Maritime Interdiction in the Gulf:
Developing a Culture of Focused Interdiction
Using Existing International Conventions

As the international community seeks to develop a concatenation of pressures to check Iran’s nuclear ambitions, serious thought should be given to monitoring and interdicting proliferation through Iran’s seaborne trade. In the near-term, the proliferation threat posed by Iran is that of a horizontal proliferator (building up their own capabilities). Heavy or bulky elements of Iranian weapons of mass destruction (WMD) programmes (such as nuclear fuels, reactors, or larger missile parts, to name a few) are quite likely to arrive by sea, as they did on the past when numerous North Korean, Chinese, and Russian military shipments arrived through Iran’s ports. In the longer term, Iran’s burgeoning military industries and ambition to develop a nuclear fuel cycle make the Islamic Republic a potential horizontal proliferator (spreading technologies and materials to others). The Proliferation Security Initiative (PSI) is a strategy aimed at making the flow of materials more difficult and narrowing trafficking options, representing an important element in broader counter-proliferation and arms control strategy. The object of this paper is to highlight issues and options concerning the development of support for PSI objectives in the maritime areas bordering Iran’s coastline.

As this paper argues, monitoring and interdiction of proliferation-related shipments to Iran will require the development of a coalition of willing and capable allies in the Gulf region, including both multinational and local partners, each with a varying level of commitment to PSI principles. To achieve this level of support, PSI needs to overcome allied reservations concerning Iran’s anticipated counter-strategies to the PSI. On one hand, US allies fear that interdiction activities might overreach the legal authorities contained in current UN conventions on the interdiction of maritime traffic and thereby harm the legal protections enjoyed by their own vessels. On the other hand, US allies anticipate that Iran may retaliate against any perceived harassment of its shipping,
providing a powerful disincentive for local states, and for European and Asian states reliant on low oil prices and Gulf supplies of oil and gas, to support an interdiction effort.

Thinking competitively, two strands of response are needed. The first would aim to reassure potential local and extra-regional participants that greater monitoring and control of maritime traffic in the Gulf region will not create legal precedents that will negatively affect their sovereign rights. To the contrary, a strong case can be made that increased maritime control will negate threats to the national interests of regional states and the global economic system. Existing UN conventions against narco-trafficking and human trafficking provide many of the tools required to develop interdiction capabilities in the region. The second strand of a response would aim to negate any explicit or implicit Iranian “intimidation factor,” using security cooperation to bolster the deterrent and defensive capabilities of the international flotilla and local states in the region.

A central theme of this paper is that the way to interest GCC states in PSI is to enmesh the initiative in their vital interests – that is, preventing unregulated and dangerous uses of the Gulf. Once such states see PSI in operation, nested within other counter-trafficking initiatives, it will become clear that it does not, in fact, represent a breach with extant UN maritime conventions. In the meantime, many PSI aims can be accomplished. Local states and multinational partners with an interest in Gulf security (notably NATO states under the Istanbul Cooperation Initiative) are likely to be interested in activities like interdiction training meetings, information-sharing, and the strengthening of interdiction authority in their states. Focusing on drugs and human trafficking, their experience in seizing contraband cargos may make them more amenable to the PSI Statement of Interdiction Principles in the future. The pay-off for GCC states is substantial, resulting in greater control of their valuable sovereign maritime holdings and shared waterways. Nested within this “culture of focused interdiction,” PSI activities would be supported by heightened local awareness to trafficking and increased regional ability and willingness to share real-time intelligence on suspect vessels.
**PSI background**

The PSI was developed as a result of US inability to seize a cargo of Scud missiles that were intercepted en route from North Korea to Yemen on December 10, 2002. On that date, a Spanish destroyer patrolling in the Indian Ocean noted that the vessel, a Cambodian-registered and North Korean-crewed vessel called *So San*, was not flying a flag. Under Article 110 of the UN Convention Law of the Sea (UNCLOS), the Spanish ship was allowed to stop and search the *So San* and, upon doing so, it discovered fifteen Scud missiles concealed in the hold. When US naval forces were called in, however, they were forced to let the ship continue on its way because the shipment of ballistic missiles was perfectly legal as neither North Korea nor Yemen were signatories to the Missile Technology Control Regime (MTCR). White House Press Secretary Ari Fleischer accordingly explained that “[w]hile there is authority to stop and search, in this instance there is no clear authority to seize the shipment of Scud missiles from North Korea to Yemen. And therefore, the merchant vessel is being released.”

Though the United States has sought to strengthen state control and stamp out terrorist havens in many ungoverned areas on land (e.g., the pan-Sahel or Afghanistan), the problem of stopping proliferation via the sea is quite different. In effect, UNCLOS extends the sovereignty of the “flag state” (the state in which the ship is registered rather than owned) to the high seas. Article 89 of the law notes “No state may validly purport to subject any part of the high seas to its sovereignty.” Article 91 likewise establishes that “ships have the nationality of the State whose flag they are entitled to fly.” Had the *So San* been flying the Cambodian flag, a so-called “flag of convenience,” as it was entitled to do, it could not have been subjected to legal boarding or search. Alternately, if the *So San* had been registered in North Korea and flown the North Korean flag, it would have been equally immune from boarding under UNCLOS statutes.

Though UNCLOS clearly encourages the abuse of flags of convenience, almost all countries abide by it and its definitions of a 12-mile territorial sea and a 200-mile exclusive economic zone (EEZ) have become standard. In addition to the right of innocent passage in the territorial sea and EEZ, ships and aircraft of all countries are allowed “transit passage” through straits used for international navigation. The convention now enjoys near-universality, boasting 148 ratifications, including the
European Union and all the states of the Gulf. The United States signed the convention on July 28, 1994, and, whilst it has not yet ratified the law, the United States strongly supports the principles of the convention. The Bush Administration said on February 7, 2002, that there is an “urgent need for Senate approval” of the Law of the Sea Treaty, and on February 25, 2004, the Senate Foreign Relations Committee voted 19-0 to send the resolution of ratification of UNCLOS to the full Senate for advice and consent. In the 109th Congress, US Secretary of State Condoleezza Rice made a strong endorsement of the Law of the Sea Treaty at her confirmation hearing on January 18, 2005. The issue of ratification awaits resolution, but the key point is that UNCLOS represents a global legal standard and presents a significant check on the ability of states to interdict shipping at sea without the express permission of the flag state.

The PSI was designed to counter some of the weaknesses of UNCLOS. It is vital to stress that flag state sovereignty is upheld by PSI, and all interdictions are expressly required to take place “within the law” (e.g., UNCLOS). If flag state consent were denied, PSI states would not be legally authorized to board a vessel suspected of carrying proliferation materials. In contrast to the UN law, however, PSI encourages its members to be vigilant for proliferation and to undertake (with the permission of flag states) the boarding and searching of suspect vessels. This marks a departure from UNCLOS, which did not place any burden on member states to interdict proliferation. UNCLOS allows suspicion of piracy, slavery, and unauthorized broadcasting to invalidate the right of unimpeded innocent passage enjoyed by ships operating under a different flag state from the interdicting nation, requiring members to seek flag state consent to board and search such ships. A range of UN counter-trafficking conventions and protocols extend this responsibility, requiring signatories to seek flag state consent to board and search suspected narco-traffickers or human traffickers.

Conversely, the transport of nuclear materials is not currently outlawed by any convention and Article 23 of UNCLOS even allows “ships carrying nuclear or other inherently dangerous or noxious substances” the right of innocent passage through territorial seas as long as they “carry documents and observe special precautionary measures established for such ships by international agreements.” No limitations exist concerning the movement of nuclear materials on the high seas. Nuclear weapon states
such as the US, UK and France have continuously worked to ensure that their ability to transit nuclear weapons is not hindered by regional nuclear weapons free zones or UN efforts to create a Nuclear Weapon Free Southern Hemisphere. The US, UK and France, along with Japan, have also asserted their rights to transit nuclear materials - in particular reprocessed plutonium – through the high seas and through the EEZ’s of coastal States. Likewise, the US, France, Israel, China, Russia and Italy export missile technology using sea transportation.

PSI seeks to bring the treatment of dangerous WMD-related shipments (e.g., trafficking of nuclear, radiological, biological, and chemical weapons materials, plus long-range missiles) into line with that of piracy, slavery, and drugs-trafficking. Though flag consent is still required to board flagged vessels, the PSI aims to put to the test the position of individual flag states on the transportation of WMD-related cargo. Perhaps most importantly, the PSI Statement of Interdiction Principles includes a commitment to seize suspected proliferation materials that are discovered during boarding and search operations. The principle is worth quoting in full (author’s emphasis):

d. To take appropriate actions to (1) stop and/or search in their internal waters, territorial seas, or contiguous zones (when declared) vessels that are reasonably suspected of carrying such cargoes to or from states or non-state actors of proliferation concern and to seize such cargoes that are identified; and (2) to enforce conditions on vessels entering or leaving their ports, internal waters or territorial seas that are reasonably suspected of carrying such cargoes, such as requiring that such vessels be subject to boarding, search, and seizure of such cargoes prior to entry.5

**PSI requirements in the case of Iran**

The strategic geography of Iran’s 1,062-mile coastline suggests that the key proliferation risk comes from shipments transiting the Indian Ocean or Gulf of Oman before entering Iranian territorial waters directly or through Pakistani territorial waters (which are contiguous with those of Iran).6 Iran has two main ports in this area – Chah Bahar and Bandar Abbas – making shipment through the Straits of Hormuz and the Arabian Gulf unnecessary for some types of shipment. Other important shipments – say the delivery or export of reactor components and nuclear fuels to or from the Bushehr reactor site (which...
is within the Gulf) – might need to transit Hormuz and travel almost the length of Iran’s Gulf coastline. It would be quite possible for such shipments to travel much of the distance within Iran’s 12-mile territorial waters, though this course might attract unwelcome attention to covert shipments. As a result, the international shipping lanes within the Gulf cannot be overlooked as a proliferation risk. It is also conceivable that some proliferation-related equipment could be delivered from one of the Gulf Cooperation Council (GCC) states, perhaps smaller components via a known transshipment hub like Dubai. If Iran were to act as a horizontal proliferator, this relationship might work in reverse. Thus, while Iran’s key chokepoints are outside the Gulf or in the Straits of Hormuz, any PSI activity in the Gulf would benefit from coverage of all of the regional waterways abutting Iran’s coastline.

Detecting and preventing individual suspect shipments from reaching or leaving Iranian ports presents an acute challenge. The Gulf waterways are already highly congested, and in the next two decades the numbers of maritime passages per day is estimated to rise from 1,400 to 4,200, including an increase in the daily transit of oil from 15 million barrels per day to an estimated 30-45 million. In addition to the hundreds of non-Iranian tankers and cargo vessels entering and leaving the Islamic Republic every day, Iran maintains the seventeenth largest merchant marine in the world (127 ships) and is planning a major expansion of this force to service its growing offshore development of the North Pars gas field.

Iran is also developing some “blue-water” naval power projection capabilities that could see the Islamic Republic of Iran Navy (IRIN) develop a strong patrolling presence in the Indian Ocean and beyond, raising the possibility of port visits and joint exercises abroad that could serve as a cover for proliferation activity. Iranian naval doctrine has called for the development of port facilities and “special logistics craft to support long-range naval units.” IRIN doctrine also calls for improved escort capabilities (including naval air defenses and anti-submarine warfare) and Iran has started to procure modern surface combatants to carry out these roles. In March 2003, Iran launched the Sina-1 frigate, followed by the Mowj - a 289-foot, 1,000 ton displacement destroyer – in September
2003. Two more destroyers of this class are planned, each armed with sonar and other anti-submarine equipment, plus four air defense missile launchers and close-in anti-missile weapons.  The port of Chah Bahar is developing to support Iran’s blue water capabilities, and Iran’s Kilos are likely to have completed transferring their operations there from Bandar Abbas within the current decade, reducing US ability to track and trap such craft in the Straits of Hormuz.  Iran is extending the 45 day endurance of its submarines by increasing the length of cruises (currently around ten days per month), improving their reliability in the warm regional waters, and utilizing technical assistance from both Russia and India.  Iran is also developing the capability to carry out covert replenishment at sea, using indigenously produced logistics and replenishment vessels.

As well as government and commercial traffic, an interdiction effort would need to consider the thriving “grey economy” in the Gulf, comprising the movement of many hundreds of small speedboats and dhows engaged in trafficking of various kinds. Even without taking into account the strong pedigree of Iran’s intelligence and security services in covert acquisition, this brief illustration of the challenges facing an interdiction regime suggests the need for an effort of unprecedented complexity. Putting the effort in context, Maritime Intercept Operations against Iraq only captured a proportion of smugglers who were trafficking a relatively large and heavy commodity – crude oil. This was despite Iraq’s tiny coastline, which funneled smugglers through a single enforcement point that was serviced by the permanent presence of two dozen warships and various intelligence assets, and enjoyed the partial cooperation of bordering regional states (including Iran). Considering the massive increase in the number of enforcement points, a far higher level of combat forces, intelligence support, and local assistance would theoretically need to be assembled and maintained in Iran’s case.

In addition to being capable, the states contributing to an interdiction campaign in the Gulf must also be willing. In the case of flag states outside the Gulf, this means granting PSI participants rapid action consent waivers that authorize boarding and searches when reasonable suspicion is raised against a vessel (such agreements are in place with flag states representing 33.7 percent of registered shipping). Local states would ideally be
willing to sign up to the PSI Statement of Interdiction Principles and develop information-sharing, training, and legal authorities to support the implementation of those principles. They should also be prepared to seek flag consent (or the consent of ship’s captains) for boarding and searches to be undertaken and to give flag consent for boarding that may need to be undertaken on their own vessels by other PSI nations. Local partners need to be ready to energetically utilize UNCLOS facilities such as hot pursuit, which may take them beyond their territorial waters. Non-local states need to be prepared to sustain patrolling flotilla in the international waters of the Arabian Gulf, the Straits of Hormuz, or the North Arabian Sea and Gulf of Oman. Most importantly, all participating states would ideally be ready to act beyond UNCLOS statutes by committing to the seizure of suspect cargoes.

**Capabilities to support for PSI in the Gulf**

Three sets of actors can contribute to the development of an interdiction capability in the Gulf region; the United States, other extra-regional nations, and the local GCC states and Iraq. US and allied naval forces have undertaken interdiction operations in the Gulf region for an unbroken fifteen-year period, first enforcing UN-mandated Maritime Intercept Operations (MIO) on Baathist Iraq, and thereafter supporting the new Iraqi government by undertaking counter-smuggling and counter-terrorist patrols in the Northern Gulf, seeking to cut down the illegal export of stolen oil and prevent terrorist attacks on the Mina al-Bakr Oil Terminal and other infrastructure. Other multi-national naval flotilla have patrolled the rest of the Arabian Gulf, the Straits of Hormuz, and the North Arabian Sea/Gulf of Oman since 2001, focusing on counter-trafficking and counter-terrorism missions. In January 2004, PSI held a counter-proliferation exercise called Sea Saber, which tracked a dummy proliferation shipment from the Northern Gulf through the Straits of Hormuz to the North Arabian Sea.

It is clear that the United States will remain the key contributor to PSI in the region, keeping substantial (though reduced) forces on-station in the Gulf region throughout the coming decade. One or more Aerospace Expeditionary Wings will rotate through the Gulf States during each year, “gapping” the provision of air power during periods when
either a US aircraft carrier battle group (CVBG) or an Amphibious Ready Group (ARG) or other naval surface action group cannot be deployed to the region.\textsuperscript{16} Compared to the past decade, when the US kept a carrier permanently stationed in the Gulf (known as 1.0 carrier coverage), future carrier coverage may be reduced to 0.75 or even 0.5 according to National Defense University studies.\textsuperscript{17} The US Navy will probably deploy eleven or twelve carriers at the end of this decade, with six or seven earmarked for operations in other parts of the world. Keeping a carrier in the Gulf at all times has historically required the US to dedicate eight carriers to the task each year, and the future shortfall of a carrier is likely to be made up with both visiting US Air Force wings and combinations of other naval forces.\textsuperscript{18} For typical maritime patrolling, the US Navy will keep a group of Littoral Combat Ships (LCS) in the Gulf, backed up by periodic cruises by CVBG or Expeditionary Strike Groups (ESG).\textsuperscript{19}

The LCS, a shallow-berth vessel that is designed to operate in the challenging littoral combat environment and tasked with the mission of patrolling and intelligence-gathering in peacetime, and clearing the littoral of anti-access threats (mines, enemy “swarm boats,” and other threats) during conflicts. The first LCS will enter service in 2007, with eight or nine vessels being launched by 2009. A key feature of the LCS will be its ability to carry out the mine-counter-measures (MCM) role using unmanned underwater vehicles (UUV) and to cooperate with advanced MH-60 helicopters optimized for the littoral environment.\textsuperscript{20} The military value of such platforms will be synergistically multiplied by a suite of interoperability and digitization packages being incorporated into US forces under the rubric of Network-Centric Warfare (NCW) initiatives. Put simply, NCW fuses together data produced by sensors and human reporting in an effort to increase the situational awareness of friendly forces. NCW could have very profound effects in certain types of military operations, many of which are pertinent to Gulf scenarios. Littoral environments such as the Gulf are difficult to operate in because the movement of civilian and military vehicles, vessels, and aircraft creates clutter, and also because topographical and maritime features confuse electronic sensors or interrupt their line-of-sight. The best way to counteract littoral effects is to network many different types of
sensors, looking from different angles at the same time, and thereby eliminate false
signals and see around obstacles.

The Navy’s Global Concept of Operations should ensure that naval reinforcements –
further CVBG and other types of naval units - can reach the Gulf in faster time than has
been historically possible. Nevertheless, sustained patrolling and interdiction activities in
the Gulf could require the annual assignment of up to eight of the 33 surface warfare
groups that the US Navy plans to deploy by the end of the present decade (comprising of
12 US carrier strike groups, 12 expeditionary strike groups, or 9 strike/theater ballistic
missile defense surface groups). Whilst these forces are very capable of carrying out the
mission of long-term persistent maritime patrolling in the Gulf, the US Navy would lose
some flexibility by undertaking a new and long-term commitment of this kind. A more
workable solution remains the maintenance of a US-led multinational flotilla in the Gulf
that is built around a smaller number of rotating US assets. The involvement of allied
force contributors is necessary to relieve strain by carrying out persistent surveillance and
by supplementing on certain overworked elements of the US military - low density, high-
value assets such as maritime patrol aircraft and other airborne intelligence, surveillance,
and reconnaissance (ISR) aircraft, or naval special operations troops.

Patrolling assistance to the United States is currently provided primarily by a number of
NATO allies. In response to the 9/11 attacks, a multinational flotilla called Task Force
151 was formed in October 2001 to patrol and escort shipping in the Arabian Gulf, the
Straits of Hormuz, and the North Arabian Sea/Gulf of Oman. It comprised ships and
aircraft from the United States, United Kingdom, Canada, France, Italy, Greece, and New
Zealand. The flotilla is now folded within a US naval force, Expeditionary Strike Group
1 (ESG-1). The group has reported boarding an average of 27 vessels a month, querying
1,027 ships per month, and escorting nine ships through the Straits of Hormuz during the
same period. A similar NATO naval group, Task Force 150, comprised the United
Kingdom, France, Germany, Italy, and Spain. This force carried out counter-terrorist
patrolling in the Bab el Mandab straits off the Horn of Africa and Indian Ocean, boarding
18 vessels (including the *So San*) and querying a further 109 during its first two years of operations.

When the Sea Saber interdiction exercise took place in the Gulf, the cast of participants was also heavily drawn from the core NATO and European Union allies – the United States, United Kingdom, Canada, France, Spain, Italy, and the Netherlands. Australia and Japan also took part. Other European PSI members Denmark, Germany, Poland, Turkey, and Portugal attended the exercise as observers. As the below table indicates, there a number of core NATO members have already demonstrated their capability and willingness to take on long-term maritime commitments in the Gulf. There are strong prospects for further involvement in the region by NATO countries, particularly in light of the Istanbul Cooperative Initiative (ICI) launched in 2004 to encourage NATO-GCC security cooperation. Bahrain, Kuwait, and Qatar joined ICI in March 2005, and Oman, Saudi Arabia, and the UAE are preparing to join.

Table 1. Multinational states with a record of interdiction in the Gulf.

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Alongside multinational partners from NATO and other nations, there is an obvious case to be made for the close integration of the regional navies of coastal states into the Gulf.
interdiction flotilla, not least because of the ancillary benefits to national security and law
enforcement in the states of the Gulf littoral. Due in part to their dependency on
maritime export routes and offshore hydrocarbon recovery, the GCC states have not
neglected their naval modernization efforts over the last decade. The modernization of
GCC navies has created a set of military capabilities that could support an interdiction
effort. Likewise, the relatively large but underdeveloped Coast Guard and naval forces in
the Gulf provide a basic set of capabilities that could be built upon to provide the kind of
harbor, littoral, and sea-lane security needed in the face of increasing terrorist interest in
targeting shipping and oil terminals, or exploiting unregulated maritime traffic and
organized criminal networks to move personnel, weapons, drugs, funding, and potentially
even materials related to WMD. To cope with persistent naval and littoral missions, the
Gulf States have each developed fleets of either maritime patrol aircraft or navalised
helicopters to surveil their territorial waters, the former providing a distinct advantage in
terms of sensor payload and endurance. Most of the naval helicopters operated by the
GCC militaries have been upgraded since 2001, incorporating new sensors,
communications equipment, and guided weapons, and these platforms can play a useful
role in sea-control operations, monitoring maritime movements and tracking suspect
vessels. Most of the Gulf navies have also invested in upgraded or new fast patrol boats,
which, in combination with helicopters, will serve as a cornerstone of littoral and harbor
security efforts against trafficking of all kinds. 21

The foundations of highly capable small blue water navies are also being developed
throughout the GCC, increasing the ability of local states to carry out constabulary and
benign missions (search and rescue, terrorist and drug interdiction, disaster relief,
environmental protection, and migration control) or enforce economic exclusion zones or
interdiction campaigns in the Gulf. Under circumstances where US interests coincided
with those of one or more GCC states, the force could cooperate closely with US naval
forces in the region, playing a key role in the US Navy’s new Sea Shield concept of
operations. This concept envisions a forward-deployed US force that would maintain an
“expeditionary sensor grid,” and play an active part in a standing maritime control
It could considerably reduce strain on the US Navy if GCC naval forces were capable of undertaking some of these roles in certain types of contingency.

**Willingness to support PSI in the Gulf region**

Though United States and multinational forces from outside the Gulf region have demonstrated the capability and willpower to enforce maritime interdiction in the Gulf, it is clear that local coastal states must also contribute to PSI if the initiative is to meaningfully reduce trafficking options. For instance, there is a need to narrow the number of potential sanctuaries (e.g., the territorial seas of non-PSI states) that traffickers could use as transit routes into Iranian waters or as a jurisdictional means of throwing off hot pursuit. Thus far, however, regional states have not proven as committed to PSI as one would have hoped. Since the 1980s, local involvement in maritime escorts versus Iran or sanctions versus Iraq has been largely limited to logistical basing. During the Sea Saber exercise, the GCC states and Iraq did not even participate as observers. Gulf States are keenly aware of the potential threat posed by Iranian nuclear ambitions to their national interest and the stability of the region. The tenor of discussions at the US-sponsored Cooperative Defense Initiative – a US-GCC forum that focuses on WMD issues - is indicative, however, of their focus on deterrence and defense against Iranian WMD, rather than prevention of Iran’s acquisition of such capabilities. The lack of willingness to join an interdiction effort focused on Iran is partly rooted in concerns about the legal basis for such action and its impact on the sovereignty of Gulf States, raising uncertainties surrounding Iran’s response to such a move.

Each of the GCC states (with the exception of the UAE) and Iraq has long been a signatory to UNCLOS, which is considered to be a valuable source of protection for Gulf traffic moving through the Straits of Hormuz and transiting the area. The nearly universal acceptance of the strong definition of maritime sovereignty encapsulated in UNCLOS is welcomed by the Gulf States, which have historically been careful to maintain and even expand their sovereign powers. This has even led to freedom of navigation disputes with the United States as countries like Saudi Arabia and the UAE have claimed excessive security zones and territorial sea baselines, or required US
permission to enter territorial waters. Even so, the UN law is seen in these states as guaranteeing more sovereignty than it takes away. As a result, the local states have reacted cautiously to PSI, which appears to threaten some of the oldest tenets of the rules-based approach to maritime sovereignty. Local states would no doubt prefer to operate fully within UNCLOS and instead draw the legal authorization to interdict from international conventions, preferably a UN Security Council Resolution (UNSCR) but perhaps another form of UN convention (or amendment to UNCLOS) that placed proliferation alongside piracy and slave-trafficking as actions that surrendered a ship’s immunity at sea. Any measure to increase the common international usage of interdiction operations would increase the likelihood of participation in PSI activities in the Gulf, not just from local states but also from undecided European, NATO, and other states.

If local and extra-regional states could be persuaded of the legal basis of interdiction, the next challenge would then be to reassure them that Iranian retaliation would not threaten the security of their own shipping or their broader interests. The length of GCC coastlines facing Iran places each and every GCC states and Iraq in direct contact with Iran, with most of the vital economic and political centers of the Gulf States arrayed along the exposed coastline. Along with the UAE and Oman, Iran shares custodianship of the Straits of Hormuz, the vital oil artery which the regional and global economies rely upon. Even before the creation of the Islamic Republic of Iran in 1979, the predominantly Persian Imperial Iran of the Shah presented an overt threat to the Arab Gulf States. During the Shah’s rule, a period of massive military expansion, Iran dominated areas of the Shatt al-Arab waterway, annexing the UAE-controlled Abu Musa and the Tunb Islands and killing three Sharjah policemen in 1971.

Following the Iranian revolution, a number of GCC states were attacked or coerced by the new Islamic state during the major war that raged between Iran and Iraq for eight years. During this conflict, Iran launched aerial and maritime incursions into Kuwaiti territory, with ten anti-shipping missile launched at tankers and terminals within Kuwait’s territorial seas. Saudi and Iranian aircraft clashed during the Iran-Iraq War, resulting in the destruction of a number of Iranian aircraft. Omani and Iranian naval forces
previously faced off in shows of force in 1980, and armed clashes between Iran and the UAE also occurred at Al Bakush in 1986 and involving offshore structures on the Sharjah coast.\textsuperscript{24} Since the Islamic revolution, Tehran continues to insist on retention of Abu Musa and the Tunb Islands, and may continue to compete with Iraq over ownership of parts of the Shatt al-Arab waterway.\textsuperscript{25} Iran continues to rhetorically throw its military weight around when it perceives a local threat to its interests. Most recently, Iran warned Qatar to slow down its exploitation of the North Field and South Pars gas reserves that the two countries share or Iran would “find other ways and means of resolving the issue.”\textsuperscript{26} Tehran also maintains a keen desire to exclude external security guarantors that threaten its role as the “policeman of the Gulf.”\textsuperscript{27} These sentiments remain as pervasive in post-revolutionary Iran as they were in the Shah’s day, with key political figures from the reformist and conservative factions, plus military leaders, united by their calls for US military withdrawal from the Gulf.\textsuperscript{28} Like the Shah-era government that preceded them, Iran’s theocratic leadership assumes that Iran is the natural leader of the Gulf region.

Though Iranian interdiction of tanker traffic in the Straits of Hormuz is a weapon of last resort that is unlikely to be undertaken in conditions short of a blockade on Iranian exports, it could be activated in the case of more focused interdiction of Iranian shipping. In 1983, Iranian president Ali Rafsanjani stated “We will block the Straits of Hormuz when we cannot export oil ….even if they (the Iraqis) hit half of our oil, it will not be in our interest to block the Straits of Hormuz.” A year later he added “We would close the Straits of Hormuz if the Persian Gulf became unusable for us. And if the Persian Gulf became unusable for us, we will make the Persian Gulf unusable for others.” Then, as now, Iran considered attacks on shipping – a military mission termed sea-denial – to be a weapon of last resort. It is arguable, however, that the development of nuclear technologies and a strategic deterrent are of sufficient political and strategic value to Iran that it would engage in some level of harassment of shipping to dissuade an interdiction effort.\textsuperscript{29}

The experience of anti-shipping attacks in the Iran-Iraq War suggests that no combination of attacks by aircraft, missiles, mines, submarines, and naval special warfare forces could
close the Gulf to all shipping for a sustained period. As Michael Eisenstadt noted, only four of 300 ships struck by enemy fire were sunk, and traffic through the Straits was not appreciably reduced.\textsuperscript{30} Iran could, however, impose serious direct financial costs and loss of market share on GCC states and Iraq, with important knock-on impacts on global oil markets as uncertainty and increased insurance premiums raise the cost of crude oil deliveries. In the next two decades, the Straits of Hormuz will be an even more target-rich environment than it is today due to forecasted congestion. GCC states have invested heavily in Gulf littoral processing plants and export terminals for oil and liquefied natural gas, and pipelines such as the East-West Crude Oil Pipeline boast neither the capacity nor the cost-effectiveness to serve as long-term alternatives to the Hormuz export route. Likewise, Iraq’s northern export routes are beset by terrorist sabotage, forcing Iraq to rely on its Gulf export routes. If oil markets are tight to begin with, Iranian harassment of shipping could directly impact oil prices for some months and induce a “fear factor” in oil prices for much longer. In addition to overt military actions, Iran supported internal dissent and acts of terrorism within a number of Gulf States and within Iraq since the 1980s, raising the possibility of the broader security implications of Iranian retaliation. Put together, such threats are a powerful disincentive for local states, and for European and Asian states reliant on low oil prices and Gulf supplies of oil and gas, to risk Iranian retaliation to an interdiction effort.

\textit{Competitive responses to Iran’s counter-strategies}

If PSI represents a strategy to check Iranian proliferation efforts, the threat of retaliation and the manipulation of maritime law should be seen as Iranian counter-strategies that stand a good chance of succeeding unless a response can be crafted. Thinking competitively, two strands of response are needed. The first would aim to reassure potential local and extra-regional participants that interdiction activities need not step far beyond the legal authorities contained in UN conventions or harm the legal protections enjoyed by their own vessels. The second strand of a response would aim to negate any explicit or implicit Iranian “intimidation factor,” using security cooperation to bolster the deterrent and defensive capabilities of the international flotilla and local states in the region.
Building a legal basis for interdiction

The clearest form of legal authority for an interdiction effort in the Gulf would obviously be a UN Security Council Resolution. The United States has proposed, with the support of Russia, a new UN general resolution banning the proliferation of WMD and including a right to interdict ships at sea. This option is backed in a recent strategy issued by the Council of the European Union calling on the EU to support a Security Council Resolution that would arms interdictions “when appropriate.” Such a resolution would bring proliferation in line with other crimes (e.g., piracy and slave-trafficking) that void the immunity of “innocent passage” established by UNCLOS. China, however, has announced it will veto any such resolution that includes naval interdiction. China has the world’s third-largest merchant fleet and a long record as a proliferator of nuclear weapons technology and missile systems. China’s resistance highlights the difficulty of making a wide-ranging change to existing maritime conventions, but better prospects may perhaps exist for a more narrowly-focused UN Resolution dealing specifically with Iran. On this note, former US Undersecretary of State for Arms Control and International Security John Bolton noted in November 2003:

The question of what is permissible for seizure and what is not must be determined on a case-by-case basis. As a nation that has consistently upheld the importance of free trade around the world, we will not act capriciously. Where there are gaps or ambiguities in our authorities, we may consider seeking additional sources for such authority, as circumstances dictate. What we do not believe, however, is that only the Security Council can grant the authority we need, and that may be the real source of the criticism we face.

There are other grounds for skepticism concerning the effect that a new UN resolution would have on potential PSI partners. In the case of UN-mandated Maritime Intercept Operations on Iraq, for instance, the action enjoyed crystal-clear UN authorization but was enforced largely by a US-UK force and, in particular, received little active assistance from the GCC states. Though basing rights were extended, GCC states were loath to make burden-sharing contributions to the maritime interdiction campaign, with naval operating costs receiving far fewer local offsets than the no-fly zones. It is fair to say that despite the clear-cut UN authorization for the mission, the GCC states failed to
identify sanctions enforcement as a mission to which they could contribute meaningfully, or as one with which they wanted to be associated.

An indirect approach to the issue of building a legal basis for interdiction could also go some way to building the “community of interests” that could secure more genuine buy-in from multinational and regional allies. It may well be possible to develop explicit legal authority to interdict shipping in the Gulf suspected of carrying out proliferation activities. On the other hand, it may not. If such proliferation-specific authorization is not possible in the near term or even the long term, it may be worth looking at ways that the PSI objectives can be indirectly met. Such objectives include the development of the legal and constabulary underpinnings of maritime interdiction capabilities in the region, the exchange of intelligence and real-time monitoring of maritime traffic, and improved working relations with coastal states. The most effective way to enmesh local states and multinational actors within a more broadly focused maritime control and interdiction effort is to stress the shared threats posed by transnational criminal activities.

The GCC, Iraq, and indeed Iran (plus all those who depend on the Gulf for energy supplies and stable oil prices) are faced by a range of threats connected to the unregulated flow of maritime traffic in the territorial and international waters of the Gulf region. At the most basic level, the existing heavy traffic is due to increase as higher volumes of oil are lifted from Gulf terminals and as increasing non-oil economy imports and exports transit the Gulf. Public health and safety as well as environmental concerns demand closer monitoring and tracking of shipping in the Gulf. Ships and crews transiting the Gulf need to meet certain standards to ensure that they do not pose a risk to the economic and ecological systems in the area. Environmental pollution is one concern, addressed by the Marine Emergency Mutual Aid Centre (MEMAC) and the Regional Organisation for the Protection of the Marine Environment (ROPME), membership of which are both inclusive of the GCC states, Iraq, and Iran.

Alongside these concerns, there is global and regional interest in preventing terrorism and organized criminal activity in the Gulf. Terrorism and maritime interdiction overlap in
two year ways; directly through the need to interdict terrorist attacks at sea; and indirectly through the need to prevent terrorists using the sea for logistical movement. On the first count, a pattern of terrorist interest in maritime targets has built consistently in recent years. In January 1999, Al Qaeda attempted but failed to launch a suicide attack the USS The Sullivans in Aden harbor, a feat in successfully achieved against the USS Cole in October 2000. In October 2002, Al Qaeda operatives attacked the French-flagged oil tanker, Limburg, off the coast of Yemen. In June 2002, three suspected Al Qaeda operatives from Saudi Arabia arrested in Morocco told their captors that Al Qaeda informed them to monitor the movement of NATO ships through the Straits of Gibraltar. In a further development, Al Qaeda operatives mounted video surveillance of shipping traffic in the Straits of Malacca and hijacked tankers and abducted crew members to learn how to pilot such vessels. If Al Qaeda is surveying maritime choke-points, then it is logical to assume that the Straits of Hormuz are also a potential target.

There is strong evidence to suggest that Al Qaeda will undertake further terrorist attacks in the maritime arena in the Gulf. Though the terrorist organization’s key maritime specialist, Abdal Rahman al-Nashiri was captured, it is clear that interest in littoral targets is broad-based. Translations of captured Al Qaeda manuals on naval targets include sophisticated advice on the economic impact of maritime attacks, on the selection of targets (such as Liquefied Natural Gas tankers or chains of oil tankers). There are indicators to suggest that the attack on Iraq’s oil terminals included an attempt to detonate collocated oil tankers whose hulls were almost empty of oil, leaving them full of explosive oil vapors – a feature highlighted in the Al Qaeda manuals. Other manuals advise on the placement of limpet mines, and the correct use of RPGs and incendiary devices, imploring readers to recall the use of Molotov cocktail-type incendiaries in naval warfare against the Crusader forces during the Siege of Acre in 1190. From the amateur to the expert, Islamic terrorists are increasing focused on the maritime target set, which has been made increasingly more vulnerable by growing congestion in maritime choke-points, and by the use of skeleton crews. As terrorist attacks grow harder on land, analysts, note, maritime target will grow more attractive, particularly in the Gulf where there are a long-standing traditions of free navigation.
Cracking down on terrorism in the Gulf means getting serious about border security. The activities of local affiliates, notably the Al Qaeda Organisation in the Arabian Peninsula, suggest that the terrorists view the Gulf States as a single operating area, indivisible by what they see as illegitimate state borders. In particular, the expanse of maritime border areas combined with the migratory and mercantile nature of the peoples living in or plying border areas present an acute border security challenge. Terrorists find the Gulf an attractive environment because organized criminal activity supports uncontrolled movements and activities across the expansive land and sea borders of the Gulf, and through the bustling maritime entrepot of the Gulf littoral. A culture of sanction-busting and smuggling exists in the Gulf, where UN sanctions on Iraq succumbed to a creeping death throughout the 1990s, and where US sanctions on Iran are not recognized. Oil smuggling networks established during the containment of Iraq continue to operate as part of the entrepreneurial “grey economy” of the Gulf, costing Iraq an estimated $200,000 work of petrol each day.\(^{38}\) A range of actors – Gulf smugglers, radical Islamists, and Asian Mafiosi - congregate on the UAE and other Gulf States to engage in trans-Gulf shipments.\(^ {39}\) Following GCC and the European Union customs accords, both sets of nations have an interest in preventing increased trade relations from making the Gulf a new routing for contraband. According to the Gulf Contraband Forum, smuggling costs GCC states an estimated $21.9 billion in loss of tax revenues and other commercial impacts. The importation of tax-free tobacco, textiles, car parts, and electronics has an impact on local industries and the vital jobs they can create.\(^ {40}\) Moreover, organized criminal activity may provide avenues for terrorist movements to transit the Gulf, move weapons, launder money, and raise funds. The UAE was identified as a key node in Iran’s procurement of nuclear materials via the Abdul Qader Khan network.\(^ {41}\)

**Using existing counter-trafficking conventions**

Though local or extra-regional partners may remain persistently hesitant to buy into the PSI commitment to interdict suspected proliferation, their involvement in a more general maritime interdiction and monitoring effort will nonetheless yields strong benefits for PSI. Information shared on the tracking or tagging of vessels simplifies the task of
tracking suspected proliferation-related shipments. Closer attention to the trafficking risk presented by ships flying notorious flags of convenience or those of known state sponsors of terrorism and narco-trafficking is also useful to the overall interdiction effort. As occurred in the case of the So San, a search unrelated to proliferation concerns turned up a proliferation-related cargo. If such a find was reported to a PSI member in the vicinity, the shipment could then be interdicted by that member in keeping with the Statement of Interdiction Principles. The key to such cooperation is developing a culture of focused interdiction in the Gulf. This objective is supported by a number of UN conventions that authorize the interdiction of suspected traffickers of drugs and human beings.

Drug trafficking presents a growing threat to the states of the Gulf as well as the broader international community. Originating in Afghanistan and Pakistan – including areas under terrorist control – illegal drugs shipments transit Iran on their way toward Europe and the Gulf. Though Iran has undertaken a major interdiction campaign, according to the UN Office on Drugs and Crime, the Islamic Republic is likely to remain the most profitable smuggling route for Central Asian drugs during the next decade. Maritime smuggling across the Gulf is a major avenue for these drugs, posing key threats to the GCC states. The primary role of the GCC states in drugs-trafficking is that of transshipment states due to their role as container shipping hubs, the high volumes of foreign laborers moving through them, and also because of rising local demand for narcotics. Like other transit states (notably Iran), the GCC states are developing serious drug abuse problems. Kuwait is a good example. In country of only 750,000 citizens, around 20,000 Kuwaitis are estimated to use illegal drugs. Six hundred cases of addiction are in treatment and deaths from drugs use have ranged from 28-40 since 1998. The UAE and Saudi Arabia are beginning to recognize similar problems with drug use. The problem of drugs-trafficking and its social effects are particularly disturbing for the Islamic states of the Gulf.

Multinational naval forces are capable of making a major contribution to combating narco-trafficking in the Gulf. As an example, the UAE Interior Ministry Anti-Drug Department undertook interdiction within its own territorial seas and seized 6.1 tons of
hashish and 100kg of heroin in the whole of 2003. In comparison, in two drugs captures alone during December 2003, US and coalition ships in the international waters of the Straits of Hormuz and the North Arabian Sea interdicted 2.93 tons of hashish and 40kg of heroin. In another spate of raids in February 2004, the US-led ESG-1 captured three tones of drugs and detained forty-eight suspected terrorists aboard four dhows. Three terrorist suspects were captured along with the drugs during one capture in the Straits of Hormuz. In this part of the region, Bandar Abbas is a key node for smugglers, representing a transshipment point for moving drugs to the GCC and receiving money, goods, and precursor chemicals heading towards drug cultivating countries. In the northern Gulf, coalition of oil smuggling continues to turn up illegal drugs shipments moving from Iran to Kuwait. Many different flags of convenience are used, notably Pakistani.

In the past, GCC states and indeed European states have actively worked with Iran to cut down the trade in drugs, correctly pointing to the Islamic Republic’s internationally recognized counter-narcotics program, which has received plaudits from the US State Department. With the exception of the United States, all the states involved in PSI and other forms of maritime patrolling in the Gulf are engaged in bilateral agreements with the Iranian government that seek to bolster cooperation on narco-trafficking. Inside the Gulf, the Iranians have signed bilateral drug control agreements with Kuwait and Qatar, and are completing others with Saudi Arabia and the UAE. Though the Iranian navy has provided low-profile support to multinational efforts to interdict both oil and drugs smuggling to Iraq since the late 1990s, the same cannot be said for Islamic Revolutionary Guard Corps (IRGC) naval forces in the Gulf. A similar pattern exists with regard to drugs smuggling, with IRIN accounting for almost all of Iran’s drugs seizures in the Gulf, whilst the IRGC navy remains heavily involved in corruption and smuggling of all kinds.

As a result of uneven performance of Iranian drug control measures in the Gulf, there remains a strong appetite for multinational and GCC interdiction measures against narco-trafficking. Recent multinational interdictions in international waters utilized interdiction
authorization granted by the 1988 UN Convention Against Illicit Traffic in Narcotics, Drugs, and Psychotropic Substances. This convention enjoys near universality, having been ratified by Iran and all other regional states, plus the United States and the NATO and European states involved in maritime patrolling in the Gulf. Article 17 of the convention states that members shall “cooperate to the fullest extent possible to suppress illicit trafficking by sea,” and to “take appropriate action with respect to the vessel, persons, and cargo on board.” Flag state consent is still required within international waters, with flag states required to “respond expeditiously to a request from another party to determine whether a vessel flying its flag is entitled to do so, and to requests [to board said vessel].” As a party to the treaty, Iran would be required to give flag consent to allow boarding and searches if “reasonable suspicion” of narco-trafficking could be proved. Articles 10 and 12 encourage parties to the convention to assist each other in developing technologies and procedures to support interdiction, as well as improving monitoring of shipping and sharing such information between members.

Similar support for a culture of focused interdiction can be found in UN conventions dealing with the trafficking of human beings, slavery in all but name. As noted, reasonable suspicion that a vessel is facilitating slavery is one of the triggers that remove the vessel’s rights of “innocent passage” through international waters and makes it liable for boarding and searching under UNCLOS. All the GCC (save Qatar), NATO, and European Union states are also in the process of ratifying the December 2000 UN Convention Against Organized Crime, plus the related Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Woman and Children. The protocol in particular affords very broad interpretation, justifying interdiction of traffic on counter-trafficking grounds whilst requiring little burden of proof to justify reasonable suspicion. Like the UN narco-trafficking convention, the protocol’s articles encourage the development of cooperative interdiction-related rules and practices between states, including information-sharing, interdiction training, and the development of tighter legislative authority to interdict and enforce documentary requirements on shipping. If and when Iran fully ratifies the human trafficking conventions, the country will be
required to give flag consent to allow boarding and searches if “reasonable suspicion” of human-trafficking could be proved.

Following the bad grades received by GCC states in the most recent US State Department Trafficking in Humans Report in June 2005, such states are likely to give strong backing to multinational interdiction efforts that may improve their record on human trafficking. In particular, Oman, Qatar, Saudi Arabia, and the UAE were placed in the Tier 3 category, alongside such notorious centers of the slave trade as Burma, Cambodia, North Korea, and Sudan. The report shed light on the role of Iran as the key supplier state to the GCC. Primarily Iranian girls aged eight to seventeen years are sent from Iran to Dubai and Oman to act as sex workers in Kuwait, Qatar, and the UAE. Boys from Bangladesh, Pakistan, and Afghanistan are sent to Oman, Qatar, and the UAE to undertake dangerous and unpaid careers as camel jockeys. Saudi Arabia is also a hub for enforced laborers imported from states such as Afghanistan. Given the widely-publicized criticism leveled at the GCC states, the issue of human trafficking may be a good way to illustrate the benefits of their integration into a tighter interdiction effort in the region.

GCC navies are likely to want to get involved in joint exercises that focus on the range of shared trafficking threats in the Gulf and will benefit from closer interaction with multinational navies that may already boast high levels of proficiency in carrying out drugs and alien migrant interdiction, vessel boarding search and seizure operations, interception of unsafe or suspicious vessels at a safe distance from shore, and the enforcement of exclusive economic zones. For NATO countries, such interface would work towards Istanbul Cooperation Initiative objectives. Such exercises are also an excellent way to draw the GCC states into international waters, preparing them for a broadened role in policing the high seas as well as their territorial seas. By integrating such forces into multinational command and control networks, greater information-sharing will be engendered, providing collateral benefits for PSI enforcement.

**Countering anticipated Iranian retaliation**
Any response to Iran’s counter-strategy to PSI has got to include consideration of what will happen if push comes to shove. The United States needs to be able to reassure its PSI partners as well as local allies that Iran’s anticipated counter-strategies could be deterred or defended against. If Iran responds to interdiction by escorting its shipping within the Gulf, the United States needs to be able to maintain interdiction and prevent further escalation. If Iran threatens to interdict Gulf shipping or block transit of the Straits of Hormuz, the United States needs to be able to maintain interdiction, prevent Iranian counter-moves, and prevent further escalation. Finally, the US needs to be able and willing to detect and deter Iranian covert actions such as terrorism. Though naval warfare is a field of comparative advantage for the United States, the above set of contingencies would provide a stern test US forces in the Gulf and the US Navy’s new Sea Shield concept of operations. Though the US military could clearly overpower its Iranian counterpart in individual engagements, underpinning the deterrent effect of US deployments, a period of increased tension with Iran would be a distinctly uncomfortable experience for the US military. First, it would not necessarily be a short or discrete crisis, but could instead be drawn out by Iran into a sprawling long-term confrontation. This would have similar or even more serious potential costs for the US military than the long drawn out military containment of Iraq in terms of both strain of US armed forces (particularly “low density” assets such as intelligence-gathering platforms) and on local host nations. Second, Iran would likely broaden the conflict so that local allies of the US found their security and prosperity at risk over this prolonged period of time.

The ideal arrangement would be the formalization of a multinational naval task force based in the Gulf and partially composed of a rotating set of US, multinational, and GCC naval vessels, an idea similar to early Omani plans for a multinational force to preserve freedom of navigation in the Straits of Hormuz. The United States has already undertaken a number of similar actions in other areas, ranging from the US/Australian-run Pacific Protector series of exercises, through the US-Indian Malabar 2003 series, to the multinational Task Forces 150 and 151 in the Red Sea and Gulf region, and the recently formed Black Sea Force.53 Within such a framework, GCC militaries should also be encouraged to develop more effective deterrence against a range of persistent
military threats posed by Iran. Though the Islamic Republic continues to display a reactive and deterrence-focused posture towards the GCC at the moment, the perceived military strengths or weaknesses of regional states could affect Iran’s rationale, especially if Tehran develops a nascent nuclear capability in the coming years and believes that this capability could deter the US from activating its security guarantee to the GCC states. Though extended deterrence provided by the United States will remain an essential feature of GCC defensive strength, it would be preferable for GCC states to display a sufficient indigenous military capability to deter Iran from engaging in low-level or persistent harassment that could prove difficult for the United States to counter. The ideal outcome would be to develop deterrent capabilities within the GCC that dissuade a more activist Iranian foreign policy without adding appreciably to Iran’s sense of military encirclement, and thereby give the Islamic Republic further impetus to build up its conventional and non-conventional arsenals.

“Non-offensive defense” should be a guiding principle in the development of local deterrent capabilities. The GCC states could employ one of two models to deter military coercion by Iran –deterrence by punishment or deterrence by denial. Punishment-based deterrence is typically employed when an opponent threatens an action that the deterring party cannot prevent from occurring, threatening retaliation to retrospectively inflict a cost on the attacker that will affect his strategic calculus in future cases. Deterrence by punishment is undeniably the easier option of the two, relieving the deterring party from the burden of eternal vigilance and the development of expensive defensive preparations. This fact that is not lost on the Gulf States, where a number of countries are quickly developing surprisingly formidable long-range and precision-strike capabilities that could be used to inflict highly destructive strategic strikes on Iran’s most valued economic infrastructures. Advances in military technology have altered the speed at which nations can develop military capabilities and leveled the playing field to a certain extent, favoring small, technologically advanced states like the GCC countries. Most of the GCC militaries now have the capability to destroy tens of Iran’s strategic coastal targets with pinpoint accuracy and without exposing themselves to Iranian air defenses, or indeed strike Iranian shipping with some effectiveness.
In contrast, deterrence by denial promises to inflict sufficient costs on an attacker that he is unsure of achieving his objective in this first place, and, understanding the costs it will entail, may chose not to attack even before the first instance of deterrence failure. Though economically efficient, deterrence by punishment has been proven to fail in environments where an aggressor can operate just below the deterring state’s threshold for punitive action. Iran has a strong record in this field, particularly through its deniable use of proxies or low-profile military action (e.g., naval mines). As a result, it is important for the US, multinational, and GCC states to develop a range of defensive capabilities that could provide deterrence by denial against the persistent threat of low-level attacks. Local states should ideally develop the capability to deter attacks on their maritime and littoral assets, as well as to maintain effective air and missile defenses.

Allied states should be encouraged to support to United States in maintaining a maritime defensive screen by taking a range of steps. Some are entirely passive. For instance, even if regional allies cannot be convinced to support the US military position, the US has a strong interest in assisting regional allies to develop self-defensive capabilities ranging from homeland security, hardened facilities, secure ports, escorted shipping, and meaningful air and missile defenses. These capabilities would help to modify Iranian strategic intentions, using deterrence by denial to make attacks on the GCC states more costly and less likely to succeed, making it easier for the US to shield local allies from Iranian coercion or from retaliation related to US policies. This, in turn, would improve US freedom of action as it develops policy initiatives vis-à-vis Iran.

Other actions require more active cooperation. The US has a strong need for regional allies, not only for their infrastructure but also for their potential contribution of low-density assets, such as ISR collection facilities and platforms, tankers, and maritime patrol and mine-countermeasures vessels. A key area of focus will be the integration of allied military intelligence systems with those of the United States. Overlaying this process will need to be the development of multi-level intelligence-sharing systems with the ability to allow the United States and allied forces to share portions of their
intelligence pictures with some or all coalition partners. This kind of tiered plug-in intelligence sharing could support the formation of ad hoc “coalitions of the willing” that would complement the portfolio basing model adopted by Central Command and would strongly benefit the United States. The US Navy currently plans to maintain what it terms “expeditionary sensor grids” (ESG) in each area where it is present.

Building on their developing command, control, communications, computerization, intelligence, surveillance, and reconnaissance (C4ISR) capabilities, the allies could contribute the bulk of the sensor assets required to maintain an ESG in the Gulf, which the United States could administer using its advanced processing capabilities and feed back to the GCC contributors, minus feed from a minimal number of US-only intelligence sources. Regional allies within the GCC are increasingly capable of contributing persistent sensor coverage to the US C4ISR system even when the US may not be able to keep low-density, high-value assets in the Gulf. The reason for this is because Gulf States are beginning to procure the same advanced sensors that the US Navy is using as the eyes and ears of the ESG. For instance, the E-2C Hawkeye 2000 aircraft likely to be deployed by the UAE and Oman will this be able to feed data directly into the US system, as will many of the other advanced maritime patrol aircraft entering service with the GCC.

Building on this useful set of capabilities, the GCC needs to focus on transnational intelligence sharing, including the construction of a real-time common operating picture and common underwater picture that can support multinational and combined border patrolling and maritime interdiction operations. The development of unmanned aerial vehicles, unmanned underwater vehicles, and unattended floating sensors are needed to increase the endurance of sensor coverage and support nocturnal undersea surveillance. Night-vision equipment and periscope detection radar or laser equipment would also boost the effectiveness of local forces, as would ongoing training, exercising, and vetting processes. The GCC states need to establish formalized early warning networks that international military and commercial shipping can use to report suspicious activity and issue alerts or request assistance in the event of a terrorist incident at sea. The extension
of shared automated practices between maritime users of the Gulf – the automatic tagging of ships using vessel traffic management systems – will also aid the process and reduce civilian and military accidents at sea.

The GCC may also be capable of providing a range of naval assets to escort their own shipping, backed up by US and multinational forces. The small but growing number of new or upgraded air defense frigates and well-armed corvettes in service with GCC navies could soon provide credible escort support for civilian shipping and a first line of defense in the GCC missile and air defense screen. By the beginning of the next decade, for instance, the UAE will boast the strongest navy in the Gulf, with ten very modern and heavily armed frigates or corvettes and sufficient air forces to extend air superiority over the central Gulf for a prolonged period of time. The GCC can also play a militarily useful role by providing an always-available group of mine counter-measure vessels, which are likely to remain a low-density US asset until a large number of Littoral Combat Ships have entered US service. The development of local naval capabilities would offer the GCC considerable benefits, including the opportunity to slot into the US C^4ISR network and to receive hands-on experience alongside in exercises alongside other navies. GCC navies are already keen participants in bilateral and GCC exercises with navies from outside the region, some of which have been specifically timed to remind Iran of the commitment of multinational states to GCC security. Likewise, the US Navy and many of its NATO and European partners have consistently demonstrated their commitment to maintaining freedom of navigation in the Straits of Hormuz and the waterways on either side of it. Such navies held the line in the 1980s during Iranian harassment of Kuwaiti tankers and they would hold the line once again if required. What is now needed is greater integration of effort and a more prominent role for the GCC navies.

**A culture of focused interdiction in the Gulf**

Though regional and multinational partners are likely to continue to maintain strong reservations about the PSI, there are few nations that would argue against tighter monitoring and law enforcement in the Gulf. It is important to note that whilst the ultimate objective of PSI is to commit participating countries to the Statement of
Interdiction Principles, the initiative is explicitly aimed at inflicting incremental levels of disruption on the trafficking options used by proliferators. There are no “silver bullets” capable of shutting down Iranian proliferation delivery routes but there are important opportunities to make such transportation efforts harder. PSI does not need nations to agree to seize suspect cargos or undertake other actions that contravene or stretch the provisions of the UN law of the sea. What is instead needed is a broad-based culture of heightened awareness to trafficking, plus ability and willingness to share real-time intelligence on suspect vessels. The US and other PSI states cannot be everywhere at once. In essence, what is needed is a tripwire.

An illustrative scenario serves to highlight the sort of support that PSI may derive from an indirect approach to interdiction capacity-building in regional and multinational partners. In this scenario, local states (the GCC and Iraq) have been encouraged to undertake more muscular implementation of their responsibilities under UNCLOS and the various UN conventions against trafficking. These states patrol their territorial waters and occasionally police international waters or enter them in hot pursuit. They share a common operating picture with a US and multinational flotilla stationed in international waters in the Gulf region. A joint C^4ISR network shares data from maritime patrol aircraft, commercial and government satellites, surface vessels and land-based radar, plus automated traffic management and container-tracking systems. Regular meetings between participating states further facilitate intelligence exchange on a range of issues that relate to transnational crime, terrorism, and proliferation. Because of the higher incidence of use in trafficking and involvement in accidents, local states and multinational forces pay particular attention to unflagged and flag of convenience vessels, as well as those hailing from notorious drug smuggling registry states such as North Korea. Effective systems exist to rapidly contact flag states; PSI states contribute their ability to automatically enact rapid action consent agreements to board a growing proportion of vessels. Under the UN conventions, flag states are expected in principle to permit boarding when suspicion of drugs or slavery has been established. When vessels are boarded on suspicion of carrying drugs, slaves, or UN-designated terrorists, a real-time report might be made to PSI states. If proliferation materials were found as they
were on the So San, one of the PSI vessels could be called in. Denial of flag state consent to a PSI boarding and search operation would expose the flag state’s complicity in proliferation activities.

Such fruits may seem modest but the alternative in the above scenario might have been a shipment that was neither detected not interdicted. The US and other more determined PSI partners must still do the heavy lifting and make the serious judgment calls. In the Gulf, at least, no one else is going to perform such a role in the near-term. The way to interest GCC states in PSI is to enmesh the initiative in their vital interests – that is, preventing unregulated and dangerous uses of the Gulf. Once such states see PSI in operation, nested within other counter-trafficking initiatives, it will become clear that it does not, in fact, represent a breach with UNCLOS. In the meantime, many PSI aims can be accomplished. Local states and multinational partners with an interest in Gulf security (notably NATO states under the Istanbul Cooperation Initiative) are likely to be interested in activities like interdiction training meetings, information-sharing, and the strengthening of interdiction authority in their states. Focusing on drugs and human trafficking, their experience in seizing contraband cargos may make them more amenable to the PSI Statement of Interdiction Principles in the future. The pay-off for GCC states is substantial, resulting in greater control of their valuable sovereign maritime holdings and shared waterways. The development of a culture of focused interdiction is something that the West should be doing in the Gulf anyway as a result of the narcotics and terrorism threats transiting the region. PSI adds another good reason increase maritime security in the Gulf.

Development of regularized interdiction of Iranian shipments involved in drugs and human trafficking is theoretically in Iran’s best interests too, and Tehran is locked into the process through its membership of counter-narcotics and, to a lesser extent, counter-slavery conventions. The Islamic Republic values its good reputation in the field of counter-narcotics and may be vulnerable to manipulation in this dimension. The key aspects of Tehran’s anticipated counter-strategy to PSI are partially negated by shifting the focus of Gulf interdiction efforts to drugs and human trafficking, both areas in which
Iran needs and theoretically wants foreign assistance. Iran will struggle to maintain a rhetorical challenge to such interdictions, especially as illegal trafficking often involves the use of flags of convenience and takes place outside Iranian territorial seas. Regularized legal interdiction of vessels leaving or entering Iranian territorial waters or flying its flags will normalize the procedure to some extent and test Iran’s reaction to such activity. A broader pattern of interdiction and monitoring activity will assist the detection of proliferation shipments.

In such cases, the stakes will increase dramatically. The interdiction of key proliferation shipments may be a very different matter, involving Iranian flagged vessels or those of other bona fide registries, perhaps moving primarily through Iranian territorial waters as they transit the region. Such shipments will continue to pose hard legal and operational challenges. Interdiction of a shipment considered vital to Iranian national interest will naturally evince a violent reaction. If such a reaction were to occur at a predictable time and for a limited period, US military power might suffice to deter or defend against it. The unpredictable and protracted nature of a likely Iranian reaction instead places a premium on the development of allied deterrent and defensive capabilities, once again because the United States cannot be everywhere at once. In this case, local forces may once again play a tripwire role. In the end, if push comes to shove, the United States will need to take the lead. In the meantime, other nations can contribute to the detection and deterrence of rogue shipments. Once again, it is important to stress that there are no “silver bullets” capable of shutting down Iranian proliferation delivery routes. All that can be done is to make such transportation efforts harder through the incremental disruption on the trafficking options used by proliferators.
1 For a general source on the issue, see Anthony H. Cordesman and Ahmed S. Hashim, Iran: Dilemmas of Dual Containment, (Washington, DC: CSIS, 1997).
2 Though PSI concerns both maritime and aerial interdiction, this paper will focus on the former for reasons of space and to maintain the focus of the argument.
3 A useful portal for UNCLOS issues is http://www.un.org/Depts/los/index.htm
4 The Proliferation Security Initiative factsheet is available at http://www.state.gov/t/np/rls/other/34726.htm
5 See above.
6 The issue of Pakistani support of PSI is an important subject that deserves closer attention and will receive increased coverage in later versions of this draft document.
7 Jon Marks, "Dubai, Qatar confront the realities of life as a global hub," in Gulf States Newsletter, February 20, 2004., p. 16.
11 Ibid., pp. 2, 5.
12 See global security.org for an overview of Iranian naval capabilities (http://www.globalsecurity.org/military/world/iran/navy.htm) Also see
14 Russia is contracted to provide support until 2008, but has still not delivered $1.2 million worth of support services related to these vessels, or $1.5 million worth of construction services on six bases for the Kilos. India is likely to replace Russia as Iran’s main naval partner by 2014, and has already authorized Indian use of ports such as Chah Bahar in the case of a major Indo-Pakistani war. See Michael Knights, "Iran develops sea control capabilities," in Gulf States Newsletter, November 10, 2004., p. 7.
19 An ESG is essentially a CVBG without the aircraft carrier.
26 Paul Melly, "Iran delivers warning to Qatar over North Gas field," in Gulf States Newsletter March 7, 2004., p. 5.
201/sys/ship/docs/working1.htm
31 See http://www.wagingpeace.org/articles/2003/08/15_chaffee_freedom-of-force.html?
32 See http://www.globalsecurity.org/military/world/iran/navy.htm
33冷链物流 is a very important issue in global trade, and it is expected to play a key role in the future.
36 Ibid., p. 4.
39 Marks, "Dubai, Qatar confront the realities of life as a global hub," p. 16
41 Marks, "Dubai, Qatar confront the realities of life as a global hub.", p. 16.
42 Knights, "Maritime Intercept Operations," p. 3.
46 Knights, "Maritime Intercept Operations."

47 The author will introduce a more detailed survey of the flagging practices of Iranian-owned vessels in future drafts, drawing on interview data from US military personnel in the Gulf.


51 Access the protocol at untreaty.un.org/English/notpubl/18-12-a.E.doc
52 Access the report at www.state.gov/g/tip/rs/tiprpt/2005/