An Iranian warship and speed boats take part in a naval war game in the Persian Gulf and the Strait of Hormuz, southern Iran\ Reuters

A SERIES OF UNFORTUNATE EVENTS:
A CRISIS SIMULATION OF A
U.S.-IRANIAN CONFRONTATION

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On September 19, 2012, the Saban Center for Middle East Policy at the Brookings Institution conducted a day-long simulation of a confrontation between the United States and Iran arising from ongoing tensions over Iran's nuclear program and western covert actions intended to delay or degrade it. The game suggested that these tensions are significantly reducing the "margin of error" between the two sides: increasing the potential for miscalculations to escalate to a crisis or even a war between the two countries.

Structure of the Simulation

The simulation was conducted as a three-move game with separate country teams for the United States and Iran. The U.S. team represented a hypothetical National Security Council Principals Committee and was comprised of former senior American government officials, many of whom held positions commensurate with those they were asked to play during the simulation. The Iran team represented a hypothetical Supreme National Security Council meeting and consisted of American experts on Iran, some of whom had lived and/or traveled extensively in Iran, are of Iranian extraction, and/or had served in the U.S. government with responsibility for Iran.

Overview of the Scenario

The simulation was set in July 2013. It posited that President Barack Obama had been re-elected in November 2012, that Iran had withdrawn from the nuclear talks in early 2013 and was continuing to make progress in enriching uranium, and that the United States had adopted a policy of "bigger carrots, bigger sticks" toward Iran. The American policy featured renewed (and expanded) overtures to Iran to engage the United States directly and find a peaceful solution to their bilateral tensions. However, this was coupled with a more aggressive covert action program—principally centered around expanded cyber-warfare operations—to try to hinder Iranian nuclear developments and pressure Tehran to return to the negotiating table. The scenario further posited that Iranian nuclear scientists continued to be killed (by Israel, possibly with American help, the Iranian team's intelligence apparatus believed), and that in May 2013 a bomb had devastated a social hall near Qom where many of the people working at the Fordow nuclear enrichment facility were relaxing. The bomb killed several dozen people and Iranian intelligence concluded it was the Israelis, probably with help from the Americans.

In retaliation, the Iranians assassinated two nuclear scientists—one Israeli and one American. However, while the hit on the Israeli went off without a hitch, the

killing of the American was botched. The attack caused the destruction of a hotel in Aruba, killing 157 people, 26 of them children, including 129 Americans.

In the first move of the game, the American team debated how to respond to the Iranian terror attack. The Americans quickly decided on two actions: a covert operation in which American officials would identify themselves to Iranian revolutionary guard and intelligence operatives, letting the Iranians know that their covers were blown, coupled with a cyber attack on 40 different Iranian security and military facilities (of widely varying size and importance), whose computer systems the United States had previously penetrated.

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The U.S. team spent some time deciding whether to add an overt military response as well. The uniformed military and civilian Department of Defense (DoD) leaders argued against symbolic uses of force, favoring either no kinetic response or one so large that it would cause extensive damage to Iran and immediately secure escalation dominance for the United States. However, the American team ultimately opted to mount a smaller, more symbolic, operation: launching several dozen cruise missiles at a large but isolated Islamic Revolutionary Guard Corps (IRGC) facility in eastern Iran that was a principal hub for Iranian support to the Taliban. That attack did extensive damage to the facility and the personnel there. The Americans accompanied their actions with a message from President Obama to Ayatollah Khamene'i, which warned Iran that further retaliation would be met by "severe" American consequences but assured Tehran that the United States was not pursuing a strategy of regime change. The message again offered direct negotiations to end all U.S. and Iranian differences.

The simulation's second move principally focused on the Iranian team and how it would respond to the various American actions in the first move. The Iranian team chose to respond in several ways:

- It mounted several additional terrorist attacks against both U.S. and Israeli targets. However, these were discrete operations that ran little risk of further escalation: for instance killing another American nuclear scientist at a conference in Sweden.

- It dispersed half of its stockpile of low-enriched uranium as a signal to the Americans that further U.S. attacks would push Iran to withdraw from the nuclear non-proliferation treaty (NPT) and pursue a nuclear arsenal.

- It decided to create a threat to shipping in the Strait of Hormuz by ordering IRGC small boats to harass American naval ships passing through the strait, and—of far greater importance—laying a relatively small number of mines there.
- It refused to meet directly with the American team.

One point to note regarding these Iranian moves is that the Iran team chose to regard Iranian rhetoric as imposing real constraints on Tehran's behavior. The Iran team quickly concluded that, because the government of Iran had repeatedly threatened to "close" the strait if the Iranian homeland were attacked, it had to at least threaten to take military action there lest the United States conclude that Tehran was a paper tiger unwilling to back up its deterrent threats.

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The U.S. team was willing to look past all of the Iranian moves except those in the Strait of Hormuz. The Americans were not happy about the Iranian terrorist attacks, but they were willing to accept them since none was terribly damaging—and all fell well short of the kind of damage the United States had inflicted on Iran in Move 1. Likewise, Control ruled that the Israelis, too, were willing to absorb the terrorist attacks launched against them; but Jerusalem began to encourage Washington to mount a much larger, coordinated attack on the Iranian nuclear program.

The effort by the IRGC small boats to "harass" the U.S. Navy ships in the Persian Gulf produced an incident in which a U.S. destroyer sunk a pair of Iranian small boats that ignored both voice warnings and shots fired across their bow. Moreover, in a repeat of the events of 1987, two ships struck mines in the Strait of Hormuz—a large oil tanker and an American warship (a minesweeper, ironically, that had gone to help the stricken tanker). Neither was sunk, but the two rapid mine strikes, coupled with the incident with the Iranian small boats, alarmed the American team. It looked to the Americans as if the Iranians were trying to close the straits altogether with a combination of surface and mine attacks, and they saw this as a clear violation of a critical U.S. red line.

This produced a highly bellicose debate on the part of the American team. Very quickly, the U.S. team narrowed its options to just two: a major air-sea campaign to re-open the Strait of Hormuz by obliterating all Iranian air, naval, and coastal defense assets in and around the strait, coupled with a massive air campaign to crush the Iranian nuclear program; or the same punishing campaign to eliminate Iranian assets near the strait coupled with a 24-hour ultimatum to Tehran: meet

American demands on its nuclear program or the United States would launch the all-out campaign against the Iranian nuclear program. Although most of the American team preferred the latter to the former, all acknowledged that either option would be so large that it was unclear that Iran would be able to tell them apart.

For its part, the Iran team spent Move 3 preparing either for an American climb-down (which its members saw as unlikely) or a wider war if, as expected, the Americans chose to escalate. In the event that the U.S. team chose war, the Iran team made a number of fundamental decisions:

- Iran would withdraw from the NPT and attempt to acquire nuclear weapons as quickly as it could, either as a bargaining chip to negotiate an end to the war on terms favorable to Iran, or to acquire a deterrent to prevent endless American attacks—and efforts to overthrow the regime.

- Iran would fight the Americans however it could, using all means at its disposal: including terrorist attacks and conventional strikes on American forces in the region, Israel, and other U.S. allies nearby. The Iranians would try to stir up Shi'i populations as best they could against American allies like Bahrain, Kuwait, and Saudi Arabia.

- Iran would announce immediately and repeatedly that it would fight on "forever" and would never surrender to the Americans.

At that point, the game concluded. It was a moment that could best have been described by Churchill as the "end of the beginning" of a war between the United States and Iran. The two teams had resolved to fight, but only the first major American strikes had begun, and neither side had seen the inevitable Iranian retaliations develop—or the American responses that would doubtless have followed them. Thus, the two teams did not have to deal with the difficult problems of war termination that typically prove so vexing in simulations of full-fledged war between Iran and the United States.

The Diminishing Margin of Error

Perhaps the most obvious lesson suggested by the simulation is that the potential for miscalculations—even small miscalculations—to cause unexpected escalation is increasing and should be expected to continue to do so in the future. In particular, the game illustrated that the worsening tensions over Iran's nuclear program and the concomitant rancor stemming from western covert actions to hinder Iran's nuclear program (and Iran's efforts to strike back at the United States and Israel in kind) are working both separately and together to create a narrowing space for maneuver for both sides.

Simply put, these worsening tensions are creating two mutually reinforcing tendencies. First, both sides have concluded that the other is *already* treading

dangerously close to its red lines, threatening its interests, and causing harm to it assets and people. Second, both sides also insist that they have shown considerable restraint so far in not responding to the provocations and attacks of the other. Consequently, both sides believe that nearly any further provocative action or attacks by the other side, and certainly anything that looks like an escalation of attacks, would have to be met with a forceful response to ensure the sanctity of their deterrent threat and to placate their domestic constituencies—which both countries portray as demanding a harsh response.

Thus, the U.S. team felt that in the post-9/11 era, an American government simply could not afford to *not* use force in response to a clear terror attack that killed a large number of American citizens. The American team also feared that if it did not respond with overt force the Iranians would see that—coupled with what the U.S. team believed was a past pattern of American restraint—as a sign of weakness. Similarly, the Iranian team believed that its own domestic constituencies (the supporters of the regime, both among the public and within the government and security services) would demand that Iran respond with overt force when the United States brazenly attacked the Iranian homeland, especially in the context (as Iranians saw it) of Iran having turned the other cheek in the face of repeated Israeli and American covert attacks. Likewise, the Iran team feared that the U.S. team would see it as weak and unwilling to enforce its own red lines if the Iranians did not respond with force, specifically in the Strait of Hormuz, to make good on their prior threats to shut down the strait if their homeland was attacked.

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Nevertheless, both sides opted for what they saw as the most minimal and restrained overt military response they could contemplate, explicitly in the hope that the other side would recognize this and would not further escalate. Of course, the opposite happened. In part, this was because in the Iranian case the "minimal" overt military response it chose turned out to be bigger than intended (mines striking two ships in quick succession and small boat harassment provoking an exchange of fire). However, of far greater importance was that even the minimum that each side believed it could do was more than the minimum that the other side felt it could tolerate. This illustrates that the room for miscalculation between the United States and Iran has diminished significantly and is likely to continue to do so in the future.

Cognitive Dissonance

A related point that the simulation demonstrated is the well-recognized potential for the United States and Iran to completely misread each other's actions and intentions. Both sides were trying to signal to each other throughout the simulation, and both sides consistently misread the other's signals. It is worth noting that, in the case of the simulation, Americans—many with experience in the U.S. government—were playing the role of Iranian decision makers; we should expect them to have a far greater ability to interpret the signals of other Americans than real Iranian decision makers, who come from a different culture, with very different perspectives, and very little experience or understanding of American thinking. Thus, if anything, we should expect the real Iranian government to do significantly *worse* in both sending signals to and reading signals from the real U.S. government than our Iranian and American teams did.

Consequently, Washington should be very careful about how it tries to send signals to Tehran in a crisis, especially if it attempts to use military actions as signals. The simulation suggests that there is a very high risk that the Iranians either will not understand such signals or may interpret them in a very different way than was intended.

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Alternatively, it also suggests the utility for greater government-to-government contact between Tehran and Washington and the establishment of real time communications. In the simulation, when the U.S. team tried to send a message to the Iran team, it struggled to find a channel that could deliver an accurate message directly to the Iranian supreme leader. The years of failed multiparty talks and the multiple channels of indirect communication have left the parties without a trusted interlocutor for back-channel engagement—a dangerous situation when tensions are high, direct contacts are impossible, and miscalculation and misperception are likely. Of course, as desirable and useful as such a channel would be, neither government has made much of an effort in this area; and the Iranian regime has steadfastly refused to countenance direct contact.

Pressures from the Nuclear Track

Another possible lesson of the simulation, related to the diminishing margin of error between the two sides, derived from the pressure that will be exerted on crisis management by the perceived advancement of Iran's nuclear program.

The simulation took place nine months in the future and posited a situation where Iran continued to make significant progress in enriching fissile material. The scenario assumed that Iran had effectively followed its current trajectory and had more enriched uranium (at both 3.5 percent and 19.75 percent purity) as well as a greater capability to enrich. It assumed that the subterranean Fordow facility near Qom was increasingly able to enrich, and also assumed that Iran continued to make progress on a covert program to develop a weapon for the fissile material—albeit on a slower schedule than its uranium enrichment program. Both teams were roughly aware of this, although the Iran team was intimately acquainted with its realities, whereas the Americans had to estimate some key pieces of information.

Nevertheless, the fact that Iran was so much farther along, and both sides could see the end of the program nearing, had a critical impact on the decision-making of both sides. It produced a powerful incentive for both to think short-term rather than long, which in turn reinforced the propensity to escalate more quickly.

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The Iran team could see the light at the end of the proverbial tunnel, and its discussions emphasized the need to simply "buy time" until Iran was in a position to break out, develop a nuclear weapon, and then face down the United States. Early on in the simulation, the Iranians decided that the events of the crisis had demonstrated that their ultimate goal had to be to break out of the NPT, so as to face the United States on more equal terms. Consequently, their actions from that point on were explicitly intended to stall for time to allow them to get to the point where they could break out and develop a bomb. Their thinking became very short term, looking to buy small amounts of time rather than looking for long-term stability, let alone rapprochement with the United States.

Similarly, the U.S. team spent a considerable amount of time considering whether the crisis ought to be viewed as an opportunity. As several U.S. team members pointed out, the Iranians had left the nuclear talks, were making significant progress on enrichment, and could be in a position to quickly break out from the NPT in a matter of months. Thus, they saw the crisis as potentially the only opportunity they might have to use force to smash the Iranian nuclear program. With each move, this contextual logic became more and more compelling as the United States saw the Iranians as recalcitrant and bellicose and moving in the direction of a breakout. It meant that the U.S. team was less willing to run the

risk of allowing Iran to develop that breakout capability, and it meant that it felt more and more justified in using force against the Iranian nuclear program.

Ultimately, the U.S. team's decisions to escalate were determined principally by the Iranian terrorist attack and then by Iranian actions in the Strait of Hormuz—which the U.S. team considered so dangerous, and so likely to galvanize international opinion behind it, that the Americans moved immediately and decisively to eliminate the Iranian threat to freedom of navigation. However, once the U.S. team decided to employ force, those same pressures related to the nuclear timeline created powerful incentives to escalate "horizontally" to take out the Iranian nuclear program regardless of the provocation. This was especially the case for the participants on the American side representing the uniformed military and civilian DoD leadership. Both groups started out opposing the use of force because they believed it would be too limited to accomplish any military objectives and would only provoke Iranian retaliation. However, once the kinetic military threshold had been crossed, these same participants consistently pressed to use the opportunity to smash the Iranian nuclear program in addition to responding to the actual Iranian moves at hand.

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Rhetoric and Reality

As noted above, in this simulation, the members of the Iran team concluded that after the United States launched a military attack against Iranian territory the Iranians had to respond by taking some military action in the Persian Gulf. This was based on the Iran team's sentiment that, having consistently threatened to take action in the Strait of Hormuz if the United States were to attack, the Iranian government simply could not do otherwise when faced with an actual American attack on the homeland. In a different crisis simulation held four years ago, a different Iran team reached virtually the same conclusion—launching missiles at U.S. military bases in Kuwait and Qatar in response to an American cruise missile attack on an IRGC facility (itself a response to an Iranian terror attack against U.S. troops in Iraq.)

In both of these instances, the American teams were surprised by the retaliation that their strikes triggered from the Iran teams. In both cases, the Americans believed that they were doing the absolute minimum that a post-9/11 U.S. electorate would consider sufficient, in both cases the U.S. teams assumed that Iranian rhetoric would not translate into action, and in both cases the American

teams saw the Iranian reactions as excessive when the Iran teams chose to back up their words with corresponding actions.

We obviously cannot judge whether the actual Iranian government would behave in similar fashion in a real crisis. Simulations are only approximations of reality and it is sometimes easier for participants in a game to resort to force than it is for actual decision-makers who must live with the real-world consequences of their action. Nevertheless, we think it appropriate to raise the possibility that our various Iran teams may accurately reflect the thinking and behavior of the actual Iranian regime in circumstances like these; and, if that is the case, U.S. policymakers should recognize the possibility that Iranian rhetoric about how the Islamic Republic would react in various situations, no matter how overblown it may seem to foreigners, may prove consistent with actual Iranian actions if such a situation were to occur. Indeed, it may simply be that, like our various Iran teams, the real Iranian regime might feel boxed in by its own rhetoric and therefore compelled to respond as it had threatened.

Iran and the NPT

Finally, almost from the outset, the members of our Iran team saw the crisis as creating an opportunity for them to rid their country of the shackles of the NPT. They had not created the crisis for that purpose, but once the crisis was upon them that became an important goal, and to some extent a positive aspect of what was going on.

This, too, is a useful point for American policymakers to keep in mind. It is probably the case that the Iranian leadership, like our Iran team, chafes at the restrictions of the NPT—which is the basis for the UN Security Council Resolutions banning its nuclear program and enabling the sanctions against Iran. It is probably the case that Tehran would like to find a way to wiggle out of the NPT without turning international opinion further against it. Iran's adherence to the NPT (even if only formally) is extremely useful for its adversaries as a legal basis to impose sanctions and other international penalties on Iran. Consequently, the simulation suggests that if the United States moves into a confrontation with Iran, Washington should be careful not to furnish Tehran with an opportunity to justify withdrawing from the NPT. It may be exactly what Tehran is looking for.