Virtual Event | Countering Russian Aggression: US Policy Options

TRANSCRIPT

Discussion

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- Marshall Billingslea, Senior Fellow, Hudson Institute
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Disclaimer: This transcript is based off of a recorded video conference and periodic breaks in the stream have resulted in disruptions to the audio and transcribed text for Bill Schneider.

A video of the event is available: https://www.hudson.org/events/2053-virtual-event-countering-russian-aggression-us-policy-options12022

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Peter Rough:

Hello, and welcome to Hudson Institute. My name is Peter Rough. I'm a senior fellow at the Institute, focusing on American foreign policy with a special interest in European affairs, and it's my pleasure to moderate, to quarterback, today's events with three-star analysts from Hudson, Bill Schneider, Bryan Clark, and Marshall Billingslea.

Before we get started, a brief note of introduction about our three panelists. Let me start with Bill Schneider, who is a longtime Hudsonian, but has also enjoyed stints in U.S. government, on Capitol Hill, on both sides of the Hill as a staff member in the House and in the Senate. He's also served in the executive branch in the Reagan administration as under secretary of state for security assistance, science and technology, and since then has had a number of advisory capacities, including at the Department of Defense on the Defense Science Board and in the Department of State in the Trade Advisory Group. Bill's been a long time Hudsonian and it's a thrill to have him here today.

Secondly, Bryan Clark is a senior fellow and directs our relatively new Center for Defense Concepts and Technology. Bryan is a submariner, as a career naval officer. He also served the Navy headquarters staff as a special assistant to the chief of naval operations and as director of the Commander's Action Group. Bryan came to Hudson from another Washington D.C. think tank, CSBA [Center for Strategic and Budgetary Assessments]. It's been great to have him here.

Last, but certainly not least, Marshall Billingslea is a senior fellow at Hudson where he works on illicit finance and arms control. He works closely with our Kleptocracy Initiative, which I would also recommend to all of you viewing this at home. Before joining, he was a special presidential envoy for arms control, where he led many a negotiation with the Russians and others on arms control matters. He also served as assistant secretary for terrorist financing at the Treasury Department, and he's held other prominent positions in U.S. government. Those are very abridged versions of all three biographies. If you'd like to learn more about our panelists, please go to hudson.org, click on the experts tab, and you can scroll down and find the three of them, where not only will you have a fuller biography, but also links to their various writings and public appearances and reports.

Today's event doesn't really need an introduction. I think everyone understands that the world is riveted by the Russian buildup along the border to Ukraine, something like 100,000 to 200,000 troops, depending upon various estimates, are prepositioned along the Ukrainian border. The Russians have made a variety of demands of the United States and the West, essentially to dismantle the European security architecture as we've come to know it. Really, Vladimir Putin has been at it for quite some time. One thinks back to the cyber attack in Estonia in 2007, the invasion of Georgia which took place during the Beijing Olympics in 2008. He's also ensconced Russia in Syria through an intervention there where they now enjoy a port in Latakia, and of course the annexation of Crimea, the intervention in Donbas where there's an ongoing conflict that helps connects his warm-water ports and Russia's access to the Mediterranean.

Further afield, he has of course also had his fingerprints on the conflict in Libya, Mali, and elsewhere, and most recently over the past year and a half, we all know about Russia's support for Alexander Lukashenko who faced an uprising in Belarus, and perhaps more spectacularly in the past week or two, events in Kazakhstan where Russia intervened decisively to help support the regime in Kazakhstan, in Nur-Sultan. So, here we are with an immediate crisis on Ukraine's borders and the Biden administration
has sought to answer the crisis through an arms control negotiation, perhaps revitalizing something like the INF or the conventional forces in Europe. It's also preemptively signaled to the Russians publicly that it will take ground troops off the table and sought to craft a deterrence message through economic sanctions.

We really are, it seems, in somewhat of a defensive posture and so we thought today we would try to address not only what the price for deescalation is that Putin repeatedly sort of blackmails the West with, but also what some Russian vulnerabilities are and what some policy options are for the administration and for the United States going forward to perhaps move from defense to a bit of offense. I can think of no better panelists than these three to have here to talk about these issues. With that, I'll turn it over to Bill for an opening discussion. It'll be followed by Bryan, and Marshall will bring us home, and then we'll have a wide-ranging conversation for the remainder of the panel. Bill, with that, thanks for joining us. It's great to see you and please let us know how we should address these various issues that we face in crisis with Vladimir Putin at the Kremlin.

Bill Schneider:

Many thanks, Peter, and a useful introduction. The circumstances we find ourselves in need to be connected to some understanding of the context in which these are taking place, because as you suggested, is the latest development in what has actually been a sequence of events as the Russian leadership has sought to recover the power and authority of the former Soviet Union without... same circumstances. As mentioned, they have by salami tactics... sought to control the former independents, the independent states of the former Soviet Union. They've sliced off part of Georgia in 2007. They occupy the eastern part of Moldova, the so-called Transnistria republic, and Southeast Ukraine, and of course in 2014 during the Sochi Olympics. We see this gradual effort on the part of the Russians to assert authority over its former states. Belarus is the... The most recent is Kazakhstan where Putin also declared that Russia would act to prevent the emergence of all color revolutions in other former states of the Soviet Union.

I think the outline of what he's doing is pretty clear and the tactics they're using are the classic tactics of criminal extortion, getting paid for not doing something, which is what they're currently trying to do in... they are ratcheting up the pressure as the U.S. and NATO... process of preparing a formal response to Russian demands... the... cyber attack on the government, hitting more than 70 government sites. We don't know if these strikes were to the destruction of the cyber infrastructure or simply its disruption, but it's clearly an effort to impart.... Yesterday, the Ministry of Defense confirmed that it... separate tank brigade from its base in Siberia and Ulan-Ude to the west.

This same unit was involved in the... operations in Ukraine in 2015, following the Russian occupation of Crimea. We see the Russian effort as part of a continuing aspiration on their part to effectively recreate the power and authority that Russia had during the Soviet period over.... independent states of the former Soviet Union, as well as to extend their power and authority over the former Warsaw Pact states by deny these countries the ability to have a free and open relationship with NATO countries and the obligations of NATO membership.

These are pretty big macro developments that pose a clear threat to our interest and the interest in Europe. What I think what we need to consider is basically moving... so to speak, from the Fulda Gap of post-World War II period to the Suwalki Gap, which is the... basin to Kaliningrad in Eastern Poland, that
is where the thrust of Russian military power is now concentrated. It's only by moving our... power and
the power of the alliance to confront Russia so that we can deter, that we're likely to be able to change
the trajectory of Russian foreign policy from its current path of trying to recreate our authority of the
Russian state during the Soviet period. I think the way forward is clear enough, but so far the messages
have been mixed.

Peter Rough:
Thanks, Bill. Over to you, Bryan.

Bryan Clark:
Yeah. Thanks Peter. This comes at an interesting time for the Department of Defense. They're in the
middle of developing their national defense strategy that's supposed to come out a little bit later this
month, or potentially next month. That defense strategy is going to have to come up with a scheme by
which defense forces can deter the kinds of aggression that Russia is threatening against Ukraine. This is
a great case study in maybe how some of the traditional approaches, like denial and punishment, maybe
don't work anymore. I think about in the case of Ukraine, denying Russia the ability to invade Ukraine
successfully would require really quite a significant U.S. mobilization, NATO mobilization on the eastern
border, which is probably unsustainable over a long period, because Russia can bide its time.

If we were to try to mount that kind of defense, it's the kind of thing that we eventually would have to
pare back because of various concerns like fiscal and the ability to keep troops abroad, and then Russia
would simply wait for that moment and come in. The denial approach seems like it doesn't lend itself to
this. The punishment approach doesn't seem to be making a lot of headway with Russia because they
don't see significant enough punishment to warrant them backing off, at least for now. The two kind of
pulls that we've traditionally relied on for deterrents don't seem to be working. The administration is
talking about this approach of integrated deterrence, where they pull together various levers of national
power. They use those over time to try to influence the behavior of an aggressor. You see that kind of
what's happening now, but by saying "no troops on the ground" they've implied military action is off the
table, which means you're really not doing integrated deterrents. You're doing just economic and
diplomatic deterrents.

So it remains to be seen how this case study is going to influence that national defense strategy. But you
can see maybe on the Russian and Chinese side an opportunity for the U.S. to maybe emulate them and
better deter Russia. So specifically you think about what they're doing with gray zone warfare, with
cyber operations. Bill was telling us earlier that Russia mounted a pretty significant cyber attack against
Ukraine today, which would be something that would be an example of this kind of gray zone warfare,
where they're going to continue to erode the enemy's will by virtue of things that don't involve
necessarily combat casualties. The use of proxies, the use of paramilitaries is what Russia and China
have both been doing, so they've been integrated deterrents probably better than the U.S. has.

Maybe by taking a page from that, there's some opportunities for the U.S. to think about how it might
better influence Russian behavior. Some specific ideas along those lines would be, if you think about it
maybe in two tracks, one track would be how can the U.S. better support Ukrainian forces that are going
to defend themselves against potential Russian aggression? We've sent over a lot of defensive weapons,
including some lethal ones. Those will make some influence maybe on it. They most recently released
some materials from the Defense Department that could be used in Ukraine. Those are mostly not weapons. Those are mostly sustainment supplies, those kinds of things, that keep you going for a while. But there's some things that the U.S. could use that don't maybe involve boots on the ground necessarily, but could really maybe help turn the tide in a conflict scenario.

For example, ISR capabilities, so unmanned ISR platforms like the MQ-4 Global Hawk, the MQ-9 Reaper, space-based ISR capabilities, providing those directly to Ukrainian forces. That might involve maybe some U.S. folks going over there with the satellite terminals to show them how to use them. That could really make a big difference when you're talking about going up against the Russians, who tend to use a lot of counter ISR capabilities they can defeat the Ukrainians with. Also sending over some more defensive capabilities that might require some U.S. assistance, like air defense systems, some of the smaller what we call in the military, maneuver SHORADs or short-range air defenses that are what we call in the military maneuver shore ads, or short range air defenses that are not very sophisticated, but it's probably new to the Ukrainians. They might need to have some help operating them. And then last maybe rocket artillery. So rocket artillery, not a very sophisticated weapon system. U.S. has those, the Ukrainians have them, but they don't have them in the numbers they probably need. And this is a capability that could be very effective against Russian ground troops. Sending those over there in an airlift kind of scenario with some maybe U.S. advisors to help, could really be enough to make it so that the Russians see the potential for casualties.

On the second track, which I think is the more important track, thinking about how the U.S. could use essentially this, the military operations, short of war in this peace time situation, leading up to conflict to coerce the Russians, to kind of pull back from this potential for aggression. So some opportunities there are cyber operations of our own and cyber command. Cyber command has an approach they call persistent engagement in which they are constantly the going at it with their adversaries online, not letting them attack and then respond, but instead fighting it out in the trenches day to day.

Applying that persistent engagement idea to other areas like electromagnetic warfare, we could be going after Russian forces that are operating in, adjacent to Eastern Ukraine using electro warfare to deny their communications, to mess with their ISR. We could be using our Naval forces to constrain or contest access of Russian forces to the sea in places like the Sea Assad around Syria and [inaudible 00:15:41] So the Russian far east is one area where I think there's opportunities in particular for the U.S. military to use its cyber, electromagnetic warfare and perhaps maritime capabilities to show the Russians that there's tools available to the United States, short of war that we could apply that would help it convince them that there's costs here that go beyond simply the economic cost being talked about by the administration.

Those don't all have boots on the ground, but they really, but it'd be more of this integrated deterrence idea that the administration is supposed to be leaning toward in their upcoming defense strategy. So we can talk more about that as we go, but I'll turn it back over to you and to Marshall. Thank you.

Peter Rough:

Thanks. And just in case, you're now searching for a major cyber attack that took place today, we're recording this on Friday, the 14th. It'll air on the following Tuesday. So just that point, and perhaps one very quick follow up to Bryan for the uninitiated, you mentioned gray zone conflict, which is a term bandied about a lot, but how would you define that for the uninitiated?
Bryan Clark:

So operations short of war, short of maybe armed state to state combat, where you will use paramilitary forces. So your coast guards, your police forces, and then proxies where you hire mercenaries actually to go out and do this. So there's a company in Russia, the Wagner group, that does a lot of these operations on behalf of the Russian government. So they're not uniform military personnel and their actions can't necessarily be directly traced back to the government, but they're used, they're doing this at the government's behest.

Peter Rough:


Marshall Billingslea:

Thanks, Peter. In June of 1961, John F. Kennedy had a summit in Vienna, Austria with Nikita Khrushchev. Khrushchev came to the summit, believing that Kennedy was a weak and unprepared leader based in part on his bungling of the Bay of Pigs and Khrushchev left convinced that Kennedy would not stand up to the Soviet Union. And he launched plans to install nuclear missiles in Cuba. Almost 60 years to the day later, this time in Geneva, Vladimir Putin met with President Biden and whatever conclusions he reached from that meeting, it's clear that he has decided that Biden will not stand up to Russia over Ukraine. I say this because the most important thing in my view that the administration can do right now is to somehow change Putin's perception of Biden as a weak and feeble leader. Certainly the fact pattern of this administration so far has probably reinforced Putin's conclusion that his aggression is going to go unchallenged.

First, the way the Biden team folded on the new start negotiations just days in office, told the Russians that Biden either doesn't understand or doesn't have the will to use leverage in negotiations. I think the way Special Envoy Mallie has been behaving in negotiations with Russia, China, the Iranians and others of the JCPOA has only solidified that impression. And recent negotiations over Ukraine, where the U.S. agreed to consider and take on board numerous Russian demands without making counter demands has sent all the wrong signals.

Second, Biden's disastrous handling of Afghanistan has also played heavily into the Kremlin's calculations, as did the way he treated our allies, in particular, the Brits. Remember he refused to call the Prime Minister of the United Kingdom back for days. When Biden preemptively took the threat of military response off the table and he announced he wouldn't deploy troops into Ukraine, which was a completely unforced error, there was no reason to say that Russia knew that they would have the upper hand in any conventional invasion.

Third, Nord Stream 2. The Biden administration has bent over backwards to allow completion of this natural gas pipeline that will allow Russia to completely bypass Ukraine, which hosts the current pipeline. They've even gone so far as to lobby the Senate against legislation to sanction the pipeline despite urgent pleas from Ukraine's Prime Minister in recent days to do so. So it's also clear that from a sanctions and financial pressure standpoint, Putin has concluded that the by administration, which is full of the same people who mounted a feeble response to his first invasion of Ukraine back in 2014, would impose pin prick financial costs at best, certainly measures that he thinks Russia can weather. I believe
he probably doesn't expect the European Union to join in on any significant actions. And he's counting on the German and others to block anything that would have financial repercussions of any great significance for the EU, which I do believe would be the case for anything meaningful that should be done.

In each of these areas, in my view, the Biden administration urgently needs to cause Biden to, or Putin, to question his assumptions. First, as an example, Biden needs to announce now, preemptively, steps that he's going to take before any new arms control negotiations are launched. Accelerated development of the army and the Marine Corps, medium range missile programs in particular is vital. And the Biden administration should begin public, very visible negotiations now on deployment and basing plans in Europe by 2023, which is when the first of the battalions hopefully will deliver to the army.

The Russians are very worried by that capability, which is why they're demanding an INF moratorium. That's why they did it in negotiations with me during the Trump administration and why they've reiterated that demand in the current context. President Biden also needs to put the credible threat of military intervention back on the table, starting with the deployment of U.S. special forces and ideally other NATO special operations forces to train the Ukrainians on insurgent warfare and many of the capabilities that Bryan just mentioned. This is what the Green Berets are trained to do. It's why we have them. I also, like Bryan, suggest would advocate for a heavy Navy presence in the Black Sea with ship visits to Odessa and other presence there as well, that negotiation with Turkey on transit is going to be a difficult one and it needs to start now.

Now on a very positive note, as Bryan has mentioned, the $200 million in defense drawdown of existing stocks was a good first step, but it's moving too slowly. I am glad that that package apparently includes javelins, which are the antiarmor capability. And I understand that we do have a challenge because we don't have an inventory of exportable stinger missiles from other nations. So we urgently need to negotiate with other countries that have the export variant of stinger to borrow those and to back fiddle them with a ramped up production line here in the U.S. And then we need to work with the Brits in particular on getting a crane and antishipping missile. I think in particular, something like the Brimstone is really what they need.

Finally, financial consequences. Now I do believe the Biden administration could inflict severe consequences on Russia's economy if they wanted to, and that they could do this with or without the EU, but ideally, and preferably, at least with the UK. Now is the time in my view to publicly lay out many, but not all, of the measures that the U.S. would take in event of an invasion.

Typically, as you noted, I was at the treasury, we didn't like to tip our hand in this way. But in this situation, I think it's important. Any sector or entity that we identify as a target of a future designation in response to an invasion is going to suffer immediate market disruption. If you just look at what happened to Oleg Deripaska's net worth and Ian Plus's collapse in valuation after sanctions back in 2018, you could have largely the same effect before.

In fact, when we imposed sanctions in 2018, a very targeted sanctions on individuals and entities, as opposed to broad sectoral sanctions that I would hope we would undertake against Russia on their timber exports, on their copper production, nickel on their banking and financial sector and so on and so forth, those very targeted sanctions caused the 27 wealthiest people in Russia to lose $16 billion in one
day. The ruble dropped to its lowest level since 2016 and the Moscow stock exchange dropped to its lowest level in four years, just on the basis of those very targeted actions. So if the financial ripples are severe enough for Russia based on a pre-announcement of what we would do, it might, just might, give Putin pause. Peter, back to you. And thanks for ... I look forward to the chance to have a free flowing dialogue.

**Peter Rough:**

Well, maybe I'll just start with you then before going to the other panelists and I'll pick up your last word, which was pause. If I'm reading your analysis correctly, would you then essentially hit pause on the negotiations with the Russians while we take these other steps and implement some of these other measures, or do you think that having a concurrent negotiation while we undertake some of these deterrent steps from financial to military to military development back home is the path forward? And maybe a second point, which kind of popped into my mind as you were speaking, how important is coordination with the EU in any sanctions package? Because clearly the administration thinks it's essential. You're sitting suggesting if I heard you correctly, that that's important, but it's doubtful that Brussels would go along with a preemptive sanctions package prior to a further Russian incursion into Ukraine. So we should proceed unilaterally with the Brits as a deterrents measure, is that your recommendation?

**Marshall Billingslea:**

Yeah. Let me start with that last point first. Yes. This administration, in fact, they issued a formal policy a few months ago out of the treasury that very much emphasized the desirability of multilateral action in the sanctions domain. And I actually agree with that, that that is ideal and it would be hugely helpful to have the EU on board. It would magnify the effect of any U.S. actions, but I would not, I would hope, the Biden administration will not self-deter in this area because I do think we're unlikely to get, remember any one country in the EU can block adoption of the package, and I think there are several that probably would step forward to do Putin's bidding on anything of consequence. Now, having London as the other major financial center with us in these actions, I really do think means that we can go in a smaller multilateral format without necessarily needing EU signoff. And I do hope that that we're prepared to do that.

I don't know that there's anything to negotiate at this stage. Certainly the Russians have said they're folding up their tent and going home and they don't anticipate further discussions. That's a ploy on their part. I would not, I would actually support continuing discussions, but I do think Joe Biden needs to get himself a serious negotiator. Someone who understands leverage, who understands the Russians and is prepared to make the kinds of counter demands that should be made, such as Russian troops out of Georgia.

If we're going to talk about conventional arms control, let's remember for a moment that the Russians violated the CFE Treaty, the Conventional Armed Forces in Europe treaty from day one of that treaty. They continue to illegally occupy parts of Georgia. They continue to illegally occupy parts of Moldova and those kinds of demands should be issued before any return to conventional arms control in Europe is seriously considered. Likewise, as I've mentioned, the INF moratorium, which Russia is pushing, because of course for decades, they cheated on the INF treaty clandestinely developed and then
deployed multiple battalions of intermediate range, nuclear tipped missiles. Of course, now they want a moratorium on these missiles and that's the last thing on earth that this crowd should give them. Instead, we should accelerate our development and begin deployment plans into Europe. And then, maybe then we can sit down and have a discussion on this topic. But those are the kinds of actions with backbone that the Biden administration is going to need to take if they're going to reverse Putin's conclusion that this is a weak and feeble administration.

**Peter Rough:**

It needs a Marshall Billingslea, basically, for the negotiations.

**Marshall Billingslea:**

There are plenty of fine Democrat negotiators out there. I'm sure they can find one.

**Peter Rough:**

But your point reminds me of a section in one of our other colleagues, Mike Doran's book called Ike's Gamble, which is about the Middle East; but there's a section in there on how at the time, Churchill wanted to go to Moscow to negotiate basically a baton in the Cold War. And President Eisenhower says, "What's there to negotiate about?" And I think we're probably in a similar setting; not to mention, Putin is just inherently disingenuous. And one can be sure that whatever demands they're putting on the table, isn't actually what the negotiation is about; so setting that aside... Go ahead.

**Marshall Billingslea:**

Yeah. No, I just want to highlight the irony of this, and then get off the stage. But Russia is a party to the Vienna Convention on Treaties. And Article 52 of that Convention says that any agreement negotiated under coercion or duress is not legally effective. So the irony here, that the Russians are demanding legal guarantees from the U.S. and NATO, while they're busily coercing the West with their buildup on Ukraine's border, is not surprising; but it's certainly stunning hypocrisy.

**Peter Rough:**

Thanks. Let me go to Bryan next. And I have to say, I've been a voracious consumer of all things Ukraine crisis related. And you are the first person who I have heard utter the name of the city Vladivostok when talking about responses to the Ukraine crisis. So maybe you could expand a little bit about this rather net-assessment style thinking that you're introducing to the conversation.

**Bryan Clark:**

Yeah. So the idea would be under this approach, if we think about doing persistent engagement; so let's not just see the battlefield until the Russians choose to fight. Let's start actually showing them in the meantime that we mean business, and that we're going to take actions, short of war, to coerce them into the course of action we want them to pursue. And I think we've let coercion only on their side of the table.
In the Russian Far East, the infrastructure and the populations are both in disrepair. Right? So the demographics are not in Russia's favor; but railroad infrastructure there is so poor that actually a majority of exports from the Russian Far East travel via the sea; they leave out of lot of Vladivostok, and they travel out to various places where they're going to be sent. India, for example, has a pretty robust trade with Russia in the Far East; and that all happens by sea. Same with other countries that are trading with Russia; mostly the natural resources that are available in the Russian Far East.

China has made a lot of investments in the Russian Far East, to try to improve the infrastructure; because they want to access to the raw materials there: the oil, the gas, the minerals. And those investments have not gone very well. They've not actually come out with necessarily the improvements they wanted; so they still get a lot of that material via the sea.

There's an opportunity here to show Russia that we can maybe choke off that access to the sea that they enjoy via Vladivostok, because it's trapped inside the first island chain, as we call it, of Japan, in this case. So, you can't get out of Vladivostok unless you go past Japan. We could work with Japan as our ally, who has been dealing with Russian intransigents over the Kuril Islands since World War II. And also the fact that Russians have been very aggressive in their gray zone warfare against Japan. This is not a European phenomenon only; they've been doing over flights and taking actions against Japanese forces for decades. So Japan would be potentially willing to help the United States demonstrate to the Russians that we have this access to close off, or the ability to close off their access to the sea.

And as Marshall said, if we impose sectoral sanctions against Russia, perhaps quarantines at the Russian exits from Vladivostok would be appropriate, too, and make sure that those materials are not being sent to the places where they're not supposed to be sent.

Also, in the Russian Far East, there's military infrastructure there. There's opportunities for us to use cyber and electromagnetic warfare, perhaps, to undermine the Russian confidence in those facilities' ability to operate in conflict. And it will help take their attention away from Europe, and remind them that they have this massive vulnerability in their East that's not really well protected. It's not well populated. They're concerned about its long-term viability. And I think that United States leaving that on the table, and not taking advantage of that exposed flank is a mistake. And if you really wanted to pursue integrated deterrence, we should be mounting some more effective operations there.

**Peter Rough:**

Thanks. Go ahead, Bill.

**Bill Schneider:**

Yeah. This has been a splendid discussion, and I think is very... Developing ways in which we can constructively deter. To Bryan's point, we might also take advantage of the fact that both Finland and Sweden have become increasingly frustrated and critical of Russian behavior. So one of the other areas that we might look to increasing pressure on Russia, is their so-called Northern Military District, which in the Cold War period, was just the headquarters of their Northern fleet; but now they have integrated armed forces there. So increasing the exposure of that venue is a way of further increasing pressure on Russia. They are likely to become more dependent on Arctic transits in the future, as they are trying to
change the routing of international trade in a way that will go through the Arctic rather than the traditional route through Suez Canal.

And also, building on some of the excellent points that Marshall made, we are dealing with a sort of criminal kleptocracy, whose instrument of foreign policy include this kind of extortion that we're seeing in the Ukraine. And with these criminal enterprises, part of the objective needs to be that the godfather has lost his touch. He can't deliver. He doesn't have it anymore. And so, if we can take these actions, so that Russia is much worse off, from the effect of its viability as an autocratic and kleptocratic state. It can put a churn into their leadership, the churn can produce a different outcome. We should remember that when the Soviet Union collapsed, there was an aspiration for democratic order and democratic processes, which disappeared under the weight of the power of the Soviet Intelligence Service that basically took over the state.

But now we have an opportunity, I think, to use these instruments; and an additional one that we haven't engaged as yet, but because of the way the Russians operated, they've created... They're in the process of creating the same kind of vulnerabilities to information operations that they had during the Soviet period. They're now trying to lock up the internet, so that people can't communicate, and can't freely pass information. There's a lot of things we can do to undermine that. We have more instruments to do so. And so, using information operations, and for want of a better term, information... To try and undermine the power and authority of the kleptocracy, is the kind of thing that can contribute to this weakening of these tools of extortion, to try and effectively recreate the Soviet Union.

Peter Rough:

Bill, since you started with Finland and Sweden, maybe I could stay in that region of Europe, and ask you about the Baltic states. If I read your recent Wall Street Journal op-ed, which I recommend to everyone, correctly, I believe you called for the rotational presence, which is currently in place there by NATO, to be turned into a permanent basis; which of course, the Russians argue violates the Russian NATO Founding Act, which is a quarter century old, and the Russians had violated ad nauseam. But irrespective, that was their objection. Why do you think that's an important move? And what effect do you think that could generate?

Bill Schneider:

Well, one of the problems that has evolved as we've seen this turn of events in Russia, is that NATO has retained the focus of its military power in what is now central Germany; whereas, the ability to deter is 500 or 600 miles to the east, where we can be more closely engaged with them. Poland just recently ordered 250 M1A2's from the U.S. F-35 fighters has been acquired. We have the infrastructure of, in effect, moving NATO's frontline from, as I described it in sort of shorthand, from the Fulda Gap to the Suwalki Gap in Poland, so that Russian will be... They will be losing more than they gain by these kind of activities.

If they had been more... attentive to forward deploy NATO capabilities. But now that they've become threatening, this is something that if they do it, Russia again, will have lost more than they've gained... in the leadership. And again, the metaphor of the godfather has lost his touch. Reduced the appeal of that leadership to his fellow kleptocrats. They may hence be more effectively influenced by us, than if we allowed the present state of affairs to continue.
Peter Rough:

Thanks. Maybe this isn't quite switching gears, but pretty much going back, I'd say, to the early stages of the Trump administration; the U.S. has begun to shift towards this idea of Great Power Competition. Counterterrorism is still important and crucial; but clearly, the focus on counterterrorism operations has at least been complimented now by focus on Great Power Competition, if not overtaken altogether. And so, we've focused a great deal on the rise of China as a true peer competitor on a global stage. Now we're riveted by this crisis with Russia. So, I suppose to any of you, the question is, does China, since we're so focused on China generally, have any part or rule or stake in this crisis? And what do you think the view is from Beijing, as they watch the standoff between Washington and Moscow, or between NATO and Moscow?

Bill Schneider:

There's a few dimensions to it. One is that what has emerged since the end of the Cold War is, instead of China and Russia being adversaries, or at least mutually suspicious, they now have a shared interest in undermining the capacity of the U.S. and its allies to maintain democratic societies. So they have a shared interest, and we can see the way in which they are working together.

For example, the China and Iran Strategic Agreement is now about to be coupled to a Russia/Iran agreement, that's going to have many of the same characteristics of the China/Iran deal; which will take advantage of the decision of the Biden administration to abandon U.S. security interest in the Middle East. We pulled out all of our air and missile defense forces from the region, left the Fifth Fleet exposed there; but China now will be able to control entry and egress to both the Straits of Hormuz and the Arabian Sea. So there's a lot of things going on that have been a consequence of how the Biden administration has acted with Russia, and the way it shifted its security focus to the Pacific, and has neglected the fact that we have a worldwide threat, and not just a Pacific threat.

Peter Rough:

Marshall, maybe just to kind of dig down into one element of the China question, which you might be able to address. There's been a little bit of talk that economic sanctions against Russia will be less effective, because not only the Russians have built up their own currency reserves over the past several years, but also, they're working at crafting an alternative payments system, which might still be rudimentary, but nonetheless, is a way to kind of skirt dollar dominance. Is China a viable economic fallback in the event of Russian isolation by the west on the economic front? Or is that overblown? And then Bryan, if you want to comment on the China question after Marshall.

Marshall Billingslea:

Yeah. So I think China ... I think Chairman Xi is watching this very, very closely. As yet another one of these dictatorial strong men, he probably has taken the same measure of President Biden that Putin has, and if we fold on Ukraine, the Chinese will certainly draw conclusions or at least inferences on how we would operate in a Taiwan contingency.

China is going to be in a position to blunt some of whatever financial measures we would take and I think they would actively look for ways to do that. The challenge that both Russia and China face is that
their national currencies are not considered hard currencies and so from a trade reconciliation standpoint, Russia really will struggle if they can't get access to dollars or euros to clear balance of trade activities.

So yes, I think China will work overtime. You're correct that they've been trying to come up with alternative SWIFT-like solution and I'm sure that they would begin to really push that into operation in the event that Russia is cut off from SWIFT, which by the way, people I think have incorrectly stated that we would need EU agreement to cut Russia off from SWIFT. We didn't need it in the case of Iran and we didn't get it in the case of Iran, but we did cut Iran off from SWIFT. So we know how to do that. We know how to take these kinds of actions.

**Bryan Clark:**

Yeah. I'd say that ... So about 25% of Russia's exports go to China. So they do trade with a lot of the other countries in the world. So not having a mechanism to clear those accounts is going to be problematic because 75% of the trades going to somebody else, that's going to be dependent upon these other mechanisms, like SWIFT, to be able to get access be able to exchange payments.

So I think that there's only so much that China's going to be able to do. They might be able to individuals, perhaps, get their money and put them in a place where they'd be able to access it. But I think in terms of the broader ability of Russia to sustain its economy through its current exports and imports, I think they're going to be severely limited, if these sanctions are successfully employed.

But again, about a quarter ... I guess, more than a quarter, more like a third, of Russia's trade is with EU countries. So they might resist some of these calls, if they really prefer to get the Russian exports. So they may act as a break on any potential action.

Then, I'd say, in terms of China and what they're taking from this, Marshall, I think captured it very well, Xi is certainly taking measure of how the U.S. responds to this threat of aggression and I think the idea of integrated deterrence that the Biden administration's been floating, this is a perfect opportunity to put it into action and demonstrate how it might work and give people some more confidence that it's something that's viable and I think all it's done is to show that there's really nothing behind it, other than a hope that we can get away from military forces, being an element of our deterrent actions and rely mostly on economics, and we're seeing that that just doesn't seem to have the compelling nature that we need to coerce Russia into backing down.

So integrated deterrence has got to be something that's more integrated, if it's going to really be something that Xi is going to take seriously when he thinks about what his opportunities are in Taiwan.

**Peter Rough:**

That strikes me as a major fallacy of just Western diplomatic thought, or maybe, to put it more narrowly, maybe progressive thinking international relations, is that deescalation is considered the height of diplomacy and I think Putin preys on that mindset by essentially manufacturing a crisis and then pricing the cost of deescalation. We then fall into that rut and essentially make concessions.

I think a second almost vanity is that sometimes what we in the west, or what maybe in the White House or in the state department, and this I think is a feature of past administrations as well, might
consider prudential and cautious and elevated, showing caution and showing judgment is interpreted as feckless and weak elsewhere. It doesn’t just matter how we perceive things, it matters how our opponents and enemies see things as well and I think that’s a major problem.

If I could ask Bryan one more question, and then Bill, I think you had a point you wanted to make, and that is just about the military balance in the Black Sea. Marshall mentioned that he would like to see, I think, more robust port calls, potentially visiting Odesa. I know Bill's written and spoken about the implications for Romanian Bulgaria, NATO allies, and some steps we might need to take if essentially the Russians take the limited incursion scenario, as it's described and move through Mariupol to connect Crimea to mainland Russia, not just over the bridge, but actually on the land itself.

Is the Black Sea on the verge of being sort of a Russian lake? I mean, do the Russians really have military dominance in the Black Sea at present? How should we think about the naval dimension? I suppose it's also often described, in any invasion scenario, as a key point of departure for Russian troops? I mean, give us a little bit of an overview if you can.

**Bryan Clark:**

Yeah. So Russia absolutely depends on the Black Sea, because it is the one port area they can depend on, in pretty much any time of year. So they've tried to essentially close off the Sea of Azov, at its far Eastern end to prevent Ukraine from being able to get access to it, even though there's Ukrainian coastline that's inside the Sea of Azov.

Russia is trying to essentially make the perception be that it's a Russian lake. They would certainly like that to be how people consider it. I don't think that's really a viable end game, they might want to create that perception, but not actually be able to deliver it in practice.

One of the things, certainly, that's of course limiting the ability of the U.S. and others to impact the balance of forces there is the Montreux Convention, so getting agreement with Turkey to be able to bring more naval forces in, or simply aggregating it and driving those naval forces in regardless is going to be necessary to try to regain that balance of power, if you want to do it with us naval forces, because right now you can really only send maybe a couple of destroyers there and maybe a non-combatant support ship and call that the naval force you can send there, which we have and we've been sending those in relatively regularly.

But they still are kind of at a disadvantage because what Russia has done is they've chosen to have their submarine forces do episodic deployments to the Black Sea, which they call deployment, but in fact, they're being based there. So they have about a half dozen Kilo submarines that call that area home, even though they're technically not based there because of the limitations of the convention.

They've also got some patrol boats that are relatively new there that have been able to operate and they have anti-ship missiles. So the Russians kind of have the naval balance of power in their favor because they've been able to take ... Well, they've chosen to skirt the conventions limitations.

The U.S. can maybe do some actions to take a similar set of approaches to skirt the conventions actions to put more forces there. But to your point, I think Romania and Bulgaria are probably our main avenues to try to improve that balance of forces. So giving them more ISR capabilities to be able to do targeting and monitoring of Russian activities.
Then, to Marshall's point, giving them the kinds of weapons that would allow them to be able to engage Russian naval forces at sea, because the Brimstone and almost any anti-ship cruise missile can run into at least the middle of the Black Sea.

So you could pretty much hold the Black Sea at risk from Russian and Bulgarian territory and Ukrainian territory. So Russia would really be constrained in its freedom of action, if those kinds of cruise missiles were supplied to those nations and they had the ISR to be able to target them and I think it's important to make sure that the whole kill chain is something we address in our exports to those countries, which the US has been trying to do, but this administration has not yet sort of got their arms around it.

But that's kind of where we stand now is Russia kind of has the favor in terms of the balance of forces. We've got opportunities, and we're just not yet exploiting them.

**Marshall Billingslea:**

If I could amplify that, I do think the Montreux Convention and the Turkish factor here needs to be considered. When I was the Deputy Undersecretary of the Navy, Russia invaded Georgia and we had a hell of a time getting Naval assets through, into the Black Sea. I anticipate the Turks would be just as difficult this time around as well. So working on that now, in advance of a crisis is vital.

Likewise, as Bryan just mentioned, the value of Brimstone and the range, that's precisely why I'm suggesting that acceleration of the army midcourse capabilities and deployment into Europe is so vital because those land base, ground base systems will have a range of 1500, 2000 kilometers.

What that allows you to do is provide additional defensive capability through basing options in Romania, Bulgaria, Poland, even Germany, to back up the conventional forces [inaudible 00:51:30] suggesting need to be stationed in the Baltics and so on and so forth.

So again, and I worry greatly that one of the outcomes of this contingency, or of this crisis, is that the Biden administration, which opposed our withdrawal from the INF Treaty during the Trump administration, is really looking for any excuse to get back into a mini INF kind of arrangement.

The Russians know this, they know that Wendy Sherman would love to cut that kind of deal, which is why they'll pay nothing for it. But that's also precisely why we need to make clear to the Russians that any such agreement will not be legally binding, would be dead on arrival in the Senate, and instead, rapidly, rapidly finance these kind of programs.

**Peter Rough:**

Yeah, but at this point ... We'd say it's last week, by the time this airs, but I saw some worrying wording statements from Wendy Sherman that she received satisfactory answers on the INF violations from her Russian counterparts.

And just perhaps one more point on the convention, I've also read some interesting proposals about potentially sheltering ships in the Danube River delta, and then being able to return into the Black Sea to skirt some of the limitations. But Bill, I know you wanted to make a point.
Bill Schneider:

It just adds to the constructive suggestions that have already been made, The Defense Science Board did a study two years ago called Assault Breaker II, which was the follow up to a study that the science board had done in the ‘70s that led to the AirLand Battle concept that contributed to the end of the Cold War.

The Assault Breaker II study is intended to deal with the separate or combined conventional military power of China and Russia. There's very accessible technologies that we could [inaudible 00:53:22] upgraded ability of the Black Sea littoral countries to be able to protect themselves from Russia. This includes autonomous surface and submarine naval combatants, [inaudible 00:53:40] mine capabilities, in addition to the cruise missiles and ISR.

We can convert the Black Sea into a liability for the Russian and these military assistance measures are something that, that we can take and very effective as part of a larger strategy to reduce [inaudible 00:54:09] of Russian extortion tactics against us and the independent [inaudible 00:54:16] of the former Soviet Union.

Peter Rough:

Well, with that, I think we're running up against our time limitations, but I thank all of you for joining us today. Thanks to our three-star experts. To read more and see more from Bill, Bryan and Marshall, and also to more about both the cryptography initiative and the Center for Defense Concepts and Technology, please visit hudson.org. We look forward to seeing you at future webinars and thanks for joining us.