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DETERRENCE VS. ASSURANCE: THE U.S. NAVAL PRESENCE IN THE PERSIAN GULF

by

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This thesis examines the U.S. Navy's current strategy in the Persian Gulf and assesses which aspect of that strategy—deterrence or assurance—makes a more significant contribution to regional stability in the greater Middle East region. This research draws from two cases: the Navy's deterrence-based strategy surrounding Iranian aggression toward the Strait of Hormuz and the Navy's assurance-based strategy using Saudi Arabia as an example. The findings indicate that Iran poses little threat to the Strait of Hormuz for various economic and military reasons, suggesting that perhaps the Navy's policy of deterring Iran through the presence of warships is misguided and unnecessary. Alternatively, providing assurance to Saudi Arabia seems to have a positive impact on regional stability. If the Navy seeks to use its warships as a stabilizing force in the region, it should restructure its strategy and employ ships in ways that provide assurance, not deterrence.

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DETERRENCE VS. ASSURANCE: THE U.S. NAVAL PRESENCE IN THE PERSIAN GULF

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This thesis examines the U.S. Navy's current strategy in the Persian Gulf and assesses which aspect of that strategy—deterrence or assurance—makes a more significant contribution to regional stability in the greater Middle East region. This research draws from two cases: the Navy's deterrence-based strategy surrounding Iranian aggression toward the Strait of Hormuz and the Navy's assurance-based strategy using Saudi Arabia as an example. The findings indicate that Iran poses little threat to the Strait of Hormuz for various economic and military reasons, suggesting that perhaps the Navy's policy of deterring Iran through the presence of warships is misguided and unnecessary. Alternatively, providing assurance to Saudi Arabia seems to have a positive impact on regional stability. If the Navy seeks to use its warships as a stabilizing force in the region, it should restructure its strategy and employ ships in ways that provide assurance, not deterrence.

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LIST OF ACRONYMS AND ABBREVIATIONS

AOIC	Anglo-Iranian oil company
AOR	area of responsibility
BMD	ballistic missile defense
CDCM	coastal defense cruise missile
CIA	Central Intelligence Agency
CMF	combined maritime force
CSG	carrier strike group
EOD	explosive ordinance disposal
EPAA	European phased adaptive approach
EU	European Union
FIAC	fast inshore attack craft
FMS	foreign military sales
GCC	Gulf Cooperation Council
HADR	humanitarian assistance / disaster response
IAEA	International Atomic Energy Agency
IMET	international military education and training
IRGCN	Islamic Revolutionary Guard Corps Navy
IRIN	Islamic Republic of Iran Navy
JCPOA	joint comprehensive plan of action
LCS	littoral combat ship
NATO	North Atlantic Treaty Organization
NAVCENT	U.S. Naval Forces Central Command / Fifth fleet
OPEC	Organization of the Oil Exporting Countries
RSAF	Royal Saudi Air Force
RSNF	Royal Saudi Naval Force
THAAD	terminal high altitude area defense
UN	United Nations

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I. INTRODUCTION

Stability in the Persian Gulf is important to the security of the wider Middle East region, and, as the source of thirty percent of the world's seaborne traded oil, the Persian Gulf is vital to the stability of the global energy market.[1] Aggressive behavior or rhetoric by regional actors can trigger major conflict in this already volatile region, potentially interrupting the flow of oil from the Persian Gulf., Ensuring regional security and stability in the Middle East has been central to the U.S. Navy's strategy, as illustrated by the continuous presence of U.S. warships in the Persian Gulf. The Navy asserts that its forward naval presence promotes regional stability and will "combat the proliferation of weapons of mass destruction and deter potential adversaries from threatening the flow of energy through the Strait of Hormuz,"[2] while placing a secondary emphasis on reassuring partners in the region. Does the impact of providing assurance to U.S. allies deserve more credit?

A. MAJOR RESEARCH QUESTION

Both deterrence and assurance have been viewed as effective strategies for limiting conflict and promoting stability in unstable regions. Deterrence involves using the threat of force to deter an actor from taking a particular action.[3] The concept has been around for centuries, but gained scholarly attention during the Cold War after the Soviet Union acquired nuclear weapons. Assurance can also be used as a valuable and stabilizing strategy. It involves using military forces to demonstrate to a weaker ally or partner that they are protected from a potential threat.[4] Assurance is particularly valuable in its ability to dissuade the protected state from pursuing enhanced weapons capabilities in response to perceived threats, thereby reducing the likelihood of a security dilemma. The establishment

[1] Jeremy Bender, "These 8 Narrow Chokepoints are Critical to the World's Oil Trade," *Business Insider,* 1 April 2015, http://www.businessinsider.com/worlds-eight-oil-chokepoints-2015-4.

[2] United States Department of the Navy, *A Cooperative Strategy for 21st Century Seapower* [Revision] (Washington, DC, 2015), 14.

[3] Paul K. Huth, "Deterrence and International Conflict: Empirical Findings and Theoretical Debates," *Annual Review of Political Science* 2 (June 1999): 26.

[4] Robert J. Art, "A U.S. Military Strategy for the 1990s: Reassurance without Dominance," *Survival* 34, no. 4 (Winter 1992–03): 3–23. doi: 10.1080/00396339208442660.

of NATO, for example, provided reassurance to Western Europe against the Soviet threat, allowing it to focus resources on economic reconstruction rather than military improvement.[5]

The primary focus of the U.S. Navy's strategy in the Persian Gulf has been to maintain stability through deterrence. This thesis examines how U.S. naval presence in the Persian Gulf affects stability in the region. Specifically, does the U.S. naval presence in the Persian Gulf promote stability more through deterring aggression or reassuring partners? The effectiveness of U.S. naval presence in deterring Iran from closing the Strait of Hormuz is examined, along with and the impact of U.S. naval presence on reassuring regional partners, specifically Saudi Arabia, and how that reassurance has affected regional stability.

B. SIGNIFICANCE OF THE RESEARCH QUESTION

In December 2011, in response to planned multilateral sanctions against Iran, Iranian Vice-President Mohammad Reza Rahimi threatened to close off the Strait of Hormuz to oil shipping if sanctions against the country were expanded.[6] Shortly thereafter, Iran conducted the naval exercise Velayat 90, which included various mine-laying exercises and test-firings of Iranian surface-to-surface missiles.[7] The following month, the U.S. and coalition forces boosted naval presence in the Persian Gulf by sending two carrier strike groups, accompanied by British and French warships, though the Strait of Hormuz as a motion "to underline the unwavering international commitment to maintaining rights of passage under international law."[8] In July 2012, after further sanctions were imposed, an Iranian military official stated that Iran would only close the Strait of Hormuz if the

[5] Michael Howard, "Reassurance and Deterrence: Western Defense in the 1980s." *Foreign Affairs* 61, no. 2 (Winter 1982/83): 309–24. doi:10.2307/20041437, 312.

[6] BBC News, "Iran Threatens to Block Strait of Hormuz Oil Route," *BBC News*, 28 December 2011, http://www.bbc.com/news/world-middle-east-16344102.

[7] Kenneth Katzman, *Iran's Threat to the Strait of Hormuz* (CRS Report No. R42335) (Washington, DC: Congressional Research Service, 2012), 1, https://fas.org/sgp/crs/mideast/R42335.pdf.

[8] Martin Wählisch, "The Iran-U.S. Dispute, the Strait of Hormuz, and International Law," *The Yale Journal of International Law Online* 37(Spring 2012): 22–23.

country's interests were seriously jeopardized, contradicting the statements made by Vice President Rahimi earlier that year.[9]

This was not the first incident involving Iran threatening the passage of oil through the Strait of Hormuz, nor was it the last. Although Iran has made multiple threats to close the Strait of Hormuz, it has never attempted to do so. The U.S. Navy's deterrence-centered strategy in the Persian Gulf is intended to deter Iranian aggression in the Strait of Hormuz to ensure the free-flow of merchant shipping through the chokepoint, and its responses have been consistent with this strategy.[10] The U.S. Navy views itself as a stabilizing force in the region, particularly because of its ability to use its warships to deter Iranian aggression.[11] But, is a deterrence-centered posture toward Iran the most effective way to promote stability in the region?

The U.S. Navy's presence may only be a small factor in Iran's decision to keep the Strait of Hormuz open. Iran places great importance on its nuclear program, which would be threatened if it were to show any aggression in the strait. More significantly, the international community, including the U.S., would view such aggression as an act of war, prompting a military response that would put Iran's security at risk. Furthermore, Iran depends on the strait for its own oil exports, which account for approximately eighty percent of the country's total exports.[12] All of Iran's oil facilities are along its coastline inside the Persian Gulf, and the country does not have the pipeline infrastructure necessary to transport oil to ports connected to the Arabian Sea. Additionally, Iran's reliance on foreign imports—including raw materials and capital goods—means that closing the strait would considerably upset its economic well-being.[13] Iran's dependence on the Strait of Hormuz is significant. Given that Iran's economy is heavily dependent on the strait

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[9] Al Jazeera Staff, "Iran Will 'Block' Strait of Hormuz if Pressed," *Al Jazeera News Agency*, 8 July 2012, http://www.aljazeera.com/news/middleeast/2012/07/2012789645779519.html.

[10] Katzman, *Iran's Threat to the Strait of Hormuz.*

[11] Katzman.

[12] "The Strait of Hormuz: Political-Military Analysis of Threats to Oil Flows," Robert S. Strauss Center for International Security and Law, 01 May 2008, https://www.strausscenter.org/hormuz/iran-and-oil.html.

[13] Strauss Center for International Security and Law, "The Strait of Hormuz: Political-Military Analysis."

remaining open, does the Navy's strategy of deterrence make a meaningful contribution to Iranian decision-making?

Deterrence is the centerpiece of U.S. Navy strategy in the Persian Gulf, specifically, deterring Iran from aggression in the Strait of Hormuz. The Navy maintains a continuous rotation of Carrier Strike Groups and Amphibious Ready Groups in the Persian Gulf, in addition to four minesweeping vessels and ten coastal patrol vessels currently forward-based in Bahrain.[14] Furthermore, the Navy plans to increase the number of warships in the region from the current thirty, to forty by 2020.[15] For this reason, it is worthwhile to examine whether the presence of U.S. Navy warships has a deterrent effect on Iran, contributing to the stability of the region.

In addition to promoting stability through deterrence, the U.S. Navy also makes the claim that naval presence reassures partners in the region. The presence of U.S. warships in the Persian Gulf can provide reassurance though conducting bilateral exercises with partner navies, providing ballistic missile defense, or providing maritime security throughout the region. Saudi Arabia, an important partner to the U.S., serves as a good example in examining the Navy's assurance strategy in the Persian Gulf. The U.S. and Saudi Arabia have a history of strong political and economic ties, and further, Saudi Arabia is the most likely of the Gulf states to be involved in a military conflict with Iran. The existing tension between Saudi Arabia and Iran presents the ideal situation to examine the effectiveness of assurance and the impact it has on Saudi Arabia's foreign policy decision-making.

Iran is the source of many of Saudi Arabia's current security concerns. Saudi Arabia views Iran as an expansionist power that attempts to interfere in the politics of its neighbors,

[14] "United States Navy Fact File," last modified 9 January 2017, http://www.navy.mil/navydata/fact_display.asp?cid=4200&tid=2000&ct=4, http://www.navy.mil/navydata/fact_display.asp?cid=4200&tid=1900&ct=4.

[15] United States Department of the Navy, *A Cooperative Strategy for 21st Century Seapower* [Revision], 14, https://news.usni.org/2015/03/13/document-u-s-cooperative-strategy-for-21st-century-seapower-2015-revision.

and has expressed deep concern over Iran's nuclear program.[16] Since the Arab Spring, the two countries have supported opposing sides in the ongoing wars in Iraq and Syria. In 2016, diplomatic ties were severed following Iranian attacks and vandalism of the Saudi embassy in Tehran. Saudi Arabia is vehemently opposed to Iran's nuclear program, and some have speculated that the country may seek its own nuclear program in the future.[17] The U.S. Navy's presence in the Persian Gulf, and the assurance it provides to Saudi Arabia, may explain why the country has not expressed significant interest in nuclear proliferation.

The presence of the U.S. Navy in the Persian Gulf is intended to reassure Saudi Arabia in a number of ways. The presence of warships with ballistic missile defense capabilities in the Gulf may ease Saudi concerns of a missile attack from Iran. While Saudi Arabia does possess missile defense capabilities of its own, a warship that can be strategically placed between Saudi Arabia and Iran may serve as a comforting supplement to its own defense systems. This would prove particularly beneficial if Iran were to successfully develop nuclear weapons in the future, but in the meantime, serves as a defensive layer against conventional ballistic missiles. The reassurance Saudi Arabia receives from the presence of U.S. warships may also prevent the country from pursuing a nuclear program of its own, and may explain why they have not pursued nuclear weapons in the past. This serves U.S. interest in two ways. First, it limits the spread of weapons of mass destruction; a policy that the U.S. has supported since the Cold War. Second, it prevents an uneven power-balance from emerging among the Gulf states, which would provoke a security dilemma adding to the volatility of the region. As Saudi Arabia remains the closest and strongest partner to the U.S. in the Gulf region, it is worthwhile to examine the ways in which U.S. naval presence contributes to the reassurance of Saudi Arabia, and how this influences stability in the greater region.

This thesis will aim to explain which component of the U.S. Navy's strategy—deterrence or assurance—makes a greater contribution to stability in the Persian Gulf. The

[16] Christopher M. Blanchard, *Saudi Arabia: Background and U.S. Relations* (CRS Report No. RL33533) (Washington, DC: Congressional Research Service, 2017), 20–21, https://fas.org/sgp/crs/mideast/RL33533.pdf.

[17] Blanchard, 22–23.

Navy places significant emphasis on deterrence and executes most of its operations in the Gulf with the intention of deterring acts of aggression. In the case of Iranian threats toward the Strait of Hormuz, evidence has suggested that the Navy's efforts toward deterrence may be a waste of time and resources. A policy of assurance, on the other hand, could be an effective way to serve U.S. interests and promote long-lasting stability.

C. LITERATURE REVIEW

The theories of deterrence and assurance exist in two separate yet related circles within international relations. This thesis therefore examines each concept in separate case studies. For this reason, the following literature review will address each concept and its applicability separately. The extensive literature on the theory of deterrence can be narrowed down into three schools of thought, which were first introduced by Robert Jervis as the three waves of deterrence theory.[18] The first wave laid the foundation for deterrence theory but had little political or academic significance. The second wave was a period characterized by more extensive evaluations of deterrence, as well as increasing criticism of the theory's inability to explain particular outcomes, and literature during the third wave was heavily critical of deterrence theory. It was during this period that scholars often outright rejected deterrence theory as a valid theory and devised alternative or modified theories.[19]

This literature review also examines the strategy of assurance. To avoid confusion, it is important to make the distinction between the types of assurance that exist within international relations. One type of assurance can occur when two states in a security dilemma take steps toward cooperation to ease feelings of mistrust or insecurity about one another.[20] This type of assurance will not be examined as it is not within the scope of this research. The other version of assurance, relevant to this thesis, involves deploying military

[18] Robert Jervis, "Deterrence Theory Revisited," *World Politics* 31, no.2 (January 1979): 289, doi: 10.2307/2009945.

[19] Jervis, 289.

[20] Shiping Tang, "Reassurance: A Defensive Realism Theory of Cooperation-Building," in *A Theory of Security Strategy for Our Time* (Palgrave Macmillan US, 2010), 132–133.

assets overseas in order to reassure regional partners and allies.[21] The strategy of assurance enjoys far fewer criticisms than deterrence theory, likely due to its higher success rate. Scholars such as Robert Art argue that assurance can pacify and help prevent regional security dilemmas by preventing states from acquiring weapons of mass destruction.[22] However, critics such as Michael Howard suggest that assurance can lead allies to over-rely on the U.S. military for defense and subsequently reduce efforts their to maintain their own militaries.[23]

1. Deterrence

One of the early scholars of deterrence theory, Bernard Brodie, points out that the term deterrence has taken a different meaning since the development of nuclear weapons, and the distinction must be made between what he refers to as old deterrence and new deterrence.[24] Old deterrence, or deterrence that is achieved through conventional force, has been used throughout history and has often failed.[25] However, he links the failures of deterrence to the credibility of the threat, and argues that deterrence is relevant whether it succeeds or fails. New deterrence, or deterrence through the threat of nuclear weapons, differs from old deterrence because it requires the threat to be absolutely effective in order to deter.[26] Brodie writes, "We thus have the anomaly that deterrence is meaningful as a strategic policy only when we are fairly confident that the retaliatory instrument upon which it relies will not be called upon to function at all."[27] This highlights the main distinction from old deterrence, which does not rely on the elimination of any retaliatory ability. This distinction is important to recognize in studying deterrence theory because by failing to do so, one runs the risk of overestimating the effectiveness of deterrence.

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[21] Art, "A U.S. Military Strategy for the 1990s," 7.

[22] Art, 7.

[23] Michael Howard, "Reassurance and Deterrence: Western Defense in the 1980s." *Foreign Affairs* 61, no. 2 (1982): 312. doi:10.2307/20041437.

[24] Bernard Brodie, "The Anatomy of Deterrence," *World Politics* 11, no. 2 (January 1959): 174, doi:10.2307/2009527.

[25] Brodie, 174–175.

[26] Brodie, 175.

[27] Brodie, 175.

Frank Zagare takes a critical stance on classical deterrence theory by arguing that it is logically inconsistent and can lead to flawed policy-making.[28] He categorizes classical deterrence theory into two subcategories: structural deterrence theory and decision-theoretic deterrence theory.[29] Under structural deterrence theory, "international stability lies in the distribution of power in the international system and the absolute cost of war."[30] Structural theorists argue that when an imbalance of the distribution of power exists within the international system, and when the cost of war is low, the likelihood of conflict increases. The advent of nuclear weapons greatly increased the cost of war, thus explaining why the Cold War did not evolve into armed conflict between the U.S. and Soviet Union.[31] Zagare takes issue with structural deterrence theory and argues that, rather, most major power wars involve states of relatively equal power. He asserts that structural deterrence theory fails to explain why a war did not break out between the United States and Soviet Union prior to the latter's advent of nuclear weapons, and further, fails to explain why the United States has never invaded Canada.[32]

Alternatively, decision-theoretic deterrence theory is centered on the concept of rationality and asserts that war between nuclear states would be irrational, and given the assumed rationality of these states, conflict is unlikely.[33] Zagare argues that decision-theoretic deterrence is merely an extension of structural deterrence theory, specifically, a component that explains behavior within the scope of structural deterrence theory. Therefore, given that decision-theoretic deterrence theory is derived from structural deterrence theory, Zagare believes decision-theoretic deterrence theory carries the same logical inconsistencies, making it invalid.[34]

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[28] Frank Zagare, "Reconciling Rationality with Deterrence: A Re-examination of the Logical Foundations of Deterrence Theory," *Journal of Theoretical Politics* 16, no. 2 (April 2004): 107, doi: 10.1177/095162980401117.

[29] Zagare, 109.

[30] Zagare, 109.

[31] Zagare, 109–110.

[32] Zagare, 110–111.

[33] Zagare, 111–112.

[34] Zagare, 112–115.

As an alternative to classical deterrence theory, Zagare offers perfect deterrence theory, which he claims is more logically sound and provides better policy prescriptions than classical deterrence theory.[35] Perfect deterrence theory, coined by Zagare as "a common sense approach to deterrence," deviates from nearly every characteristic of classical deterrence theory.[36] One of the most discernable characteristics is the significance of status quo. Zagare argues that classical deterrence theory ignores the impact that status quo has on deterrence, while under perfect deterrence theory, he argues that some players will prefer status quo to all other possible outcomes.[37] Additionally, he claims that states always act rationally, and irrational threats are never made, unlike classical deterrence theory, which assumes that players sometimes act irrationally.[38] He also claims that capability alone is not enough to achieve deterrence. For instance, if a player were to prefer status quo, the other player's capability potentially has no deterrent effect on the defender.[39] Perfect deterrence theory's policy prescriptions contrast from classical deterrence theory in a number of ways. Most considerably, perfect deterrence theory opposes nuclear proliferation, calls for significant arms reductions, and advocates for cooperative, diplomatic conflict resolution based on reciprocity.[40]

In his book *Deterrence*, Lawrence Freeman makes the case that the relevance of deterrence among scholars and politicians alike has declined since the Cold War, and presents the argument that deterrence is still very relevant today.[41] A challenge to deterrence theory, he argues, is in its difficulty to be proven as an effective strategy; however, when it fails, it is blatantly obvious.[42] This vulnerability has made deterrence the

[35] Zagare, "Reconciling Rationality with Deterrence,"117.

[36] Zagare, 117.

[37] Zagare, 119.

[38] Zagare,117.

[39] Zagare,117.

[40] Zagare, 117.

[41] Lawrence Freedman, *Deterrence* (Cambridge, UK: Polity Press, 2004), 1–5.

[42] Freedman, 29.

subject of growing criticism which culminated in the shift of U.S. foreign policy from deterrence to preemption under President George W. Bush.[43]

The mounting criticism of deterrence theory is probably best detailed by Robert Jervis, who described the evolution of deterrence theory as taking place in three separate waves.[44] The first wave, he describes, began immediately after World War II and laid the framework for deterrence theory but had little relevance at the time. Bernard Brodie was one of these early first wave scholars.[45] The second wave, beginning in the late 1950s, saw the emergence of more robust evaluations of deterrence and the popularity of using the game of Chicken to explain the behavior of players. It was also a period of growing criticism of the theory, particularly, in its failure to explain "how, and how much, a state can change the intentions of an adversary," and its failure to prescribe a peaceful solution to a hostile conflict.[46] The third wave, which began in the 1970s, was characterized by even heavier criticism than the second wave. Scholars from this period were convinced that deterrence theory relied too much on deduction and too little on empirical findings, which some feared lead to an overreliance on deterrence and flawed policy-making.[47] The third wave is best described as a period of modifications. Given the rise in available empirical evidence, which was contradictory to some important components of classical deterrence theory, scholars began to construct modified versions of deterrence theory, which combined concepts of classical deterrence theory and empirical evidence.[48]

Lawrence Freedman uses Jervis' work to illustrate the decline of deterrence theory, but highlights that deterrence can still have a promising future in U.S. foreign policy. This, he argues, requires examining the potential effectiveness of deterrence on a case-by-case basis rather than relying on generalized theories.[49] While he maintains that the general

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[43] Freedman, *Deterrence,* 1–2.

[44] Jervis, *Deterrence Theory Revisited,* 289–291.

[45] Jervis, 291.

[46] Jervis, 291–293.

[47] Jervis, 301–303.

[48] Jervis, 302–314.

[49] Freedman, *Deterrence,* 116–117.

characteristics of deterrence theory remain relevant and constant, he stresses that each situation has too many variables to assume that deterrence will succeed, and warns against blindly adopting deterrence strategies in every conflict.[50]

John Mearsheimer's *Conventional Deterrence* provides an insightful look into the effectiveness of conventional deterrence. While Mearsheimer acknowledges the deterrent effect of nuclear weapons during the Cold War, he also argues that their lack of utility has driven a need to take a closer look at conventional deterrence.[51] In examining conventional deterrence, he looks at cases such as the German attack on the Allies, the Arab-Israeli conflict, and the effectiveness of dual nuclear-conventional deterrence in Central Europe during the Cold War.[52] His central finding is that deterrence is likely to fail when there is a significant imbalance in terms of number of forces. Additionally, he found that deterrence normally fails when offensive weapons make up the majority of either sides arsenal.[53]

2. Assurance

In his argument in favor of assurance, Robert Art points out that military engagement overseas helps "to provide insurance and reassurance to key regional allies; to deter aggressive actions by selected states toward others; to make states feel secure so they can keep their armaments limited and forgo the acquisition of weapons of mass destruction; and muting regional security dilemmas to enable economic interdependence to flourish."[54] He argues that the first component of an assurance strategy should involve ensuring the security of the U.S. homeland. Without such security, the credibility of U.S. influence overseas diminishes. For the same reason, Art disputes arguments in favor of nuclear disarmament and contends that nuclear weapons bolster the assuring power that U.S. presence provides.[55]

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[50] Freedman, *Deterrence*, 116–130.

[51] John J. Mearsheimer, *Conventional Deterrence* (Ithica: Cornell University Press, 1983), 13.

[52] Mearsheimer, 6–16.

[53] Mearsheimer, 203.

[54] Robert Art, "A U.S. Military Strategy for the 1990s: Reassurance without Dominance," 7.

[55] Art, 7.

Similarly, Keith Payne agrees that assurance should be a national goal and more specifically, argues that U.S. strategic assurance helps our allies and partners "remain secure and confident in their non-nuclear status."[56] While the probability is low that the United States would launch a retaliatory nuclear strike on a state that attacked a U.S. partner in the Gulf region, the constant presence of U.S. Navy warships with ballistic missile defense (BMD) capabilities demonstrates the United State's capability and willingness to defend them if such an attack is launched.

One of the first scholars to write about assurance was Michael Howard in 1982. He argues that the reassurance provided upon the establishment of NATO and protection under the U.S. nuclear umbrella allowed Western Europe to focus on rebuilding its post-WWII economy.[57] While he does agree that assurance was an effective strategy in Western Europe in terms of allowing the region to regain its economic stability, he points out that consequently, Western Europe "effectively abandoned responsibility for their own defense."[58] A similarly unenthusiastic opinion of assurance comes from Robert Rubel, who contends that it is nearly a secondary function of U.S. naval presence behind deterrence. Rubel does not outright dismiss assurance or declare it insignificant, but he does identify it as a byproduct of the more-important deterrence mission and warns against foregoing deterrence to serve assurance purposes.[59]

3. Literature Review Conclusion

This literature review explored the concepts of deterrence and assurance by examining literature from a broad spectrum of opinions. The schools of thought in the theory of deterrence are best categorized by Robert Jervis's three waves of deterrence theory, in which each wave represents a marked increase of skepticism of the theory's

[56] Keith B. Payne, "How Much Is Enough?: A Goal-Driven Approach to Defining Key Principles for Measuring the Adequacy of U.S. Strategic Forces," *Comparative Strategy* 31, no. 1 (January 1, 2012).

[57] Michael Howard, "Reassurance and Deterrence: Western Defense in the 1980s." *Foreign Affairs* 61, no. 2 (1982): 312. doi:10.2307/20041437.

[58] Howard, 312.

[59] Robert C. Rubel, "Straight Talk on Forward Presence," *United States Naval Institute Proceedings*, 141, no. 3, 24–29, retrieved from: http://libproxy.nps.edu/login?url=https://search.proquest.com/docview/1660494992/.

logical soundness, relevance and effectiveness, and an increasing number of alternative or revised theories. Every point of view acknowledged that deterrence is subject to failure, although opinions varied on the frequency with which these failures occur. Nonetheless, each will provide value when applied to the case study of the U.S. Navy's deterrent effect on Iran in the Strait of Hormuz. It is slightly more difficult to identify varying schools of thought on assurance. All of the literature examined suggested that assurance is an effective approach to promoting regional security and stability, although Rubel suggested assurance should remain a secondary priority to deterrence, and Howard warned of potentially undesirable outcomes of assurance.

D. POTENTIAL EXPLANATIONS AND HYPOTHESIS

This thesis seeks to explain whether U.S. naval presence in the Persian Gulf contributes to stability more through deterrence of aggression or the reassurance of regional partners. The literature reviewed concerning deterrence theory falls into three separate schools of thought in which each school grows more critical of the theory over time; likely due to the gradual emergence of empirical evidence contrary to deterrence theory. Literature on assurance generally suggests positive outcomes in terms of success, however, some have suggested that assurance leads to other unintended consequences.

1. First Hypothesis

The assurance provided to partner Gulf states through the presence of U.S. naval forces in the Persian Gulf is a greater contributor to stability in the region than deterrence of aggression. Aggression by rival states, in this case, Iranian aggression in the Strait of Hormuz, is not curtailed by the presence of U.S. warships, but rather by other factors that shape decision-making in Iran.

2. Second Hypothesis

The assurance provided to partner Gulf states and the deterrence of aggression through the presence of U.S. naval warships both make a positive and relatively equal contribution to stability in the region. It is likely that Iranian aggression in the Strait of

Hormuz is successfully deterred by the U.S. Navy's presence in the Gulf, and likely that the reassurance provided to Saudi Arabia has a positive impact on regional stability.

3. Third Hypothesis

The deterrence achieved as a result of the U.S. Navy's presence in the Persian Gulf makes a greater contribution to regional stability than the stability achieved through reassuring regional partners. Naval presence is an effective deterrent against Iranian aggression in the Strait of Hormuz, and assurance provided to Saudi Arabia is not a significant contributor to regional stability.

E. RESEARCH DESIGN

This thesis is a comparative case study of deterrence and assurance and seeks to examine which has a greater stabilizing effect in the Gulf region. The case study of deterrence will be centered on Iran and ask if the presence of the U.S. Navy in the Persian Gulf has a meaningful impact on Iran's behavior regarding the Strait of Hormuz. The case study of assurance will focus on Saudi Arabia and ask if the assurance provided to Saudi Arabia by the presence of the U.S. Navy has a meaningful impact on the state's behavior, contributing to stability in the region.

This thesis makes two key assumptions. First, it makes the assumption that U.S. naval presence in the Persian Gulf positively contributes to stability in *some* way. This is achieved either through ensuring the free-flow of traffic through the Strait of Hormuz, or through limiting conflict by assuring regional partners. The second assumption involves the relationship between deterrence and stability. In the case of Iran, this thesis will make the assumption that increased stability results from Iran being deterred. In other words, a causal relationship exists between deterrence and stability. It is important to note that this same relationship does not exist in the case study involving Saudi Arabia. In this case, it is assumed that naval presence automatically results in some degree of reassurance to Saudi Arabia. However, this does not suggest the existence of a causal relationship between assurance and stability. To link assurance to stability, the assurance must influence Saudi Arabia's behavior in some way, which then results in increased stability.

This thesis will draw from relevant literature sources including but not limited to: books,

scholarly journals, government reports, government and non-governmental websites, U.S. Navy policies and operational guidance, foreign and domestic news reports, research studies, and other relevant sources as necessary.

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II. IRANIAN THREATS TOWARD STRAIT OF HORMUZ

A. HISTORICAL CONTEXT AND POLITICAL BACKGROUND

The U.S. Navy's concern with the security of the Strait of Hormuz and continuous presence in the Persian Gulf began during the Iran-Iraq war in the late 1980s. The Iran-Iraq War, specifically the Tanker War phase, marked a significant shift in U.S. foreign policy toward the Strait of Hormuz and greater Middle East region. The Tanker War began during the Iran-Iraq War when Iraq began attacking Iranian oil exports in an effort to impede Iran's ability to finance the war, which had been ongoing since 1981.[60] Iran responded by attacking Kuwaiti and Saudi Arabian shipping, which financed Iraq's war effort. Iran used a combination of weapons, including speedboats, anti-ship cruise missiles, naval gunfire, and most notably, mine warfare, to target Kuwait and Saudi Arabia flagged merchant shipping. Additionally, Iran laid moored contact mines in the shipping lanes near Farsi Island, which lies in the center of the northern Persian Gulf, and in the Gulf of Oman.[61]

In 1987, over concerns of Iran attacks, the United States began reflagging and escorting Kuwaiti oil tankers in and out of the Persian Gulf, also known as Operation Earnest Will.[62] In 1988, USS *Samuel B Roberts* (FFG-58), a Navy frigate, struck an Iranian mine in the Persian Gulf, injuring ten sailors. The U.S. responded by launching Operation Praying Mantis and destroyed nearly half of Iran's naval forces. Several months later, USS Vincennes inadvertently shot down an Iranian commercial airliner, mistaking it for an F-14, killing all passengers and aircrew onboard. Afterwards, Iran agreed to a ceasefire, ending the war with Iraq.[63] The next year, President Ronald Reagan issued National Security Directive 26, which identified a new U.S. policy in the Persian Gulf. The directive stresses that, "Access to Persian Gulf oil and the security of key friendly states in the are vital to U.S. national security," and calls on the Department of Defense to "seek to maintain

[60] Ronald O'Rourke, "The Tanker War," *Proceedings Magazine*, U.S. Naval Institute, May 1988, https://www.usni.org/magazines/proceedings/1988-05/tanker-war.

[61] O'Rourke.

[62] O'Rourke.

[63] O'Rourke.

and, if possible, increase its peacetime and contingency access to regional friendly regional states, and to broaden the scope of security cooperation through military exercises, prepositioning arrangements and contingency planning."[64]

Conflict in the Persian Gulf dissipated after the Tanker War, but U.S. warships remained. The early 1990s marked a shift in the Navy's strategic thinking. The Cold War had come to an end, and the Tanker War and Desert Storm had highlighted that regional instability in the Middle East and other regions of interest should be the new focus of the Navy. The 1992 Navy and Marine Corps white paper *From the Sea* stressed that the Navy must shift its attention from Cold War-era global threats and instead focus on regional threats that may harm U.S. interests.[65] This meant the Navy's operating environment was shifting from blue water operations to the littoral areas around the world. In particular, the Navy was focusing on the Middle East.

Two years later, the strategic vision introduced in …*From the Sea* was further refined by the document *Forward… From the Sea*, which emphasized the importance of forward presence around the globe.[66]

> We conduct forward naval operations both to ensure unimpeded use of the seas and to project American influence and power into the littoral areas of the world. Expeditionary operations achieve U.S. objectives across the spectrum of the *National Military Strategy*. They are a potent and cost-effective alternative to power projection from the continental United States and are suited ideally for the many contingencies that can be deterred or quickly handled by forward-deployed forces.[67]

With forward deployed naval assets, the Navy had the ability to project its power in any area of the world, for any length of time. Forward presence was the new solution that fulfilled many of the Navy's objectives. Forward deployed units were useful in signaling

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[64] The White House, *U.S. Policy Toward the Persian Gulf*, National Security Directive 26, Washington, DC: The White House, October 2, 1989.

[65] United States Department of the Navy, *… From the Sea, Preparing the Naval Service for the 21st Century* (Washington, DC: Pentagon, 1992), http://www.navy.mil/navydata/policy/fromsea/fromsea.txt.

[66] United States Department of the Navy, *Forward… From the Sea: The Navy Operational Concept (*Washington, DC: Pentagon, 1994), http://www.navy.mil/navydata/policy/fromsea/ffseanoc.html.

[67] United States Department of the Navy.

to adversaries that any aggressive behavior on their part would be met by U.S. combat power.[68] They were also useful for reinforcing alliances and partnerships through combined naval exercises and operations, while simultaneously demonstrating to nearby adversaries the U.S. commitment to its regional partners. Additionally, forward deployed forces could provide rapid crisis-response capabilities, such as humanitarian assistance and disaster relief (HADR), and respond to outbreaks of conflict.[69]

While this new strategy was indeed advantageous in a number of ways, it was developed for one particular reason: the Strait of Hormuz. And for good reason. Iran's recent minelaying had exposed a massive vulnerability in the oil trade sector, and the United States realized that an interruption to oil shipping could potentially destabilize the world economy. The concept of forward deployment allowed the Navy to maintain a continuous presence in the Persian Gulf and serve as a deterrent to Iran while also strengthening relationships with regional partners.

1. 1953 Coup d'état

The adversarial relationship between the United States and Iran originates from the 1953 U.S.-orchestrated coup that overthrew the democratically elected Prime Minister Mohammad Mossadegh and replaced him with Shah Mohammad Reza Pahlavi, a pro-Western monarch.[70] This was in response to a shifting political climate in the 1940's and early 1950s, which marked a period of political unrest in Iran with demands for political reform and oil nationalization. Prime Minister Ali Razmara attempted to appeal to these demands by implementing various political and socioeconomic reforms, but many politically active Iranians demanded full nationalization of the Anglo Iranian Oil Company, a British-Iranian oil company. Following the assasination Prime Minister Razmara, the Shah appointed Mossadegh as Prime Minister, who immediately signed an oil nationalization bill into law. As Britain's economy was still recovering from WWII, it

[68] United States Department of the Navy, *Forward.*

[69] United States Department of the Navy.

[70] Mark Gasiorowski, "US Foreign Policy Toward Iran during the Mussadiq Era," In *The Middle East and The United States: History, Politics, and Ideologies,* ed. David W. Lesch and Mark L. Haas (Boulder, CO: Westview Press, 2014), 55.

viewed the nationalization of the AIOC as a serious threat and began pressuring Prime Minister Mossadegh to reinstate British control over Iranian oil exports. When he refused, Britain severed communication with Iran and convinced major oil companies worldwide to not purchase oil exported from Iran. Britain reinforced this boycott by sending warships to the Persian Gulf and preventing the movement of tankers carrying Iranian oil out of the Persian Gulf.[71]

Despite the severed diplomatic and economic relations between Britain and Iran, the United States maintained strong support for Mossadegh under the Truman administration.[72] At the time, Mossadegh was supported by the masses which kept popular support away from the communist Tudeh party. Additionally, the U.S. recognized the need to maintain Iran's relationship with the West because of its strategic location. After unsuccessful attempts to mediate an agreement between Iran and Britain, the United States began providing oil to U.S. allies to ease the burden on the oil market triggered by the lack of Iranian oil supply. This inadvertently reinforced the British blockade and further destabilized the Iranian economy, which weakened popular support for Mossadegh. The United States continued to push both sides to reach an agreement, but these efforts remained unsuccessful.[73]

The U.S. relationship with Iran began to deteriorate toward the end of the Truman administration.[74] The communist Tudeh party had expanded its political influence in Iran, and the United States expressed growing concern over Mossadegh's declining popularity. A 1950 CIA assessment of Iran expressed deep concern over the possibility of Iran moving away from its pro-Western posture and establishing closer ties with the Soviet Union.[75] The CIA concluded that "The Iranian Government is finding it increasingly difficult to

[71] Gasiorowski, "US Foreign Policy Toward Iran during the Mussadiq Era," 55.

[72] Gasiorowski, 59.

[73] Gasiorowski, 60–61.

[74] Gasiorowski, 61.

[75] Central Intelligence Agency, "Current Iranian Problem" (official memorandum, Washington, DC: Central Intelligence Agency, Intelligence Memorandum No. 332, 20 September 1950), https://trumanlibrary.org/whistlestop/study_collections/iran/documents/index.php?documentid=7-11&pagenumber=1.

adhere firmly to its pro-Western policy," and that Iran is "inclined to listen to the "friendly" Soviet protestations which characterize the current attitude of the USSR toward Iran."[76] The memorandum further highlights concerns over Iran's economy, stressing, "there are serious signs of weakness in the Iranian economy: stagnant industry and trade; growing unemployment; a heavily unfavorable balance of trade; and increasingly unfavorable balance of payments."[77] It was during this period that the British approached the CIA and State Department officials seeking assistance in ousting Mossadegh from power.[78]

President Eisenhower entered office with a more aggressive plan to counter the Soviet Union. NSC-162, released in October 1953, highlighted the need to invest in smaller, weaker nations to prevent their alignment with the Soviet Union. It stresses, "Although largely undeveloped, their vast manpower, their essential raw materials and their potential for growth are such that their absorption within the Soviet system would greatly, perhaps decisively, alter the world balance of power to our detriment."[79] Specifically concerning the Middle East, the plan stresses, "In order to assure during peace time for the United States and its allies the resources (especially oil) and the strategic positions of the area and their denial to the Soviet bloc, the United States should build on Turkey, Pakistan and, if possible, Iran, and assist in achieving stability in the Middle East by political actions and limited military and economic assistance, and technical assistance, to other countries in the area."[80] While this directive was released after the coup had been executed, it underscores the mindset of the Eisenhower administration, which was primarily centered on countering the Soviet threat and preventing its expansion.

Numerous pieces of correspondence between government officials showed deep concern over the deteriorating political and economic conditions in Iran as the effects of the oil embargo took hold. These concerns were not due to the loss of Western control over

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[76] Central Intelligence Agency, "Current Iranian Problem," 1.

[77] Central Intelligence Agency, 1.

[78] Gasiorowski, "US Foreign Policy Toward Iran during the Mussadiq Era," 62–63.

[79] National Security Council, *Statement of Policy by the National Security Council*, NSC-162 (Washington, DC: National Security Council, October 1953), para 17, https://history.state.gov/historicaldocuments/frus1952-54v02p1/d101.

[80] National Security Council, para 37 (c).

Iranian oil, but rather that Iran would fall into the Soviet sphere of influence if conditions worsened. The opening statement of a 1951 Executive Secretary report to the National Security Council stated, "It continues to be in the security interest of the United States that Iran not fall under communist domination, either as a result of invasion or internal subversion."[81] The report highlights the concern that communist control of Iran would be particularly damaging to U.S. prestige and weaken the ability of surrounding Middle Eastern states to resist communism. The report also identified the primary objective of U.S. policy toward Iran "is to prevent the domination of that country by the USSR and to strengthen Iran's association with the free world."[82] The U.S. aimed to strengthen Iran's relationship with other states, improve its ability to protect its own internal security, and find ways to strengthen its economy.[83]

Further, an October 1952 memorandum from Secretary of State Dean Acheson to President Truman indicated that the U.S. position toward Iran was solely concerned with preventing Iran from falling to communism.[84] His recommendation to the President was to assist Iran in solving their oil dispute with Britain, and, if necessary, help Iran restart its oil industry so it would be in a position to benefit from its oil revenues. This included a recommendation to provide monetary assistance to Iran to prevent further damage to its political and economic system. It was also strongly suggested that the United States should prevent Britain from attempting to veto or interfere with any actions Iran takes to restore its oil industry.[85] The main objective of the United States was to restore political and economic stability to Iran.

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[81] Executive Secretary, *A Report to the National Security Council by the Executive Secretary on the Position of the United States with Respect to Iran* (Washington, DC: Executive Secretary, March 14, 1951), 1, https://trumanlibrary.org/whistlestop/study_collections/iran/documents/index.php?documentid=7-1&pagenumber=3.

[82] Executive Secretary, 8.

[83] Executive Secretary, 8.

[84] Dean Acheson, Secretary of State, "Telegram to the President of the United States," (Washington, DC, October 1, 1952), https://trumanlibrary.org/whistlestop/study_collections/iran/documents/index.php?documentid=2-13&pagenumber=1.

[85] Acheson, "Telegram to the President of the United States."

A 1953 CIA assessment of Iran concluded, "If present trends in Iran continue unchecked beyond the end of 1953, rising internal tensions and continued deterioration of the economy and of the budgetary position of the government might lead to a breakdown of government authority and open the way for at least a gradual assumption of control by the Tudeh."[86] The report also highlighted the possibility for another National Front leader to replace Mossadegh, which would in turn, invite an opportunity for the Tudeh party to seize control. The CIA also recognized that among the factors contributing to Iran's political instability, the oil dispute was most critical. The oil nationalization issue was what had allowed Mossadegh to assume power, and his continued defiance of Britain's demands had kept him in power throughout the dispute. The U.S. recognized the need for Iran to maintain control of its oil; the political stability of the country depended on it.[87]

2. 1979 Iranian Revolution and Anti-Western Sentiment

The period of rule under the Shah was characterized by heavy political oppression and rising economic inequality which precipitated popular dissent against the government.[88] Strong political and economic ties with the United States largely at the expense of the Iranian people resulted in political protests against the Shah. Many people believed that Iran's ties to the West were a source of corruption and an impediment to the political, economic and ideological development of Iran.[89]

The subsequent revolution which ousted the Shah was the result of political and ideological grievances which transformed into a revolutionary populist movement.[90] The Iranian government had shifted from a pro-Western monarchy to an anti-Western theocracy

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[86] Central Intelligence Agency, "Probable Developments in Iran through 1953" (Washington, DC: Central Intelligence Agency, 13 November 1952), https://trumanlibrary.org/whistlestop/study_collections/iran/documents/index.php?documentid=9-10&pagenumber=1.

[87] Central Intelligence Agency.

[88] Madan Mohan Puri, "Iranian Islamic Revolution: Contemporary Perceptions, Proclivities and Prospects," *India Quarterly*, 61, no. 3 (July 2005): 103–104, http://journals.sagepub.com.libproxy.nps.edu/doi/pdf/10.1177/097492840506100305.

[89] Puri, "Iranian Islamic Revolution," 103–104.

[90] Maryam Panah, *Islamic Republic and the World: Global Dimensions of the Iranian Revolution* (London, Ann Arbor, MI: Pluto Press, 2007), 1–2.

suddenly and unexpectedly, marking a significant turning point in U.S.-Iran relations. The 1979 Iranian revolution marked a turning point in U.S.-Iran relations. The American hostage crisis in 1979 resulted in the United States not only isolating itself from Iran, but viewing it with suspicion, which is still reflected in its policies today.[91] The distrust is mutual, however. Since the revolution, the Iranian government has commonly viewed the United States as Reza Pahlavi, the former Shah of Iran said, "a pillaging force, anchored in the Islamic heartland through the state of Israel, and a corrupting cultural beacon for the Islamic youth."[92] In other words, Iran views the United States as an imperialistic, corrupting force who only aims to spread its influence throughout the Middle East. The Supreme Leader of Iran, Ayatollah Khamene'i, has stated that the United States has imposed sanctions on Iran and supported its regional adversaries because it seeks to overthrow Iran's government, which he believes the United States has viewed as illegitimate since the revolution.

B. THREATS IN THE STRAIT OF HORMUZ

Iranian threats to the Strait of Hormuz have been closely tied with the country's nuclear ambitions and the subsequent international sanctions imposed on Iran for its nuclear program. The threats, vocalized by some political and military leadership in Iran on multiple occasions in 2011 and 2012, were made when Iran's oil export earnings were threatened by the possibility of multilateral sanctions.[93] In December 2011, Iran's Vice President Mohammad Reza Rahimi threatened that if Western sanctions were widened—sanctions proposed to counter Iran's nuclear program—then "not a drop of oil will pass through the Strait of Hormuz."[94] Following those remarks, the chief of Iran's Navy

[91] Puri, "Iranian Islamic Revolution," 105.

[92] Reza Pahlavi, *Iran-US Relations: At a New Cross Roads* (UC Irvine: Center for the Study of Democracy, 2009), 3.

[93] Katzman, *Iran's Threat to the Strait of Hormuz*, 1.

[94] "Iran Threatens to Block Strait of Hormuz Oil Route," *BBC News*, 28 December 2011, http://www.bbc.com/news/world-middle-east-16344102.

described the closing of the strait as something that could be easily done by Iran's military.[95]

A similar threat was made the following month by the deputy head of Iran's parliament foreign affairs and national security committee, Mohammad Kossari. The politician stated that "If any disruption happens regarding the sale of Iranian oil, the Strait of Hormuz will definitely be closed."[96] The threat was made following an EU decision to boycott Iranian oil in protest of Iran's nuclear program.[97] These remarks were made while Iran was concurrently carrying out naval exercises in the Persian Gulf and Strait of Hormuz, presumably to demonstrate its ability to disrupt shipping and target enemy warships. The exercises—named Velayat—have been conducted annually since 2006 and consist of military drills in and around the Strait of Hormuz.[98] The exercises are intended to be a show of force, likely in response to a perceived American threat. The Velayat exercises in 2012, however, featured test-firings of various anti-ship cruise missiles from both land-based and sea-based launching platforms, and later followed up with statements from an Iranian parliament member stating that the exercises had successfully demonstrated that Iran was capable of controlling the Strait of Hormuz.[99]

1. U.S. Response

In the weeks following Iran's threats to close the Strait of Hormuz, the U.S. Navy sent the USS *Abraham Lincoln's* (CVN-72) Carrier Strike Group (CSG) 12 through the Strait, challenging Iran's previously stated warning not to send another aircraft carrier into

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[95] "Iran Threatens to Block Strait of Hormuz Oil Route."

[96] David Blair, "Iran Threatens to Close Strait of Hormuz Over EU Oil Sanctions," *The Telegraph,* 23 January 2012, https://www.telegraph.co.uk/news/worldnews/middleeast/iran/9032948/Iran-threatens-to-close-Strait-of-Hormuz-over-EU-oil-sanctions.html.

[97] Blair.

[98] Nasser Karimi, "Iran War Games a Show of Power," *Boston Times,* 23 April 2010, http://archive.boston.com/news/world/asia/articles/2010/04/23/iran_begins_war_games_in_persian_gulf_oil_route/.

[99] Doug Richardson, "Iran Test-Fires Missiles during 'Velayat 90' Naval Exercise," *Janes Missiles and Rockets,* 6 January 2012, https://janes.ihs.com.libproxy.nps.edu/Janes/Display/jmr72812-jmr-2012.

the Persian Gulf.[100] What would normally be regarded as a routine transit for the Navy, this transit into the Persian Gulf was particularly unusual because the CSG was accompanied by British and French warships. In a very obvious challenge to Iranian threats and a show of force by the international community, the British stated that they intended "to underline the unwavering international commitment to maintaining rights of passage under international law."[101] This is an example of the U.S. Navy's primary strategy in the Middle East—deterrence. The Navy uses its warships as a show of force in hopes that Iran will not follow through with its threats.

2. Iran's Actions

In the end, Iran did not follow through with its threats to close the Strait of Hormuz. The period of increased tensions eventually passed and Iranian officials stopped the threats. Iran continued to protest the Navy's presence in the Persian Gulf, but ultimately took no actions that were outside its ordinary pattern of behavior. This would lead some to believe that perhaps the increased naval presence in the Gulf influenced Iran's decision-making. Was Iran actually deterred by the Navy's show of force? Probably not.

[100] "After Iran Threat, U.S. Aircraft Carrier Goes Through Strait of Hormuz without Incident," *CNN*, 24 January 2012, https://www.cnn.com/2012/01/22/world/meast/us-iran-aircraft-carrier/index.html.

[101] "After Iran Threat."

III. ALTERNATE EXPLANATIONS

This chapter will explore the alternative motivating factors that may explain why Iran has not followed through with its threats to close the Strait of Hormuz. Rather than assume that the Navy's strategy of deterrence is effective against such actions, it is important to understand the other dynamics that may play into Iran's decision-making. Although a closure of the Strait of Hormuz would significantly upset the world oil market, Iran would leave itself equally vulnerable and face long-term consequences, both economically and militarily.

A. ECONOMIC

Iran's economy is the second largest in the Middle East behind Saudi Arabia, and it also holds the second largest population in the region.[102] A significant portion of Iran's economy is fueled by international trade, and an equally significant portion of that trade must travel through the Strait of Hormuz. If Iran were to limit or restrict access to the strait, it would not only be harmful to the world economy, it would also devastate Iran's trade-dependent economy.

1. Oil Exports

According to the World Bank, "Iran ranks second in the world in natural gas reserves and fourth in proven crude oil reserves."[103] On average, it exports over two million barrels of crude oil a day, most of which goes to Asia and Europe.[104] Disrupting the flow of vessels through the Strait of Hormuz would have a devastating effect on Iran's own oil exports. This is because a large majority of Iran's oil terminals and merchant shipping ports are located along its coastline in the Persian Gulf, meaning it relies on the strait for the

[102] "The World Bank in Islamic Republic of Iran," The World Bank, 7 April 2017, http://www.worldbank.org/en/country/iran/overview.

[103] The World Bank.

[104] Irina Slav, "Iran Oil Exports Hit 777 Million Barrels in 2017," Oilprice.com, 2 January 2018, https://oilprice.com/Latest-Energy-News/World-News/Iran-Oil-Exports-Hit-777-Million-Barrels-In-2017.html.

transport of its crude oil.[105] The only major port not located in the Persian Gulf, Chabahar, which lies along the Gulf of Oman, is not suitable for accommodating large tankers because of depth restrictions. Further, Iran lacks sufficient pipeline infrastructure to transport oil to ports along the Gulf of Oman. Approximately ninety percent of Iran's oil exports travel through the Strait of Hormuz, accounting for nearly sixty percent of all Iranian exports.[106]

2. Other Exports

Also of significance to Iran's economy is its natural gas exports. Since sanctions against Iran were lifted - an outcome of the 2016 JCPOA agreement - it is expected that Iran's natural gas exports will continue to increase.[107] Additionally, with demand for natural gas on the rise, it is likely to become a more significant aspect of Iran's economy.[108] Iran also exports various chemical goods and agricultural goods.[109] While these exports do not make up a significant portion of Iran's overall exports, they are important to Iran's international trade sector and like crude oil, are primarily shipped through the Strait of Hormuz.

3. Imports

The Strait of Hormuz is also vital for Iran's imported goods. In 2017, Iran imported over $70 billion in goods.[110] Iran imports various raw materials and intermediate goods, which account for approximately eighty percent of its total imports. Iran is also a large

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[105] "The Strait of Hormuz: Political-Military Analysis of Threats to Oil Flows," Robert S. Strauss Center for International Security and Law, 01 May 2008, https://www.strausscenter.org/hormuz/iran-and-oil.html.

[106] Strauss Center for International Security and Law, "The Strait of Hormuz: Political-Military Analysis of Threats to Oil Flows."

[107] "Iran Expects Steep Increase in Gas Output, Exports," *Reuters*, 11 July 2017, https://www.reuters.com/article/us-iran-gas/iran-expects-steep-increase-in-gas-output-exports-idUSKBN19W0W0.

[108] "Iran Expects Steep Increase in Gas Output, Exports."

[109] "Iran Country Profile," The Observatory of Economic Complexity, accessed on 19 January 2018, https://atlas.media.mit.edu/en/profile/country/irn/.

[110] "Iran: Economy—Overview," The CIA World Factbook, 22 February 2018, https://www.cia.gov/library/publications/the-world-factbook/geos/ir.html.

importer of gasoline.[111] Due to high domestic demand as a result of government subsidies, domestic gasoline production does not meet demand. As a result, Iran imports the difference. In recent years Iran's refineries have increased production capacity and reduced the dependence on foreign gasoline, however, Iran is still importing nearly ten million liters of gasoline per day.[112] Previous attempts by the Iranian government to reduce dependency on gasoline by cutting subsidies have led to riots.[113]

Similar to its exports, a large portion of these imports must travel through the Strait of Hormuz. Of all the possible economic impacts that a closure of the strait would trigger, a disruption of its imports would have the most immediate and severe impact on Iran's population. While Iran is less dependent on food imports than other states in the region, it does import nearly a third of its food.[114]

B. POLITICAL

A closure of the Strait of Hormuz would trigger widespread political consequences for Iran. The diplomatic and economic ties that Iran shares with the international community would likely be severed, and Iran would force itself into political isolation. The political backlash from states directly affected by the closure, primarily other Gulf states that depend on the Strait, would be especially harmful to Iran. Internationally, Iran would be subject to trade sanctions, which would likely gain strong support from most states.

1. International Pressure

The international response to a closure of the Strait of Hormuz would be substantial. Not only would Iran be unable to export its own oil, but large economies that depend on Gulf oil may threaten to cut all economic ties with Iran, including major players like China,

[111] "Iran Gasoline Imports Decline," *Financial Tribune (Iran)*, 7 June 2017, https://financialtribune.com/articles/energy/65913/iran-gasoline-imports-decline.

[112] "Iran Gasoline Imports Decline."

[113] Strauss Center for International Security and Law. "The Strait of Hormuz: Political-Military Analysis of Threats to Oil Flows."

[114] Soazic Heslot, "Iran's Food Security," Future Directions International, 8 August 2014, http://www.futuredirections.org.au/publication/iran-s-food-security/.

which is the source of nearly forty percent of all Iranian imports.[115] Gulf states, some of which are significant trading partners with Iran, may also sever ties.

a. Gulf States

Iran already has rivalrous relationships with other states in the Gulf, particularly, with Saudi Arabia. Although there are no economic ties at risk with Saudi Arabia, Iran does share trade relations with the UAE.[116] Last year, the UAE was second largest destination of Iranian exports, totaling seventeen percent of Iran's total exports, second only to China.[117] As a major oil exporter that relies on the Strait of Hormuz, the UAE may consider cutting trade ties with Iran as a consequence of disrupting its oil revenues. Iran does not share any notable political or economic ties with other Gulf states. For this reason, political retaliation against Iran from Gulf states is unlikely to extend beyond public condemnation with support for international sanctions and military action.

b. Non-Gulf States

The most severe political consequences to Iran would come from those outside the region which rely on Middle Eastern oil. As the world's largest importer of oil, China imports an estimated 7.6 million barrels of oil per day.[118] The majority of this oil is imported from the Middle East, including Iran.[119] As Iran's largest trading partner, China arguably has the most economic leverage on Iran. Consequently, if Iran were to disrupt the passage of oil out of the Gulf, it risks losing its largest source of revenue.

In addition to economic ties, Iran also has significant bilateral military relations with China. Since the Iran-Iraq war, China has supplied the Iranian military with an estimated $3.8

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[115] "Iran Country Profile," The Observatory of Economic Complexity.

[116] "Upward Trend in Iran-UAE Trade Transactions," *Financial Tribune (Iran)*, 24 May 2017, https://financialtribune.com/articles/economy-business-and-markets/65083/upward-trend-in-iran-uae-trade-transactions.

[117] "Upward Trend in Iran-UAE Trade Transactions."

[118] "More Chinese Crude Oil Imports Coming from Non-OPEC Countries," U.S. Energy Information Administration, 14 Apr 2017, https://www.eia.gov/todayinenergy/detail.php?id=30792.

[119] "China Surpassed the United States as the World's Largest Crude Oil Importer in 2017," U.S. Energy Information Administration, 5 Feb 2018, https://www.eia.gov/todayinenergy/detail.php?id=34812.

billion in various missiles and equipment.[120] With the help of China, Iran was able to modernize its military forces, thereby expanding its military footprint in the Persian Gulf. China has supplied Iran with various anti-ship missiles, including the C-801/802 anti-ship missiles, the HY-2 Silkworm anti-ship cruise missile, and the M-7/8610 short range ballistic missile[121] Iran restricting China's access to oil by using Chinese provided weaponry, although ironic, may force China to either limit or completely cease bilateral military relations with Iran.

The European Union is another large consumer of Gulf oil, and its member states would undoubtedly be affected by a disruption in oil movement. EU states import approximately forty percent of their oil from OPEC states; many of which are located within the Persian Gulf.[122] Saudi Arabia alone provides eight percent of all EU imported oil.[123] The EU does have contingencies in place, as stated in its *European Energy Security Strategy*, that accounts for a disruption in energy supply, however, the strategy is primarily focused on long-term preventative measures to be taken internally to minimize the shock of an abrupt disruption.[124] The hypothetical scenarios contained in the strategy are based on a disruption in Russian oil, the largest oil source of the EU, but make no reference to a similar scenario from Gulf oil sources. The document is also centered on internal policy-making, and does not mention specific actions that it may take internationally to restore energy supplies.[125]

Although the EU does not publicly state what contingencies it has in place to restore energy supply, a probable course of action would be increased sanctions, in addition to the ones implemented by the EU in 2007. In fact, Iran would face consequences from multiple

[120] Mukhtar Ahmad Baht, "Iran-China Relations: A Challenge for U.S. Hegemony," *Quarterly Journal of Chinese Studies* 3, no. 2 (Winter 2014), https://search.proquest.com/docview/1699070707?OpenUrlRefId=info:xri/sid:primo&accountid=12702.

[121] Baht, "Iran-China Relations: A Challenge for U.S. Hegemony."

[122] "Energy—Supplier Countries," European Commission, 27 February 2018, https://ec.europa.eu/energy/en/topics/imports-and-secure-supplies/supplier-countries.

[123] European Commission, "Energy—Supplier Countries."

[124] "European Energy Security Strategy," European Commission, 28 May 2014, http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52014DC0330&from=EN.

[125] European Commission, "European Energy Security Strategy,"

international organizations and states, likely to take the form of sanctions. It is likely that the United States, EU, NATO and the UN would use sanctions as their primary non-military solution, which would isolate Iran even further.

2. Nuclear Program

Iran's nuclear program has been at the center of its foreign policy agenda for nearly two decades. Many influential players in the international community, including the United States, have strongly opposed Iran's nuclear ambitions. Iran's nuclear program prompted sanctions from several individual states, including the United States, as well as the EU and UN.[126] Many of these sanctions were lifted after the 2016 Joint Comprehensive Plan of Action (JCPOA) was implemented.

If Iran were to take an aggressive posture in the Strait of Hormuz, it risks cancellation of the nuclear deal under the JCPOA and reimplementation of economic sanctions. Previous sanctions had a crippling impact on the Iranian economy, leading to widespread unemployment, inflation, and the cutback of government subsidies to Iranian citizens.[127] Under economic sanctions, Iran lost all of its European oil sales, accounting for approximately 500,000 barrels per day. The oil that it could sell, to China for example, incurred high transaction costs as a result of sanctions.[128] If these sanctions were reenacted, Iran would undoubtedly face the same economic hardships as before the JCPOA. Combined with the economic impact to Iran's economy from closing the strait, these sanctions would be devastating to the Iranian economy.

C. MILITARY

This section will address the overall feasibility of Iran's capability to use its military forces and other assets to effectively close the Strait of Hormuz, as well as the capability of the U.S. military to reopen the Strait in a timely manner. It will also evaluate the probable

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[126] Kenneth Katzman, *Iran Sanctions*, CRS Report No. RS20871 (Washington, DC: Congressional Research Service, 2013), https://fas.org/sgp/crs/mideast/RS20871.pdf.

[127] Hassan Hakimian, "How Sanctions Affect Iran's Economy," *Council on Foreign Relations*, 22 May 2012, https://www.cfr.org/interview/how-sanctions-affect-irans-economy.

[128] Hakimian, "How Sanctions Affect Iran's Economy."

military response against Iranian forces in retaliation of such actions. Iran closing the Strait of Hormuz, or restricting the access of any vessel, is a violation of international law. Military action against Iran would be limited, but Iran risks the partial or complete destruction of its naval forces, and any other assets deemed to be a threat to vessels transiting the Strait of Hormuz.

1. Feasibility

One of the questions that came up quite regularly in the midst of Iran's 2011–2012 threats to the Strait of Hormuz was: does Iran actually have the capability to close the Strait of Hormuz? The general consensus amongst military experts and scholars is yes, Iran does have the capability to close the strait.[129] This was also confirmed by General Dempsey, Chairman of the Joint Chiefs of Staff in 2012 when he stated, "[The Iranians have] invested in capabilities that could, in fact, for a period of time block the Straits of Hormuz. We've invested in capabilities to ensure that, if that happens, we can defeat that. And so the simple answer is, yes, they can block it."[130]

Iran currently holds the largest military force of the Gulf states.[131] This is purely in the sense of numbers, however. In terms of capability, Saudi Arabia and the United Arab Emirates surpass Iran's pre-revolution era air platforms. Iran's real advantage in the region comes from its use of irregular warfare by the Iranian Revolutionary Guard Corps Navy (IRGCN), which relies on the use of small, inshore vessels the U.S. military refers to as Fast Inshore Attack Craft (FIAC). These craft can outrun the majority of larger military and civilian vessels, and use swarming tactics to surround and overwhelm as their preferred method of attack. They can be used to lay mines, and typically carry an array of anti-ship missiles.[132]

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[129] Katzman, *Iran's Threat to the Strait of Hormuz*, 4.

[130] Katzman, 4.

[131] Mina James and Serwer Daniel, "Circumventing Hormuz," *Survival: Global Politics and Strategy* 56, no. 2 (March 2014), https://doi.org/10.1080/00396338.2014.882471.

[132] James and Daniel, "Circumventing Hormuz."

Iran's naval inventory also includes three Kilo-class submarines and more than a dozen mini-submarines which are capable of launching torpedoes. Iran's three Kilo-class submarines are based outside of the Persian Gulf, suggesting that they may be used against warships or tankers attempting to enter the Persian Gulf. Iran also has multiple coastal defense cruise missile (CDCM) sites along its coastline, including inside the Strait of Hormuz that can be utilized to target ships transiting through the Strait.[133]

Many have suggested that Iran would take an approach similar to the tactics used against merchant vessels during the Tanker War portion of the Iran-Iraq war.[134] These tactics would include using a combination of minelaying and anti-ship missiles to prevent vessels from transiting the strait. Since the Tanker War, Iran has acquired more advanced missiles, particularly the Chinese-built C-801 and C-802, which can travel longer-ranges and be deployed from vessels or shore-based launch platforms. Minelaying is also an attractive option to Iran because mines are relatively inexpensive and do not require direct engagement between Iran's armed forces and opposing forces. Iran currently has enough mines in its inventory to mine the entire Strait of Hormuz, as estimates of Iran's mine inventory range from 2,000-5,000 total mines.[135] Iran could either lay mines directly in and around shipping lanes in the strait, or lay mines throughout the Persian Gulf to deter vessels from entering, which is a tactic that was used during the Tanker War. A 2012 Congressional Research Service report outlined multiple possible scenarios of how Iran could use its armed forces to threaten the Strait of Hormuz. These possible scenarios include:

- "Declaring that the Strait of Hormuz or other parts of the Gulf are closed to shipping, without stating explicitly what the consequences might be for ships that attempt to transit those waters.

- Declaring more explicitly that ships transiting the Strait or other parts of the Gulf are subject to being intercepted and detained, or attacked.

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[133] Katzman, *Iran's Threat to the Strait of Hormuz.* 5–6.

[134] The International Institute for Strategic Studies, "Strait of Hormuz: Iran's Disruptive Military Options," *Strategic Comments* 18, no. 1 (01 March 2012), 1–2, https://doi.org/10.1080/13567888.2012.671056.

[135] Katzman, *Iran's Threat to the Strait of Hormuz, 5.*

- Using speed boats, other surface craft, or aircraft to harass, block the path of, or fire warning shots at ships transiting the Strait or other parts of the Gulf.

- Using the above assets, and perhaps also shore-based rockets, artillery, and cruise missiles, mini-submarines, or swimmers, to selectively or more systematically attack selected ships transiting the Strait or other parts of the Gulf. • Mining the Strait and perhaps other parts of the Gulf.

- Declaring that foreign naval ships operating in certain waters outside the Strait (i.e., in the Gulf of Oman) will be subject to attack.

- Using submarines, surface ships, shore-based cruise missiles, and aircraft to attack foreign naval ships operating in waters outside the Strait."[136]

2. International Military Response

While it may be militarily feasible for Iran to close the Strait of Hormuz, such actions would unquestionably trigger a significant military response from the international community, including the United States. Since the Carter administration, the United States has maintained a clearly stated posture on defense of the Persian Gulf and Strait of Hormuz.[137] Specifically, it stated that "Any attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force."[138] In the midst of Iran's 2011–2012 threats, General Dempsey restated this policy by saying that closing the Strait of Hormuz was an action that would prompt U.S. military action.[139] There seem to be no direct statements of U.S. policy toward Iranian hostility in the Strait of Hormuz in the Trump administration thus far, however, the National Security Strategy does state that the United States will "work with partners to

[136] Katzman, *Iran's Threat to the Strait of Hormuz*, *7*.

[137] James and Daniel, "Circumventing Hormuz."

[138] James and Daniel.

[139] James and Daniel.

neutralize Iran's malign activities in the region."[140] It is reasonable to expect that U.S. policy in response to hostile Iranian actions in the Strait of Hormuz has not changed.

U.S. military action would likely be supplemented with Gulf Cooperation Council member states military forces and European forces. The UK and France demonstrated their intent to ensure the security of the Persian Gulf when their warships joined the Abraham Lincoln CSG Strait of Hormuz transit following Iran's 2012 threats.[141] Increased military spending among GCC states over a perceived Iranian threat suggests that the GCC may also contribute to military action against Iran. On average, GCC countries spent 9.5 percent of their GDP on defense in 2016, compared to the 2.3 percent average for the rest of the world, and Saudi Arabia stands as the fourth largest military spender in the world behind the United States, China and Russia.[142] China has already demonstrated its intention to protect its shipping through an increased naval presence in the Indian Ocean, particularly for anti-piracy purposes near the Horn of Africa, suggesting that it may extend its presence to the Persian Gulf if its interests are threatened there. This is not suggesting that China would participate in military action against Iran, but a closure of the Strait of Hormuz may force China to put significant pressure on Iran to cease aggression in the Strait.

[140] Donald Trump, *National Security Strategy* (Washington, DC: White House, 2017), https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf.

[141] "After Iran Threat, U.S. Aircraft Carrier Goes Through Strait of Hormuz without Incident."

[142] Haroon Sheikh, "The Emerging GCC Defence Market: The $30 Billion Opportunity," *Strategy&*, 25 July 2017, https://www.strategyand.pwc.com/reports/emerging-gcc-defence-market.

IV. ASSURANCE AND SAUDI ARABIA

This chapter explores the strategy of assurance and some of the methods the United States and U.S. Navy use to provide assurance to Saudi Arabia. It sets the tone for the following chapter, which explores how assurance may influence Saudi Arabia, thereby contributing to regional stability. Some of these are not Navy-centric, but contribute to the Navy's overall strategy of providing assurance to regional partners. Saudi Arabia serves as a good example in examining assurance because: first; Saudi Arabia has stronger ties with the United States than any other Gulf state, and second; its rivalrous relationship with Iran and the threats it faces as a result of that relationship offers qualitative information about Saudi Arabia's decision-making.

A. HISTORICAL BACKGROUND AND POLITICAL CONTEXT

U.S. interest in the Persian Gulf dates back to World War II when the United States developed economic ties with Saudi Arabia through oil agreements.[143] Throughout the Cold War, Saudi Arabia was an important component of the U.S. twin pillar strategy, with Iran as the second pillar, which was intended to keep Soviet influence from spreading into the Middle East. With the 1979 Iranian revolution and subsequent shifting of Iran's views of the United States, Saudi Arabia became an essential partner in the Persian Gulf region. In the 1990-1991 Gulf War, the United States staged troops in Saudi Arabia to support the campaign against Iraq, and throughout the 1980s, the United States and Saudi Arabia jointly supported resistance forces against the Soviet occupation of Afghanistan.[144]

Post 9/11, Saudi Arabia became a vital counter-terrorism partner in the region. Saudi Arabia considers terrorist groups such as Al-Qaeda and the Islamic State to be a threat to its national security, and has taken steps to counter Islamic terrorism that are

[143] "U.S.—Saudi Relations," Council on Foreign Relations, 12 May 2017, https://www.cfr.org/backgrounder/us-saudi-relations.

[144] Council on Foreign Relations, "U.S.—Saudi Relations."

consistent with U.S. aims.[145] The Saudi government takes steps to prevent its citizens from travelling to join terrorist groups abroad, counters the financing of terrorist groups through its banking system, and has provided funding to the IAEA's efforts to prevent nuclear terrorism. Saudi Arabia created the Islamic Military Alliance to Fight Terrorism, a military coalition that aims to combat Islamic terrorism which has gained support from over forty countries.[146] Although the coalition is still in its infancy, Saudi Arabia has made progress in gathering resources and troops for the coalition. The Saudi government has taken a strong stance against terrorism, and has demonstrated this through the executions of convicted AQAP members.[147]

Saudi Arabia's regional rival, Iran, also presents a security threat to both Saudi Arabia and U.S. interests. From the United States' perspective, Iran's nuclear program and its sponsoring of terrorist groups threatens U.S. interests in the region. Saudi Arabia views Iran's strategy in the region "as part of an expansionist, sectarian agenda aimed at empowering Shia Muslims in the Middle East at the expense of Sunnis."[148] These common defense interests have fostered a strong security partnership between the United States and Saudi Arabia over recent years, and has set the stage for bilateral defense agreements, weapons sales, and military training and support to Saudi Arabia.

These agreements are part of the U.S. commitment to Saudi Arabia on the basis of their insecurities, and in return Saudi Arabia supports U.S. interests in the region.[149] The United States remains cautious, however, in ensuring that arms sales and military training does not give Saudi Arabia a competitive military advantage over Israel, which seems to be the general consensus within Congress.[150] Nonetheless, Saudi Arabia has benefited from

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[145] Christopher M. Blanchard, *Saudi Arabia: Background and U.S. Relations,* CRS Report No. RL33533 (Washington, DC: Congressional Research Service, 2017), 13, https://fas.org/sgp/crs/mideast/RL33533.pdf.

[146] Blanchard, *Saudi Arabia: Background and U.S. Relations,* 14.

[147] Blanchard, 14.

[148] Blanchard, 23.

[149] Jeremy Shapiro and Richard Sokolsky, "It's Time to Stop Holding Saudi Arabia's Hand," *Foreign Policy*, 12May 2015, http://foreignpolicy.com/2015/05/12/its-time-to-stop-holding-saudi-arabias-hand-gcc-summit-camp-david/.

[150] Blanchard, *Saudi Arabia: Background and U.S. Relations,* 19.

and relied on U.S. security assurances, especially over the last decade as regional threats have evolved.

B. SOURCES OF ASSURANCE

This section aims to explore the sources of U.S. security assurances to Saudi Arabia. It will examine Naval-centric means of assurance currently in place, but will also examine the overall picture of U.S.-provided defense agreements with Saudi Arabia.

1. Bilateral Agreements and Arms Sales

The United States maintains numerous bilateral defense agreements with Saudi Arabia. Saudi Arabia stands as the largest customer of U.S. military equipment sales through the Foreign Military Sales (FMS) program, a program which allows U.S. military equipment to be sold to foreign militaries.[151] As of February of 2017, Saudi Arabia had roughly $100 billion in contracts through FMS agreeing to purchase various items of U.S. military equipment.[152] These contracts include the F-15 fighter aircraft purchased as part of the Royal Saudi Air Force (RSAF) modernization efforts. During President Trumps visit to Saudi Arabia in May 2017, The United States and Saudi Arabia agreed to an additional $110 billion in arms sales to the Saudi military. In this agreement, Saudi Arabia agreed to purchase for Littoral Combat Ships (LCS), along with various tanks, helicopters and Patriot missiles. The sale also included the THAAD missile defense system, along with an upgrade to the Saudi command and control infrastructure.[153]

Saudi Arabia's armed forces also receive training support through the International Military Education and Training (IMET) program, which is a program designed to foster interoperability between the U.S. military and foreign militaries through arms sales and providing robust training on the operation of U.S.-made military equipment.[154] Although

[151] "U.S. Relations With Saudi Arabia: Fact Sheet," U.S. Department of State, 2 February 2017, https://www.state.gov/r/pa/ei/bgn/3584.htm.

[152] U.S. Department of State, "U.S. Relations With Saudi Arabia: Fact Sheet."

[153] Blanchard, *Saudi Arabia: Background and U.S. Relations*, 20.

[154] "International Military Education and Training (IMET)," Defense Security Cooperation Agency, accessed on 21 January 2018, http://www.dsca.mil/programs/international-military-education-training-imet.

this program is reportedly inundated with problems, which mainly stem from a lack of funding, it nonetheless is an active program that aims to train Saudi military forces.[155]

2. Naval Exercises and Partnerships

The U.S. military participates in a number of bilateral and multilateral exercises with the Saudi military, however, this section focuses solely on naval exercises as relevant to the topic of this paper. Saudi Arabia is a member of Combined Maritime Forces (CMF) in Fifth Fleet, which, as stated by NAVCENT is "a multi-national naval partnership, which exists to promote security, stability and prosperity across approximately 3.2 million square miles of international waters, which encompass some of the world's most important shipping lanes."[156] CMF is broken down into three task forces: maritime security and counter-terrorism; counter-piracy; and Gulf security and cooperation.[157] Through its participation in the CMF task group, Royal Saudi Naval Force (RSNF) forces gain experience in operations which promote regional stability, and become more proficient in interoperability missions.

RSNF forces also become more proficient through their participation in bilateral and multilateral maritime exercises. Major exercises include Ex Red Reef, which is a biennial exercise between the United States and Saudi Arabia focused on interoperability between the Royal Saudi Naval Force (RSNF) and the U.S. Navy and Marine Corps.[158] Exercise Indigo Response, another bilateral exercise, focuses on mine countermeasure tactics and Explosive Ordinance Disposal (EOD) tactics and is conducted annually with

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[155] Joshua Kurlantzick, "Reforming the U.S. International Military Education and Training Program," Council on Foreign Relations, 08 June 2016, https://www.cfr.org/report/reforming-us-international-military-education-and-training-program.

[156] "Combined Maritime Forces," U.S. Naval Forces Central Command, accessed 21 January 2018, http://www.cusnc.navy.mil/Combined-Maritime-Forces/.

[157] U.S. Naval Forces Central Command, "Combined Maritime Forces."

[158] United States Marine Corps, "Red Reef 15 Closes with Joint Demonstration," *US Fed News Service*, 03 Jan 2015, https://search.proquest.com.libproxy.nps.edu/docview/1641609215?OpenUrlRefId=info:xri/sid:primo&accountid=12702.

the RSNF.[159] Additionally, the United States participates in multiple exercises with the G.C.C. annually, which bolsters the interoperability between Saudi Arabia and other G.C.C. members, making the G.C.C. a stronger, more capable force. In delivering a statement at the U.S.–G.C.C. Defense Ministerial Joint Press Conference in 2016, then Secretary of Defense Ash Carter stated,

> U.S. and GCC special operations forces are working together more closely than ever, including in war zones. Our countries are doing more to advance regional maritime security, with combined naval task forces patrolling the vitally important waterways of this region. We're working together to develop a blueprint for a regional ballistic missile defense architecture. We've also collaborated in almost 40 exercises together since Camp David, practicing integrated air and missile defense, combined arms, tactical air operations, special operations, and maritime operations.[160]

These types of exercises not only enhance interoperability between United States and Saudi Arabia, they also help to develop and train the Saudi forces to counter threats in the region. As a result, Saudi Arabia's military becomes a more capable, proficient force that can deter threats independently or as part of a coalition in turn playing a larger role in regional stability.

3. Missile Defense

Missile defense is a significant component in providing assurance to U.S. partners in the Gulf region. Protected by a combination of Army and Navy missile defense systems, Saudi Arabia is a good example of how U.S. missile defense systems can defend against and deter hostility in the region. Saudi Arabia currently operates two U.S.-made missile defense systems and is in the process of purchasing additional systems, and the Navy's

[159] Ernesto Bonilla, MC1, USN, "U.S. Navy, RSNF Conclude Underwater MCM Engagement Exercise Indigo Response 18," United States Navy, 29 Jan 2018, http://www.navy.mil/submit/display.asp?story_id=104153.

[160] Ash Carter, Secretary of Defense, *Opening Statement U.S.—GCC Defense Ministerial Joint Press Conference* (Riyadh, Saudi Arabia: 2016).

continuous deployment of ballistic missile defense (BMD) capable cruisers and destroyers offers another layer of protection against missile threats in the region.[161]

Since the Iran-Iraq war, Saudi Arabia has purchased billions of dollars worth of missile defense systems from the United States.[162] Largely as a result of Iraq firing ballistic missiles into Saudi Arabia during the Iran-Iraq war, Saudi Arabia purchased the Patriot missile defense system from the United States after the war ended. The recent arms deal made in 2017 includes the THAAD missile defense system, which adds an additional layer of protection and redundancy to Saudi missile defense.[163]

Additionally, the Navy operates Aegis BMD capable warships in the Persian Gulf, which provide regional protection from ballistic missiles, particularly from threats such as Iran.[164] These warships are particularly important in the Persian Gulf because they provide a capability that Saudi Arabia currently does not have. The Aegis BMD system is intended to engage ballistic missiles in the exoatmospheric phase of flight, meaning that it can engage an incoming missile much sooner than the ground-based missile defense systems operated by Saudi Arabia. With these warships operating out of the Persian Gulf, between Saudi Arabia and Iran, they have the ability to intercept a missile threat in its midcourse phase rather than terminal phase.[165]

Missile defense has been particularly important for Saudi Arabia in recent years in light of Iran's nuclear ambitions. Although the JCPOA agreement has pacified Saudi Arabia's concerns for now, the agreement is not permanently binding. The agreement prohibits Iran from the number of centrifuges it can use to enrich uranium for ten years,

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[161] "Saudi Arabia," Missile Defense Advocacy Alliance, 9 Jan 2018, http://missiledefenseadvocacy.org/intl-cooperation/saudi-arabia/; Ronald O'Rourke, *Navy Aegis Ballistic Missile Defense (BMD) Program: Background and Issues for Congress*, CRS Report No. RL33745 (Washington, DC: Congressional Research Service, 2016), https://news.usni.org/wp-content/uploads/2016/11/RL33745.pdf.

[162] Missile Defense Advocacy Alliance. "Saudi Arabia,"

[163] Blanchard, *Saudi Arabia: Background and U.S. Relations*, 20.

[164] O'Rourke, *Navy Aegis Ballistic Missile Defense (BMD) Program*, 1.

[165] O'Rourke, 4–5.

and is also limited in the levels in which it can enrich uranium for fifteen years.[166] Other limitations on its facilities and stockpile allotments also expire after fifteen years.[167] What this means for Saudi Arabia is that in the near-term, it does not face a nuclear threat from Iran. If the agreement expires or is voided by some other means, and Iran eventually acquires a nuclear weapon, missile defense will be only means of deterrence and/or defense against a missile threat. In this case, providing assurance through missile defense will become a critical aspect of regional stability.

[166] Kenneth Katzman, *Iran Nuclear Agreement*, CRS Report No. R43333 (Washington, DC: Congressional Research Service, 2017) 10, https://fas.org/sgp/crs/nuke/R43333.pdf.

[167] Katzman.

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V. BENEFITS OF ASSURANCE IN SAUDI ARABIA

In order to understand why providing assurance to Saudi Arabia is essential to regional stability in the Persian Gulf region, the link between assurance—in this case provided by U.S. naval presence—and stability needs to be understood. It is assumed that assurance influences a state's behavior in some way. This chapter explores the ways in which Saudi Arabia is influenced by the Navy's presence in the Persian Gulf and how it affects its foreign policy decision making. This requires an assessment of how Saudi Arabia behaves now, and considers how Saudi Arabia might have acted in the absence of the Navy's presence. The latter requires some speculation, but assumes that Saudi Arabia is a rational state that would act within the boundaries of what is considered to be normal state behavior.

A. MILITARY BUILDUP AND SECURITY DILEMMA

In terms of active personnel, Iran's military forces more than double Saudi Arabia's forces.[168] The disproportion grows even wider when accounting for reserve forces. Saudi Arabia does surpass Iran, however, in air assets, both in quantity and quality. While Saudi Arabia is the largest military spender among the Gulf states, most of this spending goes toward its air force and army. Saudi naval assets are surprisingly modest, considering its reliance on maritime trade. In terms of total naval assets, the RSNF stands at just 55 compared to the IRIN and IRGCN combined count of almost 400.[169] The Table 1 illustrates the disproportion of naval assets between the two states.

[168] "Comparison Results of World Military Strengths: Saudi Arabia vs. Iran," Global Firepower Index, accessed 03 Mar 2018, https://www.globalfirepower.com/countries-comparison-detail.asp?form=form&country1=saudi-arabia&country2=iran&Submit=COMPARE.

[169] Global Firepower Index, "Comparison Results of World Military Strengths: Saudi Arabia vs. Iran."

Table 1. Iran vs. Saudi Arabia Naval Assets.[170]

	Saudi Arabia (RSNF)	Iran (IRIN and IRGCN)
Aircraft Carriers	0	0
Submarines	0	33
Frigates	7	5
Destroyers	0	0
Corvettes	4	3
Patrol Craft	11	230
Mine Warfare Craft	3	10
Merchant Marine Strength	72	76
Major Ports and Terminals	4	3

The large disparity in naval assets can be viewed positively or negatively, depending on perspective. Saudi Arabia and Iran are rivals. One would expect Saudi Arabia to have a naval force comparable to Iran's, especially given Saudi Arabia's reliance on sea trade, but it doesn't. This begs the question: why would Saudi Arabia compete with Iran's air power and army strength, but not its naval forces? This is because the U.S. Navy's presence in the Persian Gulf eliminates Saudi Arabia's need for a large fleet. The Navy deploys enough warships in the gulf to address any maritime threat that Saudi Arabia might encounter, eliminating its need to invest in a fleet large enough to rival Iran's. This is a good thing because it means the Navy's strategy of assurance works. However, it also means that if the Navy were to reduce its presence in the gulf, Saudi Arabia would be left vulnerable to Iranian aggression.

One advantage to Saudi Arabia having a small navy in comparison to Iran is that it eliminates the possibility of a security dilemma occurring between the two. A competition

[170] Source: Global Firepower Index, "Comparison Results of World Military Strengths: Saudi Arabia vs. Iran," accessedMarch 3, 2018, https://www.globalfirepower.com/countriescomparison-detail.asp?form=form&country1=saudiarabia&country2=iran&Submit=COMPARE.

in naval buildup between Saudi Arabia and Iran would certainly be reason for concern in the Persian Gulf, and could potentially disrupt regional stability throughout the Middle East. The U.S. Navy's consistent presence prevents this from occurring. On the other hand, Saudi Arabia has become dangerously dependent on the U.S. Navy for its maritime security. Although U.S. foreign policy is unlikely to shift away from protecting its interests in the Persian Gulf, Saudi Arabia should have a Navy powerful enough to protect its own interests.

B. NUCLEAR PROLIFERATION

Historically, Saudi Arabia has opposed nuclear proliferation in the Middle East. It is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, and has never pursued a nuclear weapons program.[171] Saudi Arabia is currently building a nuclear power program for peaceful purposes which is expected to be completed by 2040, but has not shown a serious interest or stated its intent to pursue nuclear weapons.[172] With Iran's nuclear program at a halt for now, Saudi Arabia's attention has shifted to what they perceive as Iranian interference in the greater Middle East.[173] But there still seems to be some concern among Saudi leadership about Iran's nuclear program over the long-term. Turki Al-Faisal, former Saudi ambassador to the United States, has previously stated that the JCPOA agreement is a temporary solution which will only last 10-15 years, and has concerns about Iran's nuclear program once that time has lapsed.[174]

With Iran's nuclear program at a halt, at least for the foreseeable future, Saudi Arabia has an opportunity to pursue its own nuclear weapons program, along with the resources to fund it, but have made no indications that it intends to do so. What has kept Saudi Arabia from pursuing its own nuclear weapons thus far? There are certainly political

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[171] Dan Drollette Jr., "View from the Inside: Prince Turki Al-Faisal on Saudi Arabia, Nuclear Energy and Weapons, and Middle East Politics," *Bulletin of the Atomic Scientists* 72, no. 1 (January 2016): 20-21, https://doi.org/10.1080/00963402.2016.1124655. (16-24)

[172] "Nuclear Power in Saudi Arabia," World Nuclear Association, October 2017, http://www.world-nuclear.org/information-library/country-profiles/countries-o-s/saudi-arabia.aspx.

[173] Drolette, "View from the Inside," 22.

[174] Drolette, 22.

reasons that have deterred Saudi Arabia, such as backlash from the international community, but missile defense could play a factor in Saudi Arabia's overall stance against nuclear weapons. Instead of entertaining the prospect of acquiring a nuclear weapon, Saudi Arabia, over the past three decades, has invested in missile defense capabilities to counter ballistic missiles.[175]

Iran's continued progress toward more advanced weapons has prompted Saudi Arabia to invest in more capable missile defense systems, as opposed to a nuclear weapons program.[176] Saudi Arabia's behavior this far, and its purchase of the THAAD anti-missile system in the 2017 arms deal with the United States, is likely in response to Iran's potential to develop nuclear weapons in the future. While this does not necessarily mean that Saudi Arabia will never acquire a nuclear weapon, it does suggest that Saudi Arabia feels that missile defense is an adequate solution to ballistic missile threats.

The Executive Director to the International Institute for Strategic Studies, Mark Fitzpatrick, once wrote that, "Countries such as Egypt and Saudi Arabia that feel threatened by Iran's strategic capabilities will be less inclined to want to keep open nuclear options of their own if they feel protected by a U.S. missile shield."[177] This concept has been successfully implemented in Europe with the European Phased Adaptive Approach (EPAA), which integrates shore-based radar sites with BMD-capable U.S. Navy warships deployed in the Mediterranean Sea, to provide missile defense coverage for NATO states in Europe and the Mediterranean.[178]. Thus far, none of the states under this agreement have pursued nuclear weapons, including the ones that are subject to Russian aggression.

Although the United States does not have a similar agreement with Saudi Arabia, BMD-capable warships are deployed in the Persian Gulf and tasked "to provide regional defense against potential ballistic missile attacks from countries such as North Korea and

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[175] "Saudi Arabia," Nuclear Threat Initiative, August 2015, http://www.nti.org/learn/countries/saudi-arabia/delivery-systems/.

[176] Nuclear Threat Initiative, "Saudi Arabia."

[177] Mark Fitzpatrick, "A Prudent Decision on Missile Defence," *Survival: Global Politics and Strategy* 51, no. 6 (December 2011): 6–7, https://doi.org/10.1080/00396330903461633.

[178] "NATO Ballistic Missile Defense: Fact Sheet," North Atlantic Treaty Organization, July 2016, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_07/20160630_1607-factsheet-bmd-en.pdf.

Iran."[179] It is a reasonable assessment, therefore, to assume that Saudi Arabia would be under the coverage of the Navy's BMD umbrella in the region, and the Navy would intercept a ballistic missile coming from Iran targeting Saudi Arabia. An absence of such protection would leave Saudi Arabia with only its ground-based missile defense systems, and may drive it to pursue a nuclear weapons program as a more reliable source of deterring aggression.

[179] O'Rourke, *Navy Aegis Ballistic Missile Defense (BMD) Program: Background and Issues for Congress*, 1.

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VI. CONCLUSIONS

Maintaining stability in the Middle East has become an integral component of U.S. national security. Thoughts on instability in the Middle East tends to invoke concerns about terrorism and its implications on the rest of the world, but interstate relations and aggressive behavior by state actors in the region have equally far-reaching consequences. U.S. naval strategy and the broader U.S. national security strategy should be flexible enough to evolve with the constantly-shifting threats within the Middle East, and it should regularly reassess those strategies to ensure that national assets are being applied appropriately.

A. FINDINGS

1. Deterrence

The U.S. Navy has maintained a constant presence in the Persian Gulf since the Iran-Iraq War in the 1980s. Iran's use of mines and cruise missiles to target merchant shipping posed a threat to the maritime traffic operating within the Persian Gulf, which prompted a U.S. military response ultimately resulting in Iran's defeat.[180] Recognizing the vulnerability of maritime shipping in the Persian Gulf and Strait of Hormuz, the Navy adopted the strategy of forward deployment, which is a deterrence-based strategy centered on the assumption that Iran will be deterred from aggressive behavior in the Persian Gulf if U.S. warships are present. This concept continues to drive the U.S. Navy's main strategy in the region today, however, evidence shows Iran is highly unlikely to disrupt the flow of traffic through the Strait of Hormuz or within the Persian Gulf.

Iran's 2011–2012 threats prompted a multinational military response in which a U.S. aircraft carrier accompanied by French and British warships sailed through the Strait of Hormuz as a show of force.[181] This was essentially the same strategy the Navy had relied on for more than twenty years, only to a greater degree. The Iranians eventually stopped making the threats and normal operations resumed, but the entire ordeal only reinforced

[180] Katzman, *Iran's Threat to the Strait of Hormuz,* 7.

[181] "After Iran Threat, U.S. Aircraft Carrier Goes Through Strait of Hormuz without Incident." *CNN*

the Navy's strategy of deterrence through presence; a strategy that seems to misunderstand Iran's true intentions. The consequences of Iran either closing the Strait of Hormuz entirely, or otherwise disrupting the flow of merchant traffic through the Strait, would outweigh any benefit Iran hoped to gain. Economically, Iran would isolate itself as most of its own trade, including oil, must travel through the Strait of Hormuz.[182] The international military response would be significant, and Iran's military would likely suffer extensive harm.

Iran's threats toward the Strait of Hormuz appear to be more of a protest than an actual threat to carry out any military actions. When the threats began in 2011, Iran was facing impending economic sanctions from the EU, the United States, and Canada as a result of an IAEA report on Iran's nuclear program, which found that Iran had been researching nuclear weapons.[183] Additional threats were made toward U.S. Navy warships, specifically aircraft carriers, as Iran likely perceived them as a threat amid higher tensions with the West. Unless Iran faces a complete embargo of its trade, or is otherwise existentially threatened, it is highly unlikely to act on threats to close the Strait of Hormuz.

2. Assurance

By examining the strategy of assurance and its effects on Saudi Arabia, it appears that the U.S. Navy's presence in the Persian Gulf may contribute to regional stability. Partnerships, such as the Combined Maritime Forces led by NAVCENT, foster interoperability and cooperation, enabling not only the RSNF, but other navies in the GCC to combine forces and accomplish missions that any single navy would not be able to accomplish alone. As a combined force, the CMF has the ability to project force throughout the Persian Gulf, which helps prevent and deter weapons trafficking, piracy, and other illegal behavior that may contribute to instability in the region. Bilateral and multilateral exercises have the same effect, as they aim to enhance interoperability and develop critical skills.

[182] Katzman, *Iran's Threat to the Strait of Hormuz,* 4.

[183] Katzman, 1.

Missile defense, both through arms sales and the presence of BMD warships in the Gulf, plays an important role in regional stability. Saudi Arabia may be less motivated to pursue nuclear weapons development because of the protection it receives under missile defense.[184] Saudi Arabia's recent arms deal with the U.S. which includes the THAAD missile defense system, which is made to operate in conjunction with Aegis platforms, supports this theory.

The U.S. Navy's presence in the Persian Gulf may also prevent a security dilemma from emerging between Saudi Arabia and Iran, as Saudi Arabia does not feel the need to build a navy comparable in size and strength to Iran's. However, this could carry some negative implications for Saudi Arabia in the future if the U.S. navy were to ever reduce its presence in the region. Saudi Arabia's economy runs almost entirely off of oil exports that must travel via maritime shipping, making it vulnerable without an adequate naval force.

B. IMPLICATIONS

Naval strategy should be flexible enough to adapt to the changing political, military, and economic situations of the region it is applied to. The Navy's strategy in the Persian Gulf, particularly concerning the Strait of Hormuz and Iran, is stuck in the 1980s. Just because Iran holds a particular capability, in this case the capability to close the Strait of Hormuz, does not mean it intends to use it. A similar case could be made concerning the United States with respect to its nuclear weapons. Evidence suggests that Iran would only carry out an attack on the Strait of Hormuz in the direst of circumstances; any lesser reason would not be worth the economic harm and military confrontation that such actions would trigger.

The U.S. Navy's deterrence-based strategy in the Gulf, which warrants continuous warship presence, is based on the presumption that the Strait of Hormuz will be subject to Iranian hostility in the absence of American presence. One 2010 study estimated that the United States has spent approximately $8 trillion protecting the Strait of Hormuz since

[184] Fitzpatrick, "A Prudent Decision on Missile Defence."

1976.[185] It would have cost less to respond to individual cases of Iranian hostility in the Strait of Hormuz, militarily and economically, should they have actually occurred. For this reason, deterring Iran should not be the lynchpin of naval strategy in the Gulf. Reassuring regional partners should be the primary objective. It should not come second to a strategy that is ineffective and wasteful.

The U.S. Navy should expand its strategy of assurance to enable its regional partners to become a more powerful and effective combined naval force. It should expand the role of NAVCENT's CMF partnership, and the Navy should participate in more multilateral exercises. The United States should also encourage Saudi Arabia and other GCC states to invest more in their navies. The continuous presence of a carrier strike group and amphibious ready group in the Gulf is not necessary. The Navy should decrease the number of warships in the Gulf to what is necessary for partnership operations and exercises, and only send aircraft carriers into the Gulf as necessary for airstrike missions. The Navy should maintain the presence of Aegis BMD-capable platforms to provide ballistic missile coverage in the region, and the United States should establish a formal agreement with GCC states similar to the EPAA agreement with Europe for ballistic missile protection, which will discourage nuclear proliferation.

For several years, the IRGCN has demonstrated its discontent with the presence of U.S. warships in the Persian Gulf by harassing warships operating in the region.[186] Roughly ten percent of these interactions the Navy classified as "unprofessional or unsafe," amounting to roughly two interactions per month.[187] These types of interactions carry the potential to escalate into dangerous situations, as they have before, when either side misjudges or misinterprets the other's intentions. Previous encounters have resulted in warning shots fired toward IRGCN boats, which have not, but could escalate into any number of hazardous situations. A downscale in U.S. warships in the Gulf could alleviate

[185] Mark Thompson, "Has the U.S. Wasted $8 Trillion Defending the Flow of Oil from the Persian Gulf?" *Time*, 24 April 2011, http://nation.time.com/2011/04/24/a-question-for-the-obama-administration/.

[186] Farzin Nadimi, "Iran's Reduced Naval Harassment in the Gulf is Temporary and Tactical," The Washington Institute, 7 March 2018, http://www.washingtoninstitute.org/policy-analysis/view/irans-reduced-naval-harassment-in-the-gulf-is-temporary-and-tactical.

[187] Nadimi.

some of the tensions that drive the IRGCN to conduct harassment tactics, creating a safer environment for both sides.

Above all, the cost savings would have a significant impact on the DoD budget, and more of the Navy's assets would be made available for useful purposes. The current allotment of warships to the Fifth Fleet AOR places unnecessary strain on the Navy, and contributes to the problem of overtasking the Navy's warships, which has come to light since the recent collisions and ship groundings in Seventh Fleet. If the Navy wants to continue to be the most powerful Navy in the world, it should reassess its strategies to develop an appropriate allocation of warships in each region, beginning with the Persian Gulf.

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