

Confidential

RUSSIA

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PIR Center experts report from Moscow:

WHAT RUSSIA AND THE WORLD SHOULD EXPECT FROM THE TRUMP PRESIDENCY:

PROJECTIONS ON THE FUTURE OF U.S. POLICY IN FOUR AREAS

SUMMARY

During the election campaign, Donald Trump expressed interest in normalizing relations with Russia, so there are reasons to be cautiously optimistic today about the U.S.-Russian relationship and the wider international situation. Several important questions come to mind:

- *Will the new U.S. leader attempt to end a period of stagnation in arms control, and what should he do to that end?*
- *Will President Trump offer "a deal of the century" to President Putin with regard to the Central Asian region, and what will be the new U.S. policy on Afghanistan?*
- *Will the international deal on the Iranian nuclear program survive, given the criticism of the JCPOA voiced by Donald Trump and members of his team? What is the role Russia can play in this situation?*
- *What will be America's policy on cybersecurity under the new president? Can the hawkish stance many expect of Trump in this area damage Russia's interests?*

We have put these questions to some of the leading PIR Center experts: Evgeny Buzhinskiy, Vadim Kozulin, Andrey Baklitskiy, and Oleg Demidov.

Evgeny Buzhinskiy on the importance of a breakthrough in arms control:

REDUCE THE CONFRONTATION, PREVENT AN ESCALATION

Bilateral Russian-U.S. dialogue on reducing global and regional tensions is clearly in a period of stagnation. The two countries have essentially reverted to the situation of the 1980s. Witness, for example, new plans for major upgrades of all three components of their nuclear triad, programs to develop hypersonic weapons, and efforts to improve the existing conventional weapons. On top of that, the U.S. continues to deploy its global missile defense system, pursues the Prompt Global Strike program, and stubbornly refuses to begin substantive dialogue on banning the placement of weapons in outer space.

Stagnation in the arms control dialogue has all but shut down an important channel of cooperation on strategic issues between the Russian and U.S. leadership. There are not only different approaches to missile defense and the Prompt Global Strike, as well as major political differences on Ukraine and Syria between the two countries. Their fundamental visions of the role of nuclear weapons, strategic stability, and possible causes of military conflicts breaking out and escalating out of control are increasingly divergent. NATO's decision to end all military cooperation with Russia, especially now that the incoming new generation of officers and generals in both countries often seem eager for a showdown, could lead to some very dangerous situations, especially in armed conflict zones.

To prevent Russian-U.S. relations from degenerating to a state of open hostility, both sides should arrive at an understanding on a number of crucial issues. I would like to believe that the Trump administration will give those issues the attention they deserve:

- *There must be a clear understanding that the weapons systems which affect the strategic deterrence capability undermine the existing strategic balance. Even if such systems are developed to deter the "rogue states", bilateral compromises must be sought on the scale of deployment of such weapons and their technological parameters.*
- *The weapons systems that blur the line between conventional and nuclear warfare must become a subject of limitation and increased transparency measures.*
- *It must be clearly understood that there can be no limited use of nuclear weapons in any conflict involving both Russia and the United States; an escalation will be inevitable.*

There are reasons to hope that one of the key priorities in the new U.S. administration's relations with the Russian leadership will be to maintain strategic stability and to resume dialogue on the most important arms control issues.

Vadim Kozyulin on future U.S. policy in Central Asia and Afghanistan:

WILL TRUMP OFFER PUTIN A DEAL OF THE CENTURY?

During the Obama presidency, the United States shut down many of its programs in the Central Asian republics. Nevertheless, the Democrats are trying to prop up America's role as the ideological mentor of the regional elites, with a special emphasis on human rights. What American policy in **Central Asia** is going to look like under President Trump is anybody's guess. He has not made a single mention of that region during the election campaign; indeed, he appears barely aware of Central Asia's existence.

When the West decided to try to marginalize Russia in 2014, it essentially forced Moscow to turn eastwards and seek a role for itself in the formation of new

global alliances recreating, in fact, the old bi-centric international system. In that system, the growing and developing countries are gradually wresting leadership away from the developed Western world.

In these circumstances, President Trump might well offer President Putin "a deal of the century": strategic partnership with Russia in exchange for Russia restoring its former pro-Western orientation. As part of such a contract, the Republicans might cede to Russia a greater share of responsibility for the Central Asian region. Such delegation of geopolitical influence would be conditional on Russia giving full protection to the interests of American investments and businesses in the region.

If Russia and America fail to reach such an agreement, the West might well delegate the role of its representative in the Central Asian republics to Ukraine, which would be ready and willing to play a role in the propaganda of Western values, democratic reforms, Western education, and Western lifestyle.

Trump's views on the issue of **Afghanistan** also remain unclear. For now, the country remains outgoing President Barack Obama's headache, not Trump's, because it was Obama who had promised a pullout of U.S. troops from Afghanistan during his own election campaign. That hasty pullout in 2011 remains a stain on the Nobel Peace Prize winner's reputation given that it has plunged Afghanistan into a protracted civil war.

Like the Democrats before them, the incoming Republican administration will definitely try to pull out from Afghanistan completely. Trump will try to foist the responsibility for Afghanistan onto the regional powers such as China, Pakistan, Russia, India, and Iran. After all, it is them who will have to deal with a flood of Afghan refugees if the Taliban returns to power. The likelihood of such a turn of events is already demoralizing the Afghan military and political leadership.

It cannot be ruled out that Trump will opt for an unconditional pullout of all the remaining U.S. forces; he can always lay the blame for the failure of the U.S. mission in Afghanistan on the previous Democratic administration.

Andrey Baklitskiy on future U.S. policy on Iran:

FRAGILITY OF THE JCPoA AND POTENTIAL ROLE FOR RUSSIA

The promise of lifting U.S. sanctions played the key role in the signing of the Joint Comprehensive Plan of Action to resolve the crisis over the Iranian nuclear program. Nevertheless, it has always been clear that the U.S. administration would be unable to secure Congressional approval for such a move. As a result, the deal with Iran was signed in the form of a political arrangement that did not require ratification in Congress - but neither does that arrangement guarantee a continuity of policy after the arrival of new governments in the participating states. The fragility of the JCPoA's foundations became clear after Donald Trump's victory in the U.S. presidential election.

During his campaign, the president-elect described the JCPoA as "the worst deal ever negotiated", and promised to "dismantle the disastrous deal with Iran". Nevertheless, the issue of Iran was marginal in the Trump campaign, and it does not seem that pulling out of the JCPoA is one of his priorities.

Trump dislikes the JCPoA not because of its actual terms but because it was negotiated by the previous Democratic administration. Also, let us not forget that Donald Trump is the

kind of person who once said he would talk Kim Jong-un out of possessing nuclear weapons if they had a face-to-face meeting, so he may be expected to try to bargain for better terms with Tehran instead of just tearing up the existing deal and walking away.

The implementation of Donald Trump's uncertain policy on Iran will be up to his team, where there is no unity of opinion, either.

Trump's national security advisor Michael Flynn criticized the JCPOA during Congressional hearings, but his priority is defeating the *Islamic State* and other terrorist groups. Trump's pick for defense secretary, James Mattis, named "Iran, Iran, and Iran" as the three most serious threats facing the United States when he was head of the Central Command in charge of military operations in the Middle East. Nevertheless, Mattis later spoke in favor of implementing the deal reached with Tehran. Finally, *ExxonMobil* CEO Rex Tillerson, Trump's pick for secretary of state, has previously spoken about Iran only in economic terms, and he did not rule out doing business in that country.

It is hard to say to what extent Trump will actually listen to his cabinet members when taking key foreign-policy decisions. It is safe to say, however, that the new U.S. administration will not have the kind of working relationship with Tehran that the previous administration managed to build while negotiating the JCPOA, and that allowed the Obama team to keep the remaining differences from sinking the entire deal.

Previous experience of dealing with Iran indicates that despite its tough rhetoric and anger among the conservative establishment, Tehran wants to keep the JCPOA afloat, and will not openly use the nuclear issue as a bargaining chip to counter America's moves elsewhere. At the same time, it is hard to imagine Iran accepting a revision of the agreement and a further tightening of the restrictions it stipulates. The Supreme Leader already believes that Iran has conceded too much to the United States, and President Rouhani has re-election in May 2017 to worry about, so they are not prepared to make any further concessions. It is hard to predict Iran's reaction if America were to pull out of the JCPOA. Nevertheless, judging from some hints dropped by the Iranians, such a move by Washington might not necessarily spell the end of the entire deal. The lifting of the sanctions imposed by the UN Security Council and by the European Union might prove enough to persuade Iran to stick to its side of the bargain.

In this situation, Russia, which has a clear interest in keeping the JCPOA from falling apart, could potentially play a special role.

- The lifting of the sanctions on Iran has revitalized Russian-Iranian trade (which fell to less than half of its previous levels at the peak of the sanctions in 2011-2015). It has also opened up opportunities for arms trade between the two countries, and new plans for cooperation in the energy sector were announced in December 2016 during a sitting of a bilateral commission.

Strange as it may seem, of all the members of the P5+1 Group, Russia may be in the best position to influence President Trump's decisions. The incoming U.S. administration wants to normalize relations with Moscow and to work with it on Syria and international terrorism. This may give Moscow bargaining power to persuade Washington not to pull out of the JCPOA. Another factor is the important role Tehran will play in any future Syrian settlement and in the fight against terrorist groups in the Middle East. In this dialogue, the Kremlin may also be able to secure the support of the EU and China (both want the deal with Iran to survive), thereby boosting Russia's international standing.

Even if the new U.S. administration decides to pull out of the deal with Iran and re-impose its unilateral sanctions on Tehran, Russia, the EU, China, and Iran's other trading partners may choose to continue to fulfill the JCPOA in order to protect the interests of their companies working with Iran.

Oleg Demidov on future U.S. cybersecurity policy

CONTINUITY AND HAWKS: SHOULD RUSSIA BE WORRIED?

There is no sign of any coherent long-term cyber strategy in Donald Trump's campaign statements and documents - but individual elements of that strategy can be found on his campaign website. They include:

- Setting up a Cyber Review Team and conducting a comprehensive assessment of the systems and measures that protect U.S. assets in cyberspace (including critical IT infrastructure);
- The Cyber Review Team will include representatives of the military, the law-enforcement and security agencies, and the private sector;
- It will be tasked with drawing up detailed cyber-incident response protocols, organizing training programs and exercises to raise awareness of the various cyberthreats, and developing/updating specific recommendations for various organizations and agencies on individual cyber threats.

Additionally, there is a proposal to ask the Department of Justice to set up Joint Teams for coordination of response to cyberattacks by law-enforcement and security agencies at various levels; the chairman of the Joint Chiefs of Staff and the secretary of defense are asked to develop recommendations for improving the effectiveness of the U.S. Cyber Command, including both reactive and pro-active (offensive) measures.

Essentially, the new president has yet to develop his cybersecurity strategy; throughout 2017 he will have to rely on the key programs and initiatives launched by the Obama administration.

Some of these existing initiatives are already helping to implement the objectives highlighted by the Trump campaign. These include Presidential Directive No 21 (*National Infrastructure Protection Plan 2013: Partnering for Critical Infrastructure Security and Resilience*); Executive Order 13636 (*Improving Critical Infrastructure Cybersecurity*); a 2015 *Executive Order on Promoting Private Sector Cybersecurity Information Sharing*; and a 2016 *Executive Order on the Commission on Enhancing National Cybersecurity*.

It would make sense for the Trump administration to integrate its own proposals into the already existing body of documents and mechanisms instead of trying to change them in any radical way or ordering their complete reversal. The latter would be unrealistic as it would cause stiff resistance from the private sector and the professional community of regulators.

Another ambitious initiative that will probably survive the change of administration unscathed is the Framework for Improving National Infrastructure Cybersecurity (NIST Cybersecurity Framework) launched by the National Institute of Standards and Technology (NIST) in 2014. The program is the first attempt to systematize and describe in specific detail the basic elements of providing cybersecurity (identification, protection, definition, incident response, and incident recovery), and to establish their relationship with the national and international standards. Development of the second edition

of the Cybersecurity Framework began in 2015, so it will be part of the Trump administration's agenda at least during his first term.

At the same time, the new U.S. president will have greater freedom of maneuver with regard to the U.S. Cyber Command. On December 8, the Senate approved a bill that makes the Cyber Command an independent command, no longer subordinated to the Strategic Command. This new status gives the Cyber Command the freedom to plan and implement its own independent operations, choose and deploy various means and instruments of achieving military objectives, and manage its own budget. If the bill is enacted - which now seems very likely - the president will have a say in how that new capability is used.

- Judging from Donald Trump's campaign statements, we can expect a new emphasis on proactive cyber-operations, and renewed efforts to develop software to infect the enemy's networks for cyber-espionage, cyber-sabotage, and other purposes. Such instruments may be used for active and pre-emptive steps against various state actors seen by the Trump administration and by the U.S. military as potential adversaries (North Korea, China, Iran). Time will be the main limiting factor here because the instruments and software for targeted operations against protected facilities cannot be created overnight. It took, for example, 4-5 years to develop software for the *Olympic Games* cyber operation (the *Stuxnet*, *DuQu*, *Flame*, and other malicious software). On the other hand, the Cyber Command and the U.S. secret services already have a large arsenal of instruments developed over the past few years.

On the whole, we can expect a more hawkish U.S. policy in 2017 in terms of military operations in cyberspace.

Finally, Donald Trump will inherit from the outgoing president another important instrument against state-sponsored cyberattacks on U.S. critical infrastructure, America's defense capability, and the U.S. economy. That instrument is the April 1, 2015 *Executive Order Blocking the Property of Certain Persons Engaging in Significant Malicious Cyber-Enabled Activities*. It enables the U.S. authorities to impose sanctions (including asset freezes) on companies and individuals involved in cyberattacks that target U.S. critical infrastructure, important networks, and sensitive systems. Sanctions may also be imposed on companies and individuals that use cyberattacks to steal money, trade secrets, personal data, or financial information from U.S. companies and organizations; the same applies to companies and individuals who knowingly use assets stolen in a cyberattack by a third party.

The latter clause is especially important because it is a potential deterrent against systematic cyberattacks and theft of U.S. companies' intellectual property that are often attributed to China. The decree was signed specifically with China in mind, but the instruments it offers have yet to be used in practice. In September 2015 Washington and Beijing managed to reach an agreement on joint efforts to counter state-sponsored cyberattacks and cyber-espionage, whereupon Chinese government hackers became less active for a while. But in view of Donald Trump's *hawkish* stance on China as an economic rival of the United States and a potential threat to U.S. interests in cyberspace, the decree may once again become a useful foreign-policy weapon. It may also be used against Russian companies and individuals, even though Trump has so far refused to believe in Russia's complicity in the recent serious of cyberattacks.

This edition of *Russia Confidential* was authored by PIR Center experts:

Lt.Gen.(rtd) Evgeny Buzhinsky, Chairman of the PIR Center Council, head of the MoD's International Agreements Department and deputy head of the Main Department for International Military Cooperation in 2002-2009

Vadim Kozyulin - senior researcher at PIR Center;

Andrey Baklitskiy - Director of the PIR Center program "Russia and Nuclear Nonproliferation";
and Oleg Demidov - PIR Center Consultant

Editor: Julia Fetisova

(c) Trialogue Club International: trialogue@pircenter.org;

(c) Centre russe d'etudes politiques: crep@pircenter.org

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In 2017 Club members will continue to receive exclusive analytics on Russian foreign policy priorities and key challenges and threats to international security. We have scheduled **5 meetings of *Dialogue Club International*** in 2017, including 4 in Moscow and 1 abroad. Club Members will receive a series of articles from the Security Index journal in electronic form, **12 issues** of the Russia Confidential analytical bulletin (in Russian or English), as well as other information and analytical bulletins.

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Period	Individual	Corporate
01.01.17 – 31.12.17 (1 year)	45 000 roubles	72 000 roubles
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Sincerely,

**Chairman,
Dialogue Club
International**

Dmitry Polikanov