerrilla warfare.* The United States has been playing catch-up in efforts to counter Iran's antiaccess capabilities, and it still has a way to go to counter the threat from naval mines, midget submarines armed with advanced torpedoes, small-boat swarms, remotely controlled suicide drone aircraft and boats, highly capable antiship cruise missiles, and antiship ballistic missiles.[35]

- *Long-range strike.* The United States and its allies have been investing significant resources in ballistic missile defense, though they still face major challenges: insufficient numbers of interceptors to deal with Iranian saturation tactics, gaps in coverage, and the lack of an integrated missile defense architecture in the Gulf. The growing threat posed by drones and cruise missiles further complicates matters.[36]

- *Terrorism, subversion, and proxy warfare.* Iran has been adept at using proxies and other means to fill power vacuums created by the Arab uprisings and the post-2011 U.S. disengagement from the region—although the United States and Israel have succeeded recently in disrupting various Qods Force and Hezbollah activities. These activities are best countered by a U.S. whole-of-government approach that likewise relies on partners as well as diplomatic, informational, and economic tools to roll back Iranian influence.[37]

In addition, CENTCOM should refine operational concepts that enable U.S. carrier strike groups to operate outside the Gulf at standoff range from Iranian antiaccess systems so that they can wage an "outside-in" campaign in the event of a confrontation in the Gulf.[38] It should continue to develop options for basing airpower at standoff range from Iran's most capable missiles and drones, and continue research on directed-energy weapons that could eventually neutralize these capabilities.[39] And it should continue developing redundant command and control arrangements in the event that its forward headquarters are unable to fulfill their role in a crisis or conflict.[40]

Finally, Washington should further encourage its Gulf Arab allies to continue diversifying potential export routes for oil and gas—e.g., Saudi Arabia's East-West crude oil pipeline to Yanbu and Abu Dhabi's crude oil pipeline to Fujairah—to bypass the Strait of Hormuz, even though such pipelines are vulnerable to drone or cruise-missile attack, as was recently demonstrated. And it should continue to invest in renewable energy sources to reduce global dependence on oil.[41] But diversifying and hardening infrastructure is extremely costly, and numerous vulnerabilities will persist. For this reason, deterrence remains the best way to deal with these threats.

## A Competitive Strategy Approach to Shaping Iran's Force Development

The United States may also be able to shape future Iranian military procurement decisions by influencing Tehran's threat perceptions.[42] This could involve inducing Iran to invest scarce resources in capabilities for which the United States has a response, or to divert resources away from capabilities that pose an acute threat to U.S. interests. Washington could also present Tehran with multiple dilemmas, forcing it to overextend itself by developing a diverse and costly mix of capabilities.[43] Through procurement decisions, military presence, force posture, covert operations, and information activities, the United States may be able to encourage Tehran to:

- allocate even more resources to the development of missiles (while continuing to take steps to disrupt this process through sabotage), because Washington has invested heavily in offensive cyber and missile defenses that could help mitigate this threat[44]

- continue investing in its guerrilla navy, which is largely limited to the Gulf, because the U.S. Navy, by operating in the Arabian Sea, can significantly mitigate this threat

- devote more resources to the development of internal security and conventional ground forces, thereby diverting resources away from Iran's development of expeditionary capabilities and supporting infrastructure in the Levant

Finally, by threatening Iran in multiple dimensions, domains, and directions, Washington may slow the modernization and thickening of Tehran's air defenses, thereby reducing the potential cost of a U.S. or Israeli preemptive strike on Iran's nuclear facilities, should that one day be deemed necessary.

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# 5

# Conclusion

Iran's gray zone activities have long entailed the potential for escalation with the United States. Growing tensions between Washington and Tehran over the former's maximum pressure policy and the latter's nuclear program, growing regional influence, and counterpressure campaign have stoked fears of further escalation and a broader conflict. As long as the United States continues its efforts to drive Iran's oil exports to zero, Tehran is likely to intensify its gray zone activities in the Gulf and beyond.

This situation is made more acute by the lack of a U.S. military response to Iran's recent gray zone activities, which has further emboldened the regime. Moreover, Iranian officials claim that Washington is behind recent bouts of violent unrest in Iran, as well as ongoing protests in Lebanon and Iraq that have assumed an anti-Iran hue,[1] and they have warned the United States against crossing Iran's redlines.[2] It is unclear how Tehran will react to these developments; it might eschew a response altogether to avoid overextension, or, acting on a sense of peril and a perception of U.S. weakness, it might lash out militarily if unrest intensifies and spreads.

For these reasons, it is more important than ever for the United States to understand Iran's gray zone strategy and to devise a gray zone strategy of its own. Thus far, military measures have not been integral to the Trump administration's maximum pressure policy; military deployments to the region starting in May 2019 were an afterthought, intended to deter attacks on U.S. personnel and interests as tensions rose. Yet as long as the United States does not respond to attacks on allies, Iran will likely strike again.[3] U.S. alliances will continue to fray—as allies rethink their ties to a Great Power that puts them in harm's way but is unwilling or unable to defend them.

This approach creates unnecessary risk for the United States and its allies, as U.S. restraint could bring about the very escalation it seeks to avert. Moreover, this approach is based on a perception that Tehran assiduously cultivates, and which may be its most important asset in its struggle with the United States—the misperception that Iran is indifferent to risk and that the distance is therefore short from a local clash to an "all-out war." Yet the entire purpose of Tehran's gray zone strategy is to enable it to advance its anti–status quo policy while managing risk, avoiding escalation, and averting war. Understanding this would deny Tehran a critical asset, and enable the United States to operate more effectively against Iran's gray zone strategy by responding in kind.

An effective U.S. gray zone strategy could help foil Tehran's counterpressure campaign and avoid further escalation, while buying time for the U.S. maximum pressure policy to work. It could help ensure the sustainability of any future U.S.-Iran nuclear deal by constraining the kinds of destabilizing regional activities that undermined support for the 2015 agreement. And it could help dissuade Tehran from eventually attempting a slow-motion nuclear breakout, whether or not a new agreement is reached. The gray zone construct could also provide a strategic framework for the "by, with, and through" operational approach in regions like the Middle East, where economy-of-force operations will become increasingly necessary as military focus and assets shift to the Indo-Pacific region.

Conversely, failure to pursue such a strategy could embolden Tehran on all these fronts and entail additional costs for the United States: continued policy paralysis due to the fear of "all-out war"; force deployments that provide little added value while offering lucrative targets; and lost deterrence and credibility. More fundamentally, America's inability to operate successfully in the gray zone against a third-tier power like Iran will raise questions about its ability to counter much more capable gray zone actors such as Russia and China—and sow doubts about U.S. proficiency in a form of interstate competition that is likely to predominate in the coming years.

## Notes

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## Appendix: Asymmetry in Iran's Gray Zone Operations

| **IRAN'S WAY OF WAR**<br>Build on own strengths, exploit enemy vulnerabilities, attack enemy strategy, seek marginal gains and disproportionate effects, maximize own and constrain enemy freedom of action | |
|---|---|
| **Elements** | **Types of Asymmetry** |
| • Tactical flexibility, strategic consistency | conceptual, operational, normative |
| • Indirection, ambiguity, patience | conceptual, operational, temporal |
| • Reciprocity, proportionality, calibrated use of force | conceptual, operational |
| • Protract rather than escalate conflicts | conceptual, operational, temporal |
| • Manage tempo and scope of operations | conceptual, operational, temporal |
| • Diversify/expand options | conceptual, operational |
| • Divide/encircle enemies, extend strategic depth | conceptual, operational, geographic |
| • Achieve victory by thwarting/denying enemy war objectives, imposing costs, demoralization | conceptual, operational |
| • Enhance resilience and staying power by inculcating a culture of jihad, martyrdom, and resistance | conceptual, operational, temporal, normative, moral/motivational, ontological |
| **IRAN'S FORCE STRUCTURE**<br>Seek disproportionate effects/maximum "bang for the buck," and neutralize enemy advantages through mass, technology, zeal, and use of geography | |
| **Capability** | **Types of Asymmetry** |
| ***Guerrilla Navy*** | |
| • Small boats | quantitative/qualitative (numbers, speed, low signature) |
| • Drones (aerial, surface, and underwater) | quantitative/qualitative (numbers, speed, low signature, precision strike capability) |
| • Mines | quantitative/qualitative (numbers, low signature) |
| • Midget submarines | quantitative/qualitative (numbers, low signature, precision strike capability) |
| • Antiship cruise/ballistic missiles | quantitative/qualitative (numbers, precision strike capability) |
| • Fast attack craft | quantitative/qualitative (numbers, speed, firepower, precision strike capability) |
| ***Long-Range Strike*** | |
| • Ballistic and cruise missiles | quantitative/qualitative (numbers, range, precision strike capability) |
| • Drones | quantitative/qualitative (numbers, range, precision strike capability) |
| ***Proxies*** | |
| • Militias | quantitative/qualitative/operational/geographic/moral (numbers, low signature, superior situational awareness, force projection capability, zeal and commitment) |
| • Explosively formed penetrators | quantitative/qualitative (numbers, low signature) |
| • Rockets and mortars | quantitative/qualitative (numbers, low signature, accuracy) |
| • Missiles | quantitative/qualitative (numbers, range, precision strike capability) |
| ***Cyber*** | |
| • Net reconnaissance, cyber spying, disruptive (distributed denial-of-service) and destructive attacks | qualitative/operational (ability to strike globally, instantaneously, on a sustained basis, while avoiding defenses and complicating attribution) |

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## The Author

**MICHAEL EISENSTADT**, the Kahn Fellow and director of the Military and Security Studies Program at The Washington Institute, is a specialist in Persian Gulf and Arab-Israeli security affairs. He has published widely on both irregular and conventional warfare as well as nuclear weapons proliferation in the Middle East. A former U.S. government military analyst, he served for twenty-six years as an officer in the U.S. Army Reserve with active-duty stints in Iraq, Jerusalem, the West Bank, Jordan, and Turkey. He has also served in a civilian capacity on the Multinational Force–Iraq/U.S. Embassy Baghdad Joint Campaign Plan Assessment Team and as an advisor to the congressionally mandated Iraq Study Group, the Multinational Corps–Iraq Information Operations Task Force, and the State Department's Future of Iraq defense policy working group.

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