

Iran Update Special Report, July 5, 2026



Adham Fattah, William Doran, Nidal Morrison, Carolyn Moorman, Benjamin Schmida, Annika Ganzeveld

Analyst Notes: Data Cutoff: 2:00 PM ET

The Institute for the Study of War (ISW) and The Critical Threats Project (CTP) at the American Enterprise Institute are publishing daily updates to provide analysis on the war with Iran. The updates cover events from the past 24-hour period.

Key Takeaways

1. Iranian control of the Strait of Hormuz is detrimental to global commercial interests because it enables Iran to selectively determine which vessels may pass through the strait and at what cost. Iranian Ambassador to the People's Republic of China (PRC) Abdolreza Rahmani Fazli stated on July 4 that Iran will give the PRC "special considerations" in determining the cost of "service" fees because the PRC is a "friendly country."
2. Israel Defense Forces (IDF) Chief of Staff Lieutenant General Eyal Zamir announced on July 5 that the IDF has established control over Hezbollah's extensive underground tunnel networks in the vicinity of Beaufort Castle, Nabatieh District, in southern Lebanon. The IDF previously established control over above-ground terrain surrounding Beaufort Castle on May 31 and began to seize and dismantle underground Hezbollah infrastructure throughout June.

Toplines

Iranian control of the Strait of Hormuz is detrimental to global commercial interests because it enables Iran to selectively determine which vessels may pass through the strait and at what cost. Iranian Ambassador to the People's Republic of China (PRC) Abdolreza Rahmani Fazli stated on July 4 that Iran will give the PRC "special considerations" in determining the cost of "service" fees because the PRC is a "friendly country." [1] This comment suggests that Iran plans to discount the tolls that the PRC and other "friendly" countries must pay for their vessels to transit through the strait. Iranian Foreign Affairs Minister Abbas Araghchi previously identified the PRC, Russia, India, Iraq, and Pakistan as "friendly" states whose vessels can pass through the strait. [2] Iran's imposition of tolls on vessels belonging to countries that it deems "non-friendly" violates the principle of free navigation under the UN Convention on the Law of the Sea. [3] Fazli's statement is also consistent with ISW-CTP's ongoing assessment that Iran is prioritizing international recognition of its control of the strait over the collection of tolls. [4]

US-Iran Negotiations

Nothing significant to report.

Maritime Activity in the Strait of Hormuz and Persian Gulf

See topline section.

US and Israeli Air Campaign

Nothing significant to report.

Iranian Domestic Affairs

Nothing significant to report.

Iran's Axis of Resistance

Lebanese Hezbollah and the Israeli Campaign in Lebanon

Israel Defense Forces (IDF) Chief of Staff Lieutenant General Eyal Zamir announced on July 5 that the IDF has established control over Hezbollah's extensive underground tunnel networks in the vicinity of Beaufort Castle, Nabatieh District, in southern Lebanon.[5] The IDF previously established control over above-ground terrain surrounding Beaufort Castle on May 31 and began to seize and dismantle underground Hezbollah infrastructure throughout June.[6] Zamir, IDF Northern Command Commander Major General Rafi Milo, and other senior IDF field commanders visited Israeli forces and toured seized Hezbollah tunnels in the vicinity of Beaufort Castle on July 5.[7] Zamir noted that Hezbollah, with Iranian assistance, had developed extensive tunnel networks underneath the ridge surrounding Beaufort Castle for command and control (C2) and targeting northern Israeli communities.[8] Senior IDF officers have identified the Beaufort Castle ridge and terrain surrounding Ali al Taher, which is about three miles north of Beaufort Castle, as major Hezbollah operational areas.[9] Zamir urged the Lebanese Armed Forces (LAF) to fulfill its commitment to disarming Hezbollah fighters and dismantling militant infrastructure per the terms of the June 26 Trilateral Framework Agreement.[10] Zamir also announced that the IDF will continue to attack Hezbollah in Lebanon and warned that the IDF is prepared to launch a "swift offensive" if Hezbollah violates the ceasefire.[11] The IDF has continued to attack Hezbollah positions in southern Lebanon. The IDF has conducted four airstrikes across southern Lebanon since ISW-CTP's last data cut-off on July 4.[12]

Other Axis of Resistance Activity

United Kingdom Maritime Trade Operations (UKMTO) reported that unspecified armed actors attacked a bulk carrier off the coast of the Houthi-controlled port of Hudaydah on July 5.[13] UKMTO said that the unspecified armed actors approached the bulk carrier in a skiff 30 nautical miles southwest of Hudaydah Port and opened fire.[14] No actor has claimed responsibility for the attack at the time of this writing.

Endnotes

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Iran Update Special Report, July 6, 2026



William Doran, Nidal Morrison, Adham Fattah, Bailey Pasternak, Carolyn Moorman, Benjamin Schmida, Annika Ganzeveld

Analyst Notes: Data Cutoff: 2:00 PM ET.

The Institute for the Study of War (ISW) and The Critical Threats Project (CTP) at the American Enterprise Institute are publishing daily updates to provide analysis on the war with Iran. The updates cover events from the past 24-hour period.

Key Takeaways

1. The Lebanese government appears to be implementing the June 26 Trilateral Framework Agreement and other diplomatic initiatives in a way that advances the government's primary objective of ensuring stability in Lebanon. The Lebanese government may hesitate to implement parts of the June 26 Trilateral Framework Agreement that it assesses would risk igniting widespread conflict in Lebanon.
2. The Lebanese government may also be postponing or preventing the Iran-Lebanon-United States "deconfliction cell" from commencing operations because the mechanism contradicts other Lebanese government objectives, especially expelling Iranian influence from Lebanon. Lebanese media reported on July 6 that Iranian regime officials have expressed frustration regarding the Lebanese government's refusal to appoint representatives to the cell. Lebanese media also reported that the Lebanese government has largely ignored the deconfliction cell since Israel, Lebanon, and the United States signed the framework agreement on June 26.
3. Iranian Supreme Leader Mojtaba Khamenei reappointed Gholam Hossein Mohseni Ejei as judiciary chief on July 5. Ejei's appointment is Mojtaba's third appointment since becoming supreme leader in March 2026. Ejei has historically taken a harsh stance against regime dissidents, such as when he publicly defended executing protesters during the Mahsa Amini protests in 2022 and described protesters as "terrorists" in 2026.

Toplines

The Lebanese government appears to be implementing the June 26 Trilateral Framework Agreement and other diplomatic initiatives in a way that advances the government's primary objective of ensuring stability in Lebanon.[1] The Lebanese government has multiple objectives, including weakening and disarming Hezbollah, securing an Israeli withdrawal from Lebanese territory, and expelling Iranian influence from Lebanon, but its overriding objective appears to be ensuring internal

stability. Senior Lebanese government officials, including President Joseph Aoun, have repeatedly expressed support for the framework agreement as the best means to end conflict and instability in Lebanon.[2] The Lebanese government may hesitate to implement parts of the framework agreement that it assesses would risk igniting widespread conflict in Lebanon, however. Hezbollah leaders have threatened that Lebanese Armed Forces (LAF) attempts to disarm the group would result in a civil war, which is consistent with Hezbollah's long-term efforts to deter the LAF from threatening the group's existence.[3] Unnamed sources told Lebanese media on July 6 that the LAF refuses to establish "pilot zones," in which the LAF would disarm Hezbollah, north of the Litani River until Israeli forces withdraw from Lebanese territory.[4] The sources claimed that the LAF is concerned that Israeli forces would remain in Lebanon in the event of a Hezbollah-LAF conflict, which would undermine the Lebanese government's objective of facilitating an Israeli withdrawal from Lebanon.[5] The sources also claimed that the LAF refuses to initiate an "internal confrontation" with Hezbollah because of the risk of starting a civil war with the group and fracturing the LAF.[6]

The Lebanese government may also be postponing or preventing the Iran-Lebanon-United States "deconfliction cell" from commencing operations because the mechanism contradicts other Lebanese government objectives, especially expelling Iranian influence from Lebanon.

The Qatari Foreign Ministry announced on June 21 that Iran would take part in a multilateral deconfliction cell to monitor and report violations of the Israel-Hezbollah ceasefire.[7] Lebanese media reported on July 6 that Iranian regime officials have expressed frustration regarding the Lebanese government's refusal to appoint representatives to the cell.[8] The mechanism requires the appointment of Lebanese representatives to the cell before it can commence operations.[9] Lebanese media also reported that the Lebanese government has largely ignored the deconfliction cell since Israel, Lebanon, and the United States signed the framework agreement on June 26.[10] The deconfliction cell would give Iran a formal role in monitoring the Israel-Hezbollah ceasefire in Lebanon. ISW-CTP previously assessed that Iran could use its on-the-ground presence in southern Lebanon to quickly report incidents to the deconfliction cell and thereby shape the narrative about such incidents in the cell.[11] The Lebanese government views Iranian influence in Lebanon negatively because the Iranian regime empowers Hezbollah, whose activities have repeatedly destabilized Lebanon.[12] Lebanese officials have rejected Iranian efforts to link the conflict in Lebanon to broader US-Iran negotiations and have urged an end to Iranian interference in Lebanon.[13]

US-Iran Negotiations

Nothing significant to report.

Maritime Activity in the Strait of Hormuz and Persian Gulf

Nothing significant to report.

US and Israeli Air Campaign

Nothing significant to report.

Iranian Domestic Affairs

Iranian Supreme Leader Mojtaba Khamenei reappointed Gholam Hossein Mohseni Ejei as judiciary chief on July 5.^[14] Ejei's appointment is Mojtaba's third appointment since becoming supreme leader in March 2026. Mojtaba appointed former IRGC Commander Mohsen Rezaei as his military adviser on March 17 and Mehdi Khamoushi as his chief of staff on May 12.^[15] Ejei previously served as the intelligence minister under former hardline President Mahmoud Ahmadinejad.^[16] Ejei has served as the judiciary chief since 2021. Ejei has historically taken a harsh stance against regime dissidents, such as when he publicly defended executing protesters during the Mahsa Amini protests in 2022 and described protesters as "terrorists" in 2026.^[17] The United States sanctioned Ejei in September 2010 for committing human rights abuses.^[18]

Iran's Axis of Resistance

Lebanese Hezbollah and the Israeli Campaign in Lebanon

Unidentified Israeli security officials told Israeli media on July 6 that Hezbollah is attempting to reconstitute its forces in southern Lebanon.^[19] The Israeli security officials said that Hezbollah is transferring fighters to unspecified areas of southern Lebanon in preparation for a potential resumption of combat with Israeli forces.^[20] The officials added that the IDF has encircled Hezbollah positions in Bint Jbeil District and Deir Seryan in Nabatieh Governorate and Majdal Zoun in South Governorate.^[21]

The IDF continued to strike Hezbollah fighters and infrastructure in southern Lebanon on July 5 and 6. Lebanese media reported that the IDF struck unspecified targets near Nabatieh al Fawqa and Kfar Tebnit in Nabatieh Governorate on July 5.^[22] The IDF reported that it killed four Hezbollah fighters driving a vehicle toward IDF positions in Nabatieh al Fawqa on July 6.^[23] Lebanese media reported that the IDF conducted five additional strikes on unspecified targets in Nabatieh Governorate on July 6.^[24]

Other Axis of Resistance Activity

The Iraqi federal government reportedly barred Islamic Revolutionary Guards Corps (IRGC) leaders, including Quds Force Commander Brigadier General Esmail Ghaani, from attending funeral ceremonies for former Iranian Supreme Leader Ali Khamenei in Iraq, according to an informed source speaking to Iraqi media on July 5.^[25] A second source stated that Iraqi Prime Minister Ali al Zaydi permitted funeral ceremonies in the cities of Karbala and Najaf but not in Baghdad.^[26] This decision could reflect Zaydi's attempts to balance between Iran and the United States and distance the Iraqi federal government from Iran amid ongoing US pressure on the Iraqi government to curb Iranian influence in Iraq.^[27]

The Iraqi Counter Terrorism Service (CTS) engaged possible Iranian-backed Iraqi militia Kataib Hezbollah fighters in Dora District, Baghdad Province, on July 3.^[28] Iraqi security sources told Saudi media on July 3 that CTS attempted to retake an Iraqi militia-controlled farm in Dora District, which triggered a firefight.^[29] The sources added that an unspecified Iraqi militia had previously seized the area from a local farmer.^[30] Iranian-backed Iraqi militias, including Kataib Hezbollah, have used areas under their control to store weapons and conduct rocket attacks targeting US interests in Iraq.^[31] Iraqi security forces, including CTS, have sporadically targeted Kataib Hezbollah sites in Dora District since 2020.^[32] Iraqi Federal Police officers engaged Kataib Hezbollah members in Dora District in July 2025, for example.^[33] CTS also raided a Kataib Hezbollah headquarters in Dora District in 2020

following militia attacks on US forces in Iraq.[34] CTS's July 3 operation comes as the Iraqi federal government has recently taken steps to disarm Iranian-backed Iraqi militias.[35]

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Iran Update Special Report, July 7, 2026



Katherine Wells, Parker Hempel, William Doran, Carolyn Moorman, Brian Carter, Ariel Robledo

Analyst Notes: Data Cutoff: 2:00 PM ET.

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Key Takeaways

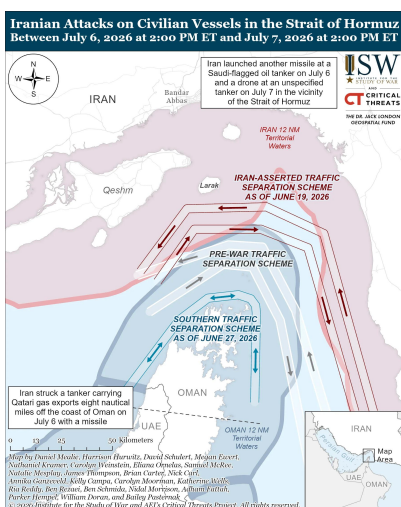
1. Iran is attempting to stop Western and Gulf efforts that could weaken Iran's ability to use the Strait of Hormuz as a source of leverage in current and future disputes. Gulf states and the United States are attempting to undermine Iran's ability to use the strait as leverage by entering and exiting the strait along the Omani coast and by proposing alternative, non-Iranian-controlled transit mechanisms.
2. Several Iranian media outlets reported on July 7 that the UAE proposed a plan to the International Maritime Organization (IMO) to manage the strait, which Iran rejected and eight other unspecified UAE "allies" supported, because it lacked "legal basis" and "exceeds the IMO Council's technical mandate and authority."
3. Iran is also taking military steps to stop Western and Gulf efforts to weaken Iran's ability to control traffic in the strait. Iran launched two missile attacks on tankers in the strait on July 6 because both vessels failed to use Iranian-approved transit mechanisms. Iran also launched another drone at an unspecified tanker on July 7.
4. Iran's military and diplomatic efforts come as North Atlantic Treaty Organization (NATO) member Foreign Ministers are set to discuss how to handle the strait issue with Bahraini, Kuwaiti, Qatari, and Emirati foreign ministers on the sidelines of the NATO summit in Ankara.
5. Hezbollah is preparing to use Iranian funds to resume financial payments to displaced Lebanese families in Hezbollah's political strongholds as part of an effort to rebuild support among the Lebanese public.

Toplines

Iran is attempting to stop Western and Gulf efforts that could weaken its ability to use the Strait of Hormuz as a source of leverage in current and future disputes. Gulf states and the United States are attempting to undermine Iran's ability to use the strait as leverage by entering and

exiting the strait along the Omani coast and by proposing alternative, non-Iranian-controlled transit mechanisms. Several Iranian media outlets reported on July 7 that the UAE proposed a plan to the International Maritime Organization (IMO) to manage the strait, which Iran rejected and eight other unspecified UAE “allies” supported.[1] Iran claimed that the Emirati proposal lacked “legal basis” and “exceeds the IMO Council’s technical mandate and authority.”[2] Iran claimed that it is still providing services to vessels.[3] Iranian regime-affiliated outlets did not disclose any details about this plan, and no other regional or Western outlet has confirmed the existence of such a plan at the time of this writing. Iranian regime-affiliated outlets also published a statement from an “informed” source that all transit through the strait must be in accordance with Iranian arrangements after these outlets reported that Iran had rejected the supposed Emirati plan.[4] Iran recently objected to an Omani proposal under which shipping companies would voluntarily pay fees for using the strait.[5] Iranian Parliament’s National Security and Foreign Policy Committee member Alaeddin Boroujerdi separately warned against any foreign action in the strait that is not in coordination with Iran and specifically noted French plans to remove naval mines in the strait as an example.[6]

Iran is also taking military steps to stop Western and Gulf efforts to weaken Iran’s ability to control traffic in the strait. Iran launched two missile attacks on tankers in the strait on July 6 because both vessels failed to use Iranian-approved transit mechanisms. The first attack targeted a tanker carrying Qatari gas exports eight nautical miles off the coast of Limah, Oman, and the second attack targeted a Saudi-flagged oil tanker in the strait.[7] Iran launched another drone at an unspecified tanker on July 7 in the vicinity of the Strait of Hormuz.[8] These attacks are designed to deter vessels from transiting the strait using transit routes near the Omani coasts. Iran recognizes that if it fails to attack these vessels, it will lose the Strait of Hormuz as a tool of leverage. Iran will lose the strait as a tool of leverage if it cannot control the rate of traffic through the strait to secure concessions in negotiations.



Iran’s military and diplomatic efforts come as North Atlantic Treaty Organization (NATO) member Foreign Ministers are set to discuss how to handle the strait issue with Bahraini, Kuwaiti, Qatari, and Emirati foreign ministers on the sidelines of the NATO summit in Ankara, Turkey, on July 7, according to diplomats speaking to Reuters.[9] Saudi Arabia, Kuwait, and the United Arab Emirates (UAE) are reportedly working on plans to extend the energy pipelines that will allow them to circumvent the strait and mitigate Iranian disruption to their economies, according to multiple sources speaking to Reuters on July 7.[10]

US-Iran Negotiations

Nothing significant to report.

Maritime Activity in the Strait of Hormuz and Persian Gulf

See Topline Section.

US and Israeli Air Campaign

Nothing significant to report.

Iranian Domestic Affairs

Nothing significant to report.

Iran's Axis of Resistance

Lebanese Hezbollah and the Israeli Campaign in Lebanon

Hezbollah is preparing to use Iranian funds to resume financial payments to displaced Lebanese families in Hezbollah's political strongholds as part of an effort to rebuild support among the Lebanese public.[11] Unspecified Lebanese political and financial sources told Emirati media on June 29 that Hezbollah is preparing to disburse temporary housing assistance payments and reconstruction funding to displaced families in southern Lebanon, Beirut's southern suburbs, and the Bekaa Valley, where the population has traditionally supported Hezbollah.[12] The sources claimed that Hezbollah has received Iranian funding to support its reconstruction efforts through unspecified Iraqi financial channels.[13] Iran has historically used the Iraqi economy and Iranian-backed Iraqi militias to transfer funds, among other supplies, to other Axis of Resistance groups, including Hezbollah.[14] Four informed sources told Reuters on June 17 that Iran would use potential economic relief from the US-Iran memorandum of understanding (MoU) to fund and reconstitute Hezbollah, though it is not immediately clear what — if any — resources have reached Hezbollah as a result of the MoU.[15] Reconstruction payments have long been one of many tools Hezbollah uses to financially assist Lebanese people affected by conflicts with Israel.[16] Hezbollah's financial challenges as a result of its investment in the War in Syria, and a decrease in Iranian funding after the collapse of Assad, have been one of several reasons that some communities in Lebanon are increasingly disenchanted with the group.[17] Hezbollah's financial challenges following the October 7 War and during the current Israeli campaign in Lebanon have generated unprecedented discontent among its Shia support base in recent years, however.[18] Hezbollah's efforts to resume financial payments to its support base also challenge the Lebanese government's efforts to assert itself as the sole provider of social services for the Lebanese people.

The Lebanese government is also simultaneously providing financial compensation and reconstruction support to southern Lebanese citizens and municipalities in recent days.[19] The Lebanese Social Affairs Minister Hanin al Sayed announced on July 4 that the ministry plans to provide financial compensation

payments to 130,000 displaced Lebanese families in the coming days.[20] The Lebanese Health Ministry issued a \$250,000 US dollar grant for repairs to the Tebnine Government Hospital, in Bint Jbeil District, on June 30.[21] Lebanese Agriculture Minister Nizar Hani announced a five-million-dollar project to provide emergency relief payments and reconstruction support for Lebanese farmers in war-affected areas on July 7.[22] The Lebanese government is also reportedly reviewing plans to provide financial support to families to repair “light and moderate damage” to their homes, offer rental allowances for displaced families unable to return to their homes, and provide temporary housing to displaced families, according to Saudi media on July 4.[23]

Lebanese media characterized the June 26 Trilateral Framework Agreement’s Military Coordination Group for Lebanon as the primary mechanism for implementing the ceasefire in Lebanon.[24] The framework agreement’s security annex stipulates that the coordination group will deconflict between Israel Defense Forces (IDF) and Lebanese Armed Forces (LAF) units in southern Lebanon and verify that both militaries implement the framework agreement’s terms.[25] The coordination group will monitor and coordinate LAF movements to backfill the IDF as it withdraws from positions and LAF efforts to disarm Hezbollah in mutually agreed “pilot zones,” for example.[26] Lebanese media claimed on July 6 that the MGC4L is the direct successor body to the now-defunct ceasefire monitoring mechanism established in Lebanon at the end of the previous Israel-Hezbollah conflict in November 2024.[27] Lebanese media further clarified that US Marine Lieutenant General Joseph Clearfield, who previously led the 2024 ceasefire monitoring mechanism, will lead the coordination group.[28] The Lebanese government has not directly confirmed that the coordination group will operate as an exclusive mechanism for implementing the ceasefire, however. Lebanese President Joseph Aoun told Lebanese media in an interview on July 6 that the Lebanese government is not opposed to appointing a representative to the Iran-Lebanon-United States “deconfliction cell” that the Qatari Foreign Ministry announced on June 21.[29] Unnamed Lebanese government sources told other Lebanese media on July 7 that the government will appoint a representative once the involved parties agree upon a date to convene, and that the government may appoint Lebanese negotiating delegation leader and former Lebanese Ambassador to the United States Simon Karam to the position.[30] Lebanese media previously reported on July 6 that the Lebanese government had largely ignored the deconfliction cell, which requires the Lebanese government to appoint representatives to the cell before it can commence operations, after signing the framework agreement on June 26.[31]

Iran will likely continue to assert that the deconfliction cell is the main legitimate mechanism for implementing the ceasefire in Lebanon, however. Iranian regime officials and media have claimed since June that the framework agreement is illegitimate and demanded that the United States and Lebanon abandon ceasefire efforts outside of negotiations pursuant to the Iran-United States Memorandum of Understanding (MoU).[32] Iran seeks to promote its involvement in the ceasefire in Lebanon to dictate ceasefire terms that are favorable to Iranian and Hezbollah interests, such as the IDF’s full withdrawal from southern Lebanon and cessation of IDF attacks on Hezbollah.[33] Iran will likely challenge any assertions that the coordination group is the legitimate ceasefire implementation mechanism because its mission is to oversee a process that will disarm Hezbollah, which threatens Iran’s core interest in Lebanon.[34] The degree of Iranian opposition to the coordination group will almost certainly be dependent on the efficacy of LAF disarmament efforts, however.

Other Axis of Resistance Activity

Iraq and Syria are preparing to sign a US-sponsored strategic economic agreement in mid-July, according to three unspecified Syrian, Iraqi, and Western sources speaking to Saudi media on July 7.[35] An unspecified Syrian source said that Syrian Foreign Minister Assad al Shaibani will meet with Iraqi Prime Minister Ali al Zaydi or other Iraqi officials on the sidelines of Zaydi’s visit to

Washington, DC, in July 2026. The primary purpose of the July 2026 visit is for Zaydi to meet with US President Donald Trump.[36] A political adviser in a previous Iraqi administration confirmed that Zaydi is preparing to sign a regional economic agreement that includes Syria.[37] An unspecified Western source added that US Special Envoy to Iraq and Syria Tom Barrack plans to create the “core of a new alliance of interests,” which will include efforts to reduce regional reliance on the Strait of Hormuz by linking Iraq, Syria, and other regional countries to a shorter route to the Mediterranean Sea.[38] The Saudi report comes amid recent US pressure on the Iraqi federal government to reduce Iranian influence in Iraq, including via the disarmament of Iranian-backed Iraqi militias and combatting militia financial networks.[39]

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Iran Update Special Report, July 8, 2026



Ben Rezaei, Nidal Morrison, Bailey Pasternak, Ria Reddy, Parker Hempel, Benjamin Schmida, Brian Carter

Analyst Notes: Data Cutoff: 2:00 PM ET

The Institute for the Study of War (ISW) and The Critical Threats Project (CTP) at the American Enterprise Institute are publishing daily updates to provide analysis on the war with Iran. The updates cover events from the past 24-hour period.

ISW-CTP is monitoring reports of additional US strikes in Iran as of 4:15 PM ET on July 8.[1] ISW-CTP will provide more details on the US strikes in its July 9 update.

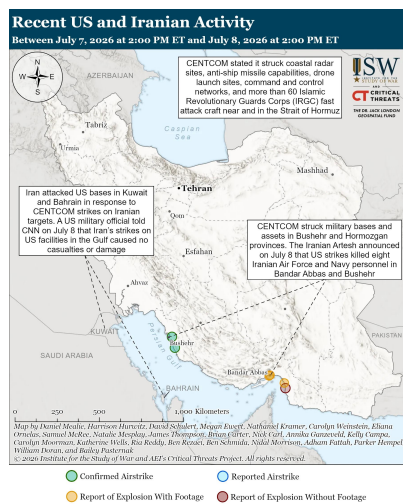
Key Takeaways

1. Iran is willing to return to a large-scale conflict with the United States if necessary to secure its control over the Strait of Hormuz. Iran's behavior after the latest US strikes indicates that the Iranian regime values control over the strait more than avoiding renewed escalation with the United States.
2. The present pattern of US strikes does not appear to be changing Iran's calculus on controlling the Strait of Hormuz. US Central Command (CENTCOM) reported on July 7 that it struck over 80 targets in Iran in response to repeated Iranian attacks on commercial vessels in the strait.
3. Iran is attempting to coerce Gulf states and others to acquiesce to Iranian control over the Strait of Hormuz after Iran failed to secure recognition of its control over the strait through diplomacy.
4. Iran is attempting to unilaterally impose a vision for the strait's "arrangements," which are supposed to be created in dialogue with the Gulf states, not through coercing the Gulf states. Iranian coercion of the Gulf states is an effort to circumvent the intent of Clause 5, which administration officials noted was designed so that Gulf states would moderate Iranian positions about controlling the strait.
5. Iran is using the ceasefire to reconstitute its military capabilities, as ISW-CTP has previously assessed.
6. The Lebanese government announced on July 8 that it will participate in negotiations with the US and Israel in Rome, Italy, on July 15 and 16. The Lebanese government earlier claimed that its participation in negotiations would be contingent on an Israeli withdrawal from "pilot zones" in southern Lebanon.

Toplines

Iran is willing to return to a large-scale conflict with the United States if necessary to secure its control over the Strait of Hormuz. Iran’s behavior after the latest US strikes indicates that the Iranian regime values control over the strait more than avoiding renewed escalation with the United States. Iran has, in recent weeks, repeatedly attacked commercial shipping vessels that used alternative routes through the strait rather than the Iranian-designated traffic separation scheme.[2] It has conducted these attacks to maintain Iranian control over the Strait of Hormuz through Iranian-dictated traffic lanes. Iran also responded to US strikes against more than 80 targets on July 7 (more on the US strikes below) by attacking US military facilities in Bahrain and Kuwait.[3] The Iranian response caused no casualties.[4] US President Donald Trump has reportedly told his advisers that he will not “resume the war” unless Iran kills US servicemembers.[5] Iran’s willingness to flaunt the ceasefire by attacking shipping and risk US casualties by attacking US bases nonetheless demonstrates that Iran is willing to risk a resumption of large-scale operations.

The Iranian regime’s media apparatus has repeatedly emphasized the strategic importance of the strait, and that military action may be necessary to ensure Iran maintains control over the strait. Islamic Revolutionary Guards Corps (IRGC)-affiliated Fars News Agency argued on July 8 that Iran should respond to US actions by disrupting Gulf oil exports, damaging regional energy infrastructure, asserting control over Bab al Mandab, and conducting asymmetric attacks on US forces.[6] Iranian regime’s English-language media outlet, Press TV, separately argued on July 8 that Iran would strike “enemy” targets at a minimum two-to-one ratio and close the Strait of Hormuz following any future strike on Iranian territory or interests.[7] Regime-aligned outlets’ rhetoric intends to normalize a broader coercive campaign in the strait and signals that any US effort to challenge Iranian control over the strait can trigger costs against US forces, Gulf states, energy infrastructure, and other regional chokepoints.



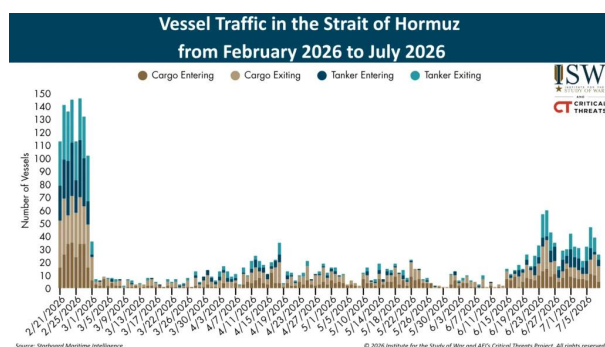
The present pattern of US strikes does not appear to be changing Iran’s calculus on controlling the Strait of Hormuz. US Central Command (CENTCOM) reported on July 7 that it struck over 80 targets in Iran in response to repeated Iranian attacks on commercial vessels in the strait.[8] CENTCOM stated that it struck coastal radar sites, anti-ship missile capabilities, drone launch sites, command-and-control networks, and more than 60 IRGC fast attack crafts (FAC) near and in the Strait of Hormuz.[9] These strikes aimed to degrade Iran’s capability to threaten shipping, lay naval mines, and coordinate maritime operations in the strait, according to CENTCOM. Strikes similar to those conducted by CENTCOM on July 7 have had no visible effect on Iran’s ability to threaten shipping, however, and it is unclear when these strikes would have such an effect on Iran’s ability to threaten shipping. Iran’s strategy relies on its ability to fire small numbers of projectiles into the Strait of Hormuz to hit individual

ships. Iran has continued to fire small numbers of projectiles into the Strait of Hormuz, seemingly as it pleases. There is presumably a point at which Iran would be unable to fire small numbers of projectiles into the Strait of Hormuz, but it is impossible to determine when Iran would be unable to fire projectiles without a complete understanding of the number of Iranian systems and launchers available to regime forces. There is similarly a point at which launch crews would be unwilling to fire their systems. It is unlikely, however, that these crews will lose cohesion and refuse to fight now—under relatively insignificant pressure—after having weathered the large-scale strike campaign in March and April. These strikes are certainly not changing Iran’s willingness to control the strait, as evidenced by the ongoing Iranian strikes and regime media comments described above.

The Trump administration also revoked Iran’s oil waiver in response to Iran’s attacks on commercial vessels, which deprives Iran of one of the main economic benefits for the regime under the US-Iran memorandum of understanding (MoU).[10] The effects of the revocation on Iranian strategic calculus remain unclear.

Iran is also almost certainly observing leaks and public comments about the Trump administration’s reticence to resume large-scale operations, which will affect the regime’s willingness to use force to attempt to secure the strait. Trump threatened on July 8 that the United States would “probably hit” Iran hard again and suggested that the US military could “finish the job,” but later softened this statement by noting that the latest strikes will not lead to “long-term” military action.[11] Persistent leaks from the White House have similarly indicated that the Trump administration is deeply hesitant to reengage in a “full-scale” war.

Iran is attempting to coerce Gulf states and others to acquiesce to Iranian control over the Strait of Hormuz after Iran failed to secure recognition of its control over the strait through diplomacy. The recent attacks—including one on a Saudi-flagged tanker and another on a tanker carrying Qatari natural liquid gas (LNG)—support this effort.[12] This effort is designed to alter the meaning of Clause 5 of the MoU. Clause 5 of the US-Iran MoU requires Iran to arrange safe, fee-free commercial passage through the Strait of Hormuz for 60 days and to restore traffic within 30 days after removing technical and military obstacles, including mines.[13] It also requires Iran to discuss the future administration and maritime services of the strait with Oman and other Persian Gulf littoral states under applicable international law.[14] Iranian officials attempted briefly to use diplomacy to secure diplomatic recognition of their control of the strait, including recognition of Iranian-led fee mechanisms. This ultimately failed when the Gulf Cooperation Council (GCC) and United States released a joint statement refusing Iran’s demands to control the strait.[15] Iran is now attempting to use force to coerce the Gulf states into recognizing Iranian control.



Iran is attempting to unilaterally impose a vision for the strait’s “arrangements,” which are supposed to be created in dialogue with the Gulf states, not through coercing the Gulf states. Iranian coercion of the Gulf states is an effort to circumvent the intent of Clause 5, which administration officials noted was designed so that Gulf states would moderate Iranian

positions about controlling the strait. Parliamentary National Security and Foreign Policy Commission member Alaeddin Boroujerdi stated on July 8 that commercial vessel traffic through the strait must occur under Iranian oversight and management, specifically through the IRGC Navy.[16] Iranian Foreign Affairs Ministry Spokesperson Esmail Baghaei similarly argued that Clause 5 confirmed Iran's responsibility to determine arrangements for safe passage of vessels and that US challenges to those arrangements violated the MoU.[17]

Iran is using the ceasefire to reconstitute its military capabilities, as ISW-CTP has previously assessed.[18] A US official told the *Wall Street Journal* on July 7 that Iran has restored some military capabilities around the Strait of Hormuz since the April 7 ceasefire, including by moving small, portable radars to replace fixed radar sites destroyed during the war.[19] The official also said Iran has dug out or repaired hundreds of missiles and launchers damaged or buried in US strikes and now has access to more than half of its pre-war missile and launcher stockpile.[20] Iran's reconstitution during the ceasefire likely makes the regime more willing to sustain risk around the strait because Tehran is rebuilding the capabilities it would need if the conflict resumes. The ceasefire gives Iranian forces time to repair launchers, recover missiles, restore command networks, and rebuild the strike capacity that underpins its strategy of attacking shipping in the Strait of Hormuz. Iran's escalation around the strait preserves leverage over shipping and Gulf energy flows while strengthening its position for a potential future conflict.

US-Iran Negotiations

See topline section.

Maritime Activity in the Strait of Hormuz and Persian Gulf

See topline section.

US and Israeli Air Campaign

See topline section.

Iranian Domestic Affairs

See topline section.

Iran's Axis of Resistance

Nothing significant to report.

Lebanese Hezbollah and the Israeli Campaign in Lebanon

The Lebanese government announced on July 8 that it will participate in negotiations with the US and Israel in Rome, Italy, on July 15 and 16. The Lebanese government earlier claimed that its participation in negotiations would be contingent on an Israeli withdrawal from "pilot

zones” in southern Lebanon.[21] An unspecified diplomatic source told French media on July 8 that Lebanon would only attend the Rome talks if Israeli forces withdrew from the two pilot zones established by the June 26 Trilateral Agreement Framework.[22] The June 26 framework stipulates that Israeli forces will eventually withdraw from their positions in Zawtar el Gharbiyeh and territory surrounding Ghandouriyeh and Froun, Nabtatieh Governorate, after which the Lebanese Armed Forces (LAF) would secure the areas and disarm and dismantle local armed groups.[23] ISW-CTP has not observed any Israel Defense Forces (IDF) withdrawals or Lebanese Armed Forces (LAF) deployments to the pilot zones, which makes it unclear whether Beirut conceded on its reported condition for Lebanese participation in the Rome talks. Lebanese and Israeli officials have previously expressed different opinions over the implementation of the framework. Unspecified sources told Lebanese media on July 6 that the LAF refused to deploy to the pilot zones and disarm Hezbollah in those areas north of the Litani River until Israeli forces withdraw from southern Lebanon, while Israeli officials stated in recent days that the IDF would remain in southern Lebanon until Hezbollah is disarmed.[24]

Other Axis of Resistance Activity

Iraq

Islamic Revolutionary Guards Corps (IRGC) Quds Force Commander Brigadier General Esmail Ghaani will likely meet with Shia Framework leaders and Iranian-backed Iraqi militia leaders during his July 8 visit to attend former Iranian Supreme Leader Ayatollah Ali Khamenei’s funeral in Najaf, Iraq.[25] Ghaani typically meets with Framework and militia leaders when he travels to Iraq. Iraqi media reported that Ghaani met Framework and militia leaders in Iraq in May 2026 to discuss US pressure to disarm the militias.[26]

Some Shia Coordination Framework members may be attempting to limit the scope of Iraqi Prime Minister Ali al Zaydi’s recently launched anti-corruption campaign. Several sources told Saudi media on July 7 that the framework intends to “engineer the prosecution procedures” and make “settlements” with individuals accused of corruption.[27] An informed source also told Iraqi media on July 7 that some unspecified framework members discussed adopting a new process to apprehend individuals accused of corruption that does not involve Iraqi security forces, which is likely a reference to recent Iraqi Counter Terrorism Service (CTS) operations to apprehend corrupt militia leaders.[28] This report comes after unspecified framework leaders refused Zaydi’s request to arrest senior Iranian-backed Iraqi militia leaders involved in corruption, according to Qatari media on July 1.[29] Iraqi authorities, including the CTS, which reports directly to the prime minister, have arrested about 50 people across Iraq since June 28 as part of Zaydi’s anti-corruption campaign.[30] This campaign follows US pressure on Baghdad to dismantle Iranian-backed Iraqi militia-linked financial networks and combat corruption.[31]

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Iran Update Special Report, July 9, 2026



Ria Reddy, Benjamin Schmida, Bailey Pasternak, Ben Rezaei, Parker Hempel, Annika Ganzeveld

Analyst Notes: Data Cutoff: 2:00 PM ET

The Institute for the Study of War (ISW) and The Critical Threats Project (CTP) at the American Enterprise Institute are publishing daily updates to provide analysis on the war with Iran. The updates cover events from the past 24-hour period.

Key Takeaways

1. Iran is threatening the resumption of large-scale conflict by striking civilian vessels and the Gulf states to try to achieve permanent control over the Strait of Hormuz. Iran's attacks illustrate that Iran views control over the strait as its primary strategic deterrent and that Iran is unlikely to abandon its efforts to control the strait in response to opposition from the Gulf states.
2. The United States struck 90 targets across Iran on July 8 to degrade Iran's ability to attack international shipping. Recent US strikes have had no visible effect on Iran's ability to threaten shipping, and it is unclear when these strikes would have an effect on Iran's ability or willingness to threaten shipping.
3. Iran also likely calculates that it can use control of the strait as economic leverage to shape US decision-making and deter further US military action. ISW-CTP continues to assess that any arrangement that recognizes Iranian control over the strait would preserve Iran's ability to close the strait at will to advance its strategic objectives.
4. Some Iranian officials have threatened to change Iran's nuclear doctrine, likely in part to try to deter the United States from conducting further strikes on Iran.

Toplines

Iran is threatening the resumption of large-scale conflict by striking civilian vessels and the Gulf states to try to achieve permanent control over the Strait of Hormuz. Iran has launched numerous strikes targeting commercial vessels and the Gulf states in recent days as part of a broader effort to secure control over the strait despite apparent resistance from the Gulf states.[1] Clause 5 of the US-Iran memorandum of understanding (MoU) requires Iran to discuss the "future administration and maritime services" of the strait with Oman and other Persian Gulf littoral states in line with "applicable international law." [2] A senior US administration official told the Daily Wire on June 17 that clause 5 was designed with the assumption that Gulf states would moderate Iran's position vis-a-vis the strait through

the discussions required by the clause.[3] This assumption did not take into account that Iran could fail to reach an agreement with the Gulf states and resort to using force to impose its desired “future administration” of the strait on these states. Iranian officials initially attempted to frame Iran’s post-war approach to the strait’s management as part of a new regional security framework that would ultimately benefit the Gulf states.[4] Iranian officials have since become much more hostile toward the Gulf states due to these states’ opposition to Iranian efforts to control the strait.[5] Iranian officials have explicitly stated that Oman and other Gulf states cannot prevent Iran from asserting control over the strait.[6] Iranian Deputy Foreign Affairs Minister for Legal and International Affairs Kazem Gharibabadi stated on June 29 that Iran would implement its “sovereignty and new policy” in the strait even if Iran and Oman failed to reach an agreement on the waterway’s future management, for example.[7] Iran’s continued attacks on civilian vessels and Gulf states in recent days demonstrate that the Iranian regime prioritizes control of the strait over avoiding renewed large-scale conflict with the United States. Iran’s attacks also illustrate that Iran views control over the strait as its primary strategic deterrent and that Iran is unlikely to abandon its efforts to control the strait in response to opposition from the Gulf states.

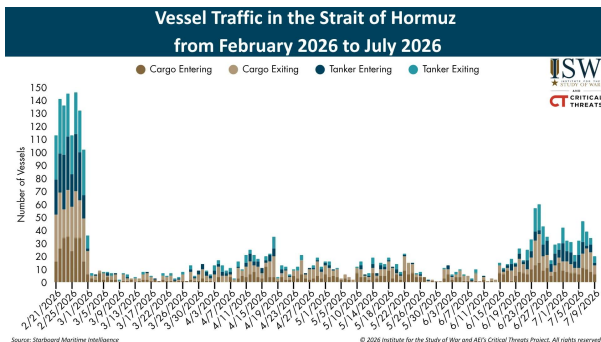
The United States struck 90 targets across Iran on July 8 to degrade Iran’s ability to attack international shipping.[8] Recent US strikes have had no visible effect on Iran’s ability to threaten shipping, and it is unclear when these strikes would have an effect on Iran’s ability or willingness to threaten shipping. US Central Command (CENTCOM) reported on July 8 that US forces conducted strikes in Iran targeting air defense systems, coastal surveillance assets, missile and drone storage sites, naval capabilities, and military logistics infrastructure along Iran’s southern coastline. These strikes were in response to Iranian strikes on civilian vessels in the strait on July 6 and 7.[9] CENTCOM conducted similar strikes on July 7.[10] Geolocated footage shows damage from US strikes to a reported maritime traffic control tower at Chabahar Port, which is on Iran’s southeastern border along the Gulf of Oman.[11] Geolocated footage also shows damage to the Islamic Revolutionary Guards Corps (IRGC) Navy Shahid Asarinejad barracks in Shiraz, Fars Province.[12] The United States has repeatedly conducted limited strikes in southern Iran since the MoU came into effect, targeting similar sites as it did on July 8. These targets include radars, communications nodes, and air defense systems.[13] Iran has continued to attack commercial vessels, however, relying on its ability to fire only a small number of projectiles into the strait to hit individual ships and thereby compel commercial vessels to abide by Iran’s illegal traffic separation scheme.[14] A member of the Iranian negotiating team, Mehdi Mohammadi, emphasized on July 9 that recent US attacks have not changed Iran’s ability or willingness to control the strait.[15]

The United States also struck bridges and railroads used by the Iranian armed forces to transport missiles, drones, weapons components, and other material for military reconstitution, according to US officials speaking to the *Wall Street Journal*. [16] The United States struck a railway in Golestan Province in northeastern Iran that Iranian media stated was used to transport goods from Russia.[17] IRGC-affiliated outlet Fars News reported that Chinese train traffic along the route has tripled since the United States launched its naval blockade on Iranian ports.[18] Russia and China have helped Iran try to reconstitute its drone and missile programs, such as by providing Iran with drone technology and missile components, respectively.[19]

Iranian forces launched missiles and drones at Bahrain, Kuwait, and a US base in Jordan in response to the US strikes. All of the Iranian projectiles were intercepted.[20] Iran likely calculates that attacks against Gulf states will increase pressure on the United States to avoid further military escalation by threatening US forces and raising the costs for US allies.



Iran also likely calculates that it can use control of the strait as economic leverage to shape US decision-making and deter further US military action. Iranian officials have repeatedly threatened to close the strait in response to US attacks. The IRGC Navy stated on July 9 that continued US military operations would disrupt the strait's "reopening process" and threaten Gulf states' economic interests.[21] Mohammadi similarly warned that Iran could block the strait quickly if necessary.[22] Vessel traffic has increased since the United States and Iran signed the MoU but has fallen in recent days.[23] Iran likely calculates that it can use the threat of "re-closing" the strait and disrupting global commerce to put economic pressure on the United States and discourage the United States from conducting further military action against Iran. ISW-CTP continues to assess that any arrangement that recognizes Iranian control over the strait would preserve Iran's ability to close the strait at will to advance its strategic objectives.[24]



Some Iranian officials have threatened to change Iran's nuclear doctrine, likely in part to try to deter the United States from conducting further strikes on Iran. Parliamentary National Security and Foreign Policy Commission Spokesperson Ebrahim Rezaei stated on July 8 that Iran may consider changing its nuclear doctrine if the United States launches another "all-out attack." [25] Rezaei previously stated on July 3 that Israeli officials' threats to kill Iranian Supreme Leader Mojtaba Khamenei constitute a "valid and compelling reason" to reconsider Iran's nuclear doctrine.[26] Parliamentary Economic Commission member Hossein Samsami separately stated on July 9 that Iran must change its nuclear doctrine because Iran is currently engaged in an "existential war." [27] Samsami was one of 85 Iranian parliamentarians who implicitly called for Iran to develop intercontinental ballistic missile capabilities in a letter to Mojtaba on May 31.[28] An expert close to the regime also told IRGC-affiliated Fars News on July 9 that repeated US threats against Iran would force the regime to review its defense doctrine, including the "military use of nuclear technology." [29] Parliamentarians in Iran do not yield significant decision-making authority, but these comments nevertheless reflect discussions among Iranian leaders over how Iran should restore deterrence after Iran's traditional forms of deterrence, such

as the Axis of Resistance and the Iranian missile program, have failed to prevent repeated attacks on Iranian territory and senior leaders.

US-Iran Negotiations

Nothing significant to report.

Maritime Activity in the Strait of Hormuz and Persian Gulf

See topline section.

US and Israeli Air Campaign

See topline section.

Iranian Domestic Affairs

Nothing significant to report.

Iran's Axis of Resistance

Lebanese Hezbollah and the Israeli Campaign in Lebanon

The United States is taking steps to support the implementation of the June 26 Trilateral Framework Agreement in Lebanon. US Ambassador to Lebanon Michel Issa told Lebanese President Joseph Aoun that the United States will send a military delegation to Lebanon “within days” to support the implementation of the agreement during a meeting with Aoun on July 9.[30] Issa also stated that a start date for implementing the agreement’s “pilot zones” plan will be determined following the upcoming US-Israel-Lebanon negotiations in Rome, Italy, on July 15 and 16.[31] An unspecified US official told Axios that the Israel Defense Forces (IDF) will begin to withdraw from the two recently announced pilot zones “in a matter of days,” however.[32] Clause two of the agreement’s security annex stipulates that Israel and Lebanon will establish the Military Coordination Group for Lebanon to verify disarmament progress in southern Lebanon and operate as an indirect backchannel between the IDF and the Lebanese Armed Forces (LAF).[33] Israeli media reported on June 30 that the IDF postponed its withdrawal from the pilot zones until the United States, Israel, and Lebanon established the coordination group with US military participation in order for the group to vet participating LAF soldiers.[34] This step is intended to prevent Hezbollah from receiving sensitive information from the coordination group.[35]

Hezbollah leaders and Hezbollah-allied politicians have continued to condemn the framework agreement and call for the immediate withdrawal of Israeli forces from Lebanon. Hezbollah Secretary General Naim Qassem rejected the framework and claimed that it only serves Israel’s interests in a speech on July 8.[36] Qassem also demanded that the IDF completely withdraw from southern Lebanon and allow the LAF to deploy south of the Litani River.[37] Lebanese media reported that Lebanese Parliament Speaker and Hezbollah ally Nabih Berrih told Issa on July 9 that he seeks an immediate and complete Israeli

withdrawal from the pilot zones, while Issa called for a gradual withdrawal from the zones with US oversight.[38]

Other Axis of Resistance Activity

The Iraqi federal government has agreed to implement unspecified safeguards to prevent Iran and Iranian-backed Iraqi militias from obtaining US dollars from Iraqi currency exchanges and Iraqi federal government salary payments, according to unspecified US and Iraqi officials speaking to the *Wall Street Journal* on July 8.[39] The US government has resumed US dollar shipments to Iraq in exchange.[40] The Iraqi Central Bank has managed an account at the New York Federal Reserve that has held the Iraqi federal government's oil export revenue in US dollars since 2003.[41] The US Treasury Department initially halted US dollar shipments to Iraq in April 2026 due to concerns about Iranian-backed Iraqi militia attacks during the war and reportedly resumed some payments on June 17 and July 2, excluding payments to Iraqi counterterrorism and Iraqi Security Forces (ISF) training programs.[42] Members of the Popular Mobilization Forces, which is an Iraqi security service that includes many Iranian-backed Iraqi militias that answer to Iran instead of the Iraqi prime minister, receive a salary from the Iraqi federal government.[43]

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Iran Update Special Report, July 10, 2026



Carolyn Moorman, Adham Fattah, Bailey Pasternak, William Doran, Ben Rezaei, Brian Carter

Analyst Notes: Data Cutoff: 2:00 PM ET.

The Institute for the Study of War (ISW) and The Critical Threats Project (CTP) at the American Enterprise Institute are publishing daily updates to provide analysis on the war with Iran. The updates cover events from the past 24-hour period.

Note: ISW-CTP will publish abbreviated updates covering developments in Iran on July 11 and 12. ISW-CTP will continue to publish full updates on weekdays.

Key Takeaways

1. The United States and Iran are to resume talks following US strikes on Iran between July 8 and 9, but Iran's negotiating position and war aims remain unchanged. Iran's negotiating position and war aims include maintaining Iranian control over the Strait of Hormuz, preserving the Iranian nuclear program, and protecting Hezbollah.
2. Iran is attempting to deter the UAE and other Gulf states to prevent them from supporting efforts to end Iranian control of the strait. Likely Gulf states struck unspecified targets in Chabahar, Sistan and Baluchistan Province; Bandar Abbas and Qeshm Island in Hormozgan Province; and Ahvaz, Khuzestan Province, on July 9, according to an open-source intelligence account.
3. The Gulf states are divided over how to respond to Iran's recent attacks. Iran launched strikes against Kuwait, Bahrain, and Qatar on July 9 in response to US strikes on Iran intended to degrade Iran's ability and willingness to control the strait.
4. The United States and Iraq will reportedly sign an agreement under which the United States will invest in Iraq in return for Iraq curbing Iranian influence in Iraq. The Iraqi Prime Minister Ali al Zaydi will reportedly sign the agreement with the United States during his upcoming visit to Washington, DC, starting on June 15.
5. The United States also continues to oppose militia-affiliated figures controlling the Iraqi federal government, amid continued Iraqi negotiations over the remaining Iraqi ministries to be filled. The June agreement reportedly requires Baghdad to remove militia-aligned figures from senior-level government positions.
6. Iranian-backed Iraqi militias are reportedly attempting to circumvent the Iraqi federal government's disarmament initiatives. Unidentified framework sources told Iraqi media on July 9 that unidentified militias are handing over "scrap" missiles or inoperable drones to the government but holding onto functional heavy weapons.

Toplines

The United States and Iran are to resume talks following US strikes on Iran between July 8 and 9, but Iran's negotiating position and war aims remain unchanged. Iran's negotiating position and war aims include maintaining Iranian control over the Strait of Hormuz, preserving the Iranian nuclear program, and protecting Hezbollah. US President Donald Trump stated on July 10 that the United States agreed to resume talks with Iran at Iran's request, but that the United States now considers the ceasefire to be over.[1] Neither the memorandum of understanding (MoU) nor the recent rounds of talks between the United States and Iran have bridged the gaps on the key issues in the war, which include Iran's control of the strait, Iran's nuclear program, and Israeli operations in Lebanon.[2] Two senior Iranian sources told Reuters on July 8 that the Iranian regime considers its control over the strait to be "important leverage" and that giving up such control would be tantamount to "surrender." [3] The sources added that Iran will not discuss its nuclear program unless the United States recognizes Iran's control over the strait.[4] Iran has also not provided any specifics about what elements of its nuclear program it is prepared to discuss. Iran has previously also conditioned opening the strait and discussing its nuclear program on the cessation of Israeli operations against Hezbollah in Lebanon.[5]

Iran is attempting to deter the UAE and other Gulf states to prevent them from supporting efforts to end Iranian control of the strait. Likely Gulf states struck unspecified targets in Chabahar, Sistan and Baluchistan Province; Bandar Abbas and Qeshm Island in Hormozgan Province; and Ahvaz, Khuzestan Province, on July 9, according to an open-source intelligence account.[6] It is unclear which Gulf states attacked Iran based on the available information. Iranian officials and analysts have blamed the UAE for allegedly supporting US strikes against Iran, both during recent exchanges of fire between Iran and the United States and during the war.[7] Iranian Parliamentarian and National Security Commission member Esmail Kowsari accused the UAE on July 10 of conducting attacks against Iran and threatened to target the UAE's maritime, rail, and air transport infrastructure in response.[8] An analyst close to the regime stated on July 10 that Iran should add the UAE to its "target bank" because the UAE is covertly seeking to undermine Iran's control over the strait.[9] The regime likely calculates that it needs to adopt an aggressive approach against the UAE due to the UAE's military support from the United States and Israel.[10]

The Gulf states are divided over how to respond to Iran's recent attacks. Iran launched strikes against Kuwait, Bahrain, and Qatar on July 9 in response to US strikes on Iran intended to degrade Iran's ability and willingness to control the strait.[11] Israeli media reported on July 10 that the UAE, Bahrain, and Kuwait are demanding stronger decisions against Iran through the Gulf Cooperation Council (GCC), including via an international arrangement for free transit that would be supplemented by an international military initiative to defend the strait.[12] The Israeli media report added that Oman and Qatar, who have both mediated the US-Iran talks, prefer that diplomatic talks continue.[13] Bahrain spearheaded the effort to pass a UN Resolution in March that would have authorized international naval efforts to ensure freedom of navigation in the strait.[14]



The United States and Iraq will reportedly sign an agreement under which the United States will invest in Iraq in return for Iraq curbing Iranian influence in Iraq. The Iraqi Prime Minister Ali al Zaydi will reportedly sign the agreement with the United States during his upcoming visit to Washington, DC, starting on June 15.[15] This report follows Iraqi and regional reports detailing a “June agreement” designed by Zaydi and US Ambassador to Lebanon and Iraq Tom Barrack during their meeting in Baghdad on June 15.[16] The agreement’s stipulations reportedly include that the Iraqi federal government will disarm Iranian-backed Iraqi militias and dismantle their financial networks.[17] The United States has urged the Iraqi federal government to pursue such reforms since 2025 but has increased its pressure due to militia involvement during the recent war.[18] The Iraqi federal government has taken some initial steps towards meeting these consistent US demands in recent weeks. Baghdad formed a disarmament committee as part of efforts to restrict weapons to the state in early June, and Iraqi officials have repeatedly stated that the end of September is the deadline for disarmament, which corresponds to when US-led international coalition forces will leave Iraq.[19]

The United States also continues to oppose militia-affiliated figures controlling the Iraqi federal government, amid continued Iraqi negotiations over the remaining Iraqi ministries to be filled. The June agreement reportedly requires Baghdad to remove militia-aligned figures from senior-level government positions.[20] Zaydi formed a government and entered office on May 14, but has not appointed several important ministers, including defense and interior.[21] The United States opposes the appointment of militia-aligned figures to important government roles, which complicates attempts to fill these ministries. Parties like Sadigoun, which is Iranian-backed Iraqi militia Asaib Ahl al Haq’s political wing and won 27 seats in the 2025 elections, would typically be granted control of a ministry, for example.[22] The United States opposes the allocation of any ministerial portfolio to political parties tied to Iranian-backed Iraqi militias, even if the militias have announced their disarmament.[23] Iraqi political sources told regional media on July 10 that Zaydi’s administration will fill the remaining ministries following Zaydi’s visit to Washington, DC, starting June 15.[24] An unidentified framework leader told Iraqi media on July 8 that no militia member or person who participated in the recent war will receive any “executive position, even at the director-general level” in the Iraqi federal government.[25] Militia penetration into the Iraqi state is still a threat to US interests in Iraq, however, given a June 27 Iraqi media report that unspecified Iraqi political parties with militia wings plan to announce their separation from their affiliated militias as part of a plan to “covertly take [over]” Iraqi state institutions.[26]

Iranian-backed Iraqi militias are reportedly attempting to circumvent the Iraqi federal government’s disarmament initiatives. Unidentified framework sources told Iraqi media on July 9 that unidentified militias are handing over “scrap” missiles or inoperable drones to the government but holding onto functional heavy weapons.[27] Asaib Ahl al Haq and Kataib al Imam Ali are the only militias

that have publicly announced their willingness to disarm, possibly to gain access to the 35,000 jobs in Iraq's security establishment that Zaydi has reportedly set aside for militia members willing to disarm.[28] Both militias either conducted attacks or directly supported attacks on US and foreign targets in Iraq and the region during the war.[29] Kataib Hezbollah, Harakat Hezbollah al Nujaba, and Kataib Sayyid al Shuhada, all of which were the most kinetically active during the war and are closest to Iran, have continuously refused to disarm.[30] The framework sources said that eight functional ballistic missiles and hundreds of drones are the "sticking point" for disarming the militias.[31] This information is almost certainly incomplete because the Iraqi government has historically lacked accurate information on the number and types of militia weapons due to the covert nature of the militias, including those within the Iranian-backed Popular Mobilization Forces (PMF).[32] The militia attacks during the war also demonstrated the large number of missiles and drones the militias have access to via Iran and smuggling routes in Syria. This report of the militias resisting government pressure to disarm follows reports that Iran has urged its Iraqi partners not to hand their weapons over to the Iraqi state.[33]

It does not follow that Iran and its Iraqi partners will by default openly resist disarmament by deciding to operate their armed wings in the same manner they have in the past. These groups could decide to metamorphose into a new form while retaining their arms and/or influence. ISW-CTP continues to assess, therefore, that any Iraqi federal government attempt to disarm the militias and integrate them into the Iraqi security establishment that does not address the militias' networks and allegiance to Iran will likely further embed Iranian influence within the Iraqi state.

US-Iran Negotiations

The United States is increasing its economic pressure on Iran's shadow bank infrastructure, including Iranian Supreme Leader Mojtaba Khamenei's personal financial network, in response to Iran's renewed attacks on international shipping in the Strait of Hormuz.[34] The United States sanctioned eight individuals and six entities on July 10, including Dubai-based financier Ali Ansari, who oversees assets benefiting Mojtaba Khamenei, other regime elites, and the Islamic Revolutionary Guards Corps (IRGC).[35] The US Treasury Department also sanctioned Ansari-owned Smart Global Limited, three Iranian exchange houses, and two front companies that move or hold billions of dollars annually for sanctioned Iranian banks through shell-company networks.[36]

Maritime Activity in the Strait of Hormuz and Persian Gulf

Nothing significant to report.

US and Israeli Air Campaign

See topline section.

Iranian Domestic Affairs

Nothing significant to report.

Iran's Axis of Resistance

Lebanese Hezbollah and the Israeli Campaign in Lebanon

Hezbollah appears to be deterring the Lebanese government from using force to disarm the group in southern Lebanon. President Joseph Aoun told Lebanese media on July 10 that he plans to discuss the necessity of “cooperating with Hezbollah” to disarm the group during his upcoming meeting with US President Donald Trump on July 21 in Washington, DC.[37] Aoun’s caution is warranted to some degree, given the risks implicit in any violent flare-ups between the government and Hezbollah. But any disarmament plan that relies on cooperating with Hezbollah will almost certainly fail, as Hezbollah will not disarm on its own accord.[38]

Hezbollah is actively attempting to make the Lebanese government more hesitant and cautious as it attempts to disarm the group, likely with the aim of ultimately preventing disarmament outright. Hezbollah leaders and Hezbollah-allied politicians have continued to assert that Hezbollah will remain armed in southern Lebanon and have threatened that attempts by the Lebanese Armed Forces (LAF) to disarm the group would cause civil war.[39] Unspecified sources told Lebanese media on July 6 that the LAF refuses to initiate an “internal confrontation” with Hezbollah because of the risk of starting a civil war with the group and fracturing the LAF.[40]

Other Axis of Resistance Activity

The Iraqi Supreme Judicial Council, which is headed by Iranian-backed Iraqi militia-linked judge Faiq Zaidan, announced on July 10 that it has developed a legal initiative with Iraqi Prime Minister Ali al Zaydi to reduce legal penalties for individuals facing corruption charges if they voluntarily return stolen public funds.[41] This initiative likely possesses significant accountability and enforcement gaps, however. The initiative appears to be a response to the Iraqi public’s dissatisfaction with anti-corruption investigations and their failure to recover stolen funds in recent years.[42] The Supreme Judicial Council said that the initiative will consist of the same legal procedures as a previous anti-corruption amnesty incentive adopted during a major embezzlement trial in 2022.[43] This incentive failed because the suspect fled Iraq and did not return stolen funds, which totaled over \$5 billion, after the Iraqi government granted the suspect bail.[44] The initiative also follows a July 7 Saudi media report that members of the Shia Coordination Framework intend to “engineer” corruption trials and issue “settlements” for Iraqi officials facing corruption charges.[45] ISW-CTP assessed on July 8 that some framework members may be attempting to limit the scope of Zaydi’s ongoing anti-corruption campaign.[46]

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Iran Update Special Report, July 11, 2026



Ben Rezaei, Adham Fattah, William Doran, Kelly Campa, Brian Carter

Analyst Notes: Data Cutoff: 2:00 PM ET

The Institute for the Study of War (ISW) and The Critical Threats Project (CTP) at the American Enterprise Institute are publishing daily updates to provide analysis on the war with Iran. The updates cover events from the past 24-hour period.

Note: ISW-CTP will publish abbreviated updates covering developments in Iran on July 11 and 12. ISW-CTP will continue to publish full updates on weekdays.

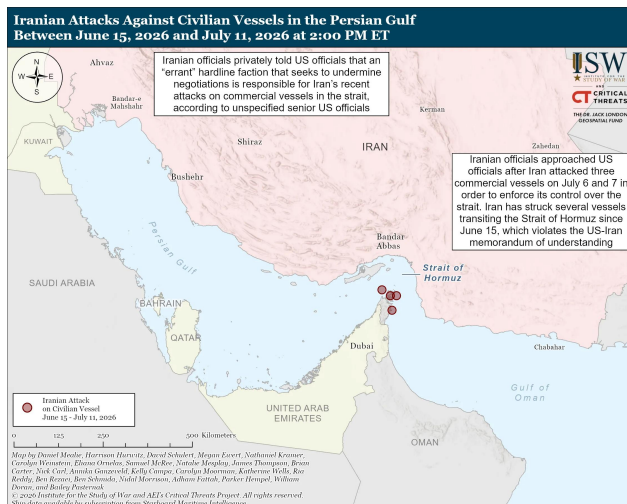
Key Takeaways

1. Iran's relatively pragmatic negotiators are likely trying to preserve negotiations and avoid renewed large-scale conflict with the United States. Top Islamic Revolutionary Guards Corps (IRGC) officers who are close to the supreme leader likely approved efforts to use force to secure Iranian control over the Strait of Hormuz, however.
2. The differences between the negotiators and the IRGC are one of immediate tactical means—negotiations or military action—not strategic ends. Iranian regime factions appear to broadly agree that the strait represents critical leverage for Iran. The effect of Iranian negotiators blaming an “errant faction” for attacks in the strait is that it allows the regime to sustain talks and attempt to reap potential economic benefits while the IRGC continues to enforce Iran's control over the strait.
3. There are major negotiating gaps between Iran and the United States on the Strait of Hormuz and Iran's nuclear program. The United States has demanded that Iran publicly acknowledge that the strait is open to all commercial traffic, end attacks on vessels, and restore maritime arrangements to their pre-war status quo. Iranian officials have consistently rejected any return to the pre-war system and view control over the strait as essential strategic leverage.

Toplines

Iran's relatively pragmatic negotiators are likely trying to preserve negotiations and avoid renewed large-scale conflict with the United States. Top Islamic Revolutionary Guards Corps (IRGC) officers who are close to the supreme leader likely approved efforts to use force to secure Iranian control over the Strait of Hormuz, however. Iranian officials privately told US officials that an “errant” hardline faction that seeks to undermine negotiations is responsible for Iran's

recent attacks on commercial vessels in the strait, according to unspecified senior US officials.[1] Iran attacked three commercial vessels using the southern Omani route on July 6 and 7 in order to enforce its control over the strait, which prompted US strikes on Iran.[2] An unspecified US official told Axios on July 10 that Iranian negotiators reached out to the Trump administration and requested that the two sides continue talks after the two days of attacks.[3] The US official claimed that Iran is facing an internal “power struggle.”[4] Iranian regime’s English-language media outlet, Press TV, citing a senior Iranian intelligence source, rejected claims that “rogue forces” were operating in the Persian Gulf or that Iran had requested negotiations, however.[5]



Iranian negotiators are likely attempting to preserve talks with the United States by pointing to internal fractures within the regime to explain recent Iranian aggression against civilian ships. Iranian Foreign Minister Abbas Araghchi (who is leading negotiations), Parliament Speaker Mohammad Bagher Ghalibaf, and President Masoud Pezeshkian all support negotiations. *The New York Times* reported that Pezeshkian, reportedly fearful of the US blockade and the deteriorating economic situation in Iran, implored the supreme leader to accept the MoU despite the supreme leader’s concerns and desire to retain control over the Strait of Hormuz.[6] US officials have acknowledged that they assess that the Iranians attacked shipping on July 6 and July 7 once they realized how quickly the strait was slipping out of their control.[7] That the IRGC Navy—which is responsible for attacks in the strait—responded to ensure it could control traffic in the strait indicates that the Iranian chain of command, not an “errant faction,” made a strategic decision to resume attacks.

The recent Iranian attacks on commercial vessels to enforce transit along Iran’s own traffic separation scheme are consistent with Vahidi and the IRGC’s strategy throughout the ceasefire.[8] An IRGC-affiliated outlet also contradicted Iranian negotiators’ reported pleas to resume talks by claiming that no negotiations will take place until the United States make concessions.[9]

The Iranian officials’ characterization of an “errant faction” does not necessarily imply that Iranian negotiations do not seek to secure Iranian control over the strait, however, given that Iranian regime factions appear to broadly agree that the strait represents critical leverage for Iran.[10] Iranian negotiators, such as Parliament Speaker Mohammad Bagher Ghalibaf and Foreign Affairs Minister Abbas Araghchi, and other relatively more pragmatic regime officials such as Iranian President Masoud Pezeshkian, are likely seeking to preserve talks in order to avoid another large-scale US strike campaign, which would inflict significant economic damage to Iran. The preservation of US-Iran talks also allows Iran more time to militarily reconstitute (see below). The differences between the negotiators and the IRGC are one of immediate tactical means—negotiations or military action—not strategic ends.

The effect of Iranian negotiators blaming an “errant faction” for attacks in the strait is that it allows the regime to sustain talks and attempt to reap potential economic benefits while the IRGC continues to enforce Iran’s control over the strait, however. The Trump administration has directed senior officials, including Vice President JD Vance, Special Envoy to the Middle East Steve Witkoff, and Jared Kushner to continue negotiations.[11] Araghchi traveled to Oman on July 11 to hold talks on safe passage through the strait with Omani officials.[12]

There are major negotiating gaps between Iran and the United States on the Strait of Hormuz and Iran’s nuclear program. The United States has demanded that Iran publicly acknowledge that the strait is open to all commercial traffic, end attacks on vessels, and restore maritime arrangements to their pre-war status quo.[13] Iranian officials have consistently rejected any return to the pre-war system and view control over the strait as essential strategic leverage.[14] Iran may agree to end attacks and permit commercial traffic while continuing to require vessels to follow Iranian-designated traffic separation scheme. Iran can also argue that this position is compatible with Clause 5 of the memorandum of understanding, which requires Iran to facilitate safe, charge-free passage for 60 days and calls for talks with Oman and other Persian Gulf littoral states to define the strait’s future administration and maritime services.[15] Two senior Iranian sources told Reuters on July 8 that relinquishing its management of the strait would amount to “surrender” and that Iran would not discuss its nuclear program unless the United States recognized full Iranian management of the strait.^[16] US officials told the *Wall Street Journal* on July 10 that the United States will not conclude a nuclear agreement unless Iran relinquishes its enriched nuclear material.[17] Iranian officials have given no indication that the regime is prepared to surrender this material.

Maritime Activity in the Strait of Hormuz and Persian Gulf

Nothing significant to report.

US and Israeli Air Campaign

Nothing significant to report.

Iranian Domestic Affairs

Iran is continuing efforts to protect its nuclear program. The Institute for Science and International Security and CNN reported on July 10 that Iran is continuing efforts in recent weeks to secure the Taleghani 2 facility at the Parchin Military Complex against potential future strikes.[18] The Institute assessed that Iran is building a concrete roof over Taleghani 2 to harden it against strikes.[19] The United States and Israel struck Parchin multiple times and the Taleghani 2 site in particular at least once during the most recent war.[20] The Iranian regime previously used the Taleghani 2 facility to test explosives that are needed to detonate a nuclear device before the regime suspended its nuclear weapons program in 2003.[21]

Iran is also undertaking efforts to reconstitute its drone program during the ceasefire. Acting Iranian Defense Minister Brigadier General Majid Ibn al Reza stated on July 10 that Iranian defense production continued throughout the war and that Iran tripled its drone production capacity during the conflict.[22] Iran retained 50 percent of its drone capabilities after the war, which amounts to thousands of drones, according to sources familiar with US intelligence assessments in May 2026.[23]

Iranian Supreme Leader Mojtaba Khamenei stated on July 11 that Iran must take revenge for the killing of his father, former Supreme Leader Ali Khamenei.[24] He added that this revenge does not depend on his own personal survival and that “every free person around the world” will take part in achieving it.[25]

Iran’s Axis of Resistance

Lebanese Hezbollah and the Israeli Campaign in Lebanon

Nothing significant to report.

Other Axis of Resistance Activity

Nothing significant to report.

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