

**(U) Fiscal Year 2014 Annual Report on Military Power of Iran
January 2015**

(U) Executive Summary

(U) Iran has not substantively changed its national security and military strategies over the past year; however, Tehran has adjusted its approach to achieve its enduring objectives, by increasing its diplomatic outreach and decreasing its bellicose rhetoric. President Hasan Ruhani's ongoing international message of moderation and pragmatism is intended to support these objectives: to preserve Iran's Islamic system of governance, secure Iran from threats, establish Iran as the dominant regional power, and attain economic prosperity. Likewise, to achieve those objectives, Iran has unwaveringly sought to improve its deterrent capabilities and increase its regional influence. Supreme Leader Ali Khamenei, despite speculation about his health, remains atop Iran's power structure as both the political-spiritual guide and the commander in chief of the armed forces.

(U) Iran's military doctrine is primarily defensive; it exists to insulate Iran from the consequence of Tehran's more aggressive policies, such as use of covert action and terrorism, rather than as a means to project Iranian power. It is designed to deter an attack, survive an initial strike, and retaliate against an aggressor to force a diplomatic solution to hostilities while avoiding any concessions that challenge its core interests. The ongoing civil war in Syria and the instability in Iraq have tested, but not fundamentally altered, this posture. Meanwhile, over the past year, the tone of publicity surrounding major military exercises has remained tempered, a trend that began in 2013, probably in support of negotiations over Iran's nuclear activities.

(U) Iran's covert activities appear to be continuing unabated. The Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) remains a key tool of Iran's foreign policy and power projection, particularly in Iraq, Syria, Lebanon, Bahrain, and Yemen. IRGC-QF has continued efforts to improve its access within foreign countries and its ability to carry out terrorist attacks to safeguard or advance Iran's interests.

(U) Iran continues to develop its capabilities to control the Strait of Hormuz and avenues of approach in the event of a military conflict. It is quietly fielding increasingly lethal weapon systems, including more advanced naval mines, small but capable submarines, armed unmanned aerial vehicles, coastal defense cruise missile batteries, attack craft, and antiship-capable missiles.

(U) Since the Iran-Iraq War, Tehran has placed significant emphasis on developing and fielding ballistic missiles to counter perceived threats from Israel and U.S. and allied forces in the Middle East and to project power. Iran has a substantial inventory of missiles capable of reaching targets throughout the region, including U.S. military bases and Israel, and the regime continues to develop more sophisticated missiles. Iran has publicly stated it intends to launch a space launch vehicle as early as this year (2015), which could be capable of intercontinental ballistic missile ranges if configured as such.

(U) Although Iran has paused progress in some areas of its nuclear program and fulfilled its obligations under the Joint Plan of Action (JPOA), it continues to develop technological

capabilities that also could be applicable to nuclear weapons, including ballistic missile development.

(U) Iran's sanctions-related economic difficulties contributed to the regime's agreement to the JPOA. In negotiations with the P5+1 (five permanent members of the UN Security Council plus Germany), Iran is seeking to remove sanctions and reduce its isolation.