070115 Air Force Association, Reserve Officers Association and National Defense Industrial Association Capitol Hill Forum with Steven Pifer, Senior Fellow at the Brookings Institution; and Rebeccah Heinrichs, Adjunct Fellow at the Hudson Institute, on "Dealing with - and Dissuading - Russia? Missile Defense and Arms Control in NATO and Eastern Europe." (For additional information on NDIA/AFA/ROA seminars contact Peter Huessy at phuessy@afa.org).

[Note: This is an official, edited transcript provided by National Security Reports]

MR. PETER HUESSY: Good morning and welcome to the next in our breakfast series with Steve Pifer and Rebeccah Heinrichs. Someone asked me how the series started and why I often don't have two people speak and debate. Part of it is because the media back in the '80s when we started this wasn't covering these events.

To prove a point, Senator Mathias and Senator Nunn sent out simultaneous press releases. One was on the proposal to implement build-down, which was we would modernize while reducing our nuclear weapons, saying that they were going to support the president and his proposals. At the same time, they issued a report on the steps of the Capitol that they were going to show dancing lobsters. Now I'm absolutely serious, Senator Matheis' press secretary said, we were going to make it so absurd because the TV cameras and the media will show up on the Capitol steps for the live lobsters.

And yes, we got more people to come to that press conference than the real one. There was nothing on the Capitol steps. They showed up and said, where is everybody. We only had two people show up for the press conference on arms control.

So this series was born to try to remedy some of this, and today we're lucky to have Voice of America here taping these remarks. The hope is instead of having a debate like you see sometimes on TV where people throw grenades at each other, we'd have a discussion. And Steve Pifer and Rebeccah are both excellent for that because while they may differ in some respects, I think you'll learn something from their remarks.

Steve, as you know, is a Senior Fellow at the Brookings Institution, the Center on the United States and Europe. He's also Director of the Arms Control and Nonproliferation Institute and also a Senior Fellow at the Center for 21st Century Security. As you know, he's particularly relevant as former Ambassador to Ukraine, as well as having served in the embassy in Moscow during the 1980s.

Rebeccah Heinrichs is a colleague of mine. She's an adjunct Fellow at Hudson. She's a Fellow at the Marshall Institute, formerly with Heritage and also formerly with Congressman Trent Franks, and instrumental in putting together the Missile Defense Caucus in the United States House. She also is a consultant to the Missile Defense Information Group, where I work with her.

I particularly would recommend a piece by Keith Payne that was in the National

Review online yesterday, June 30th. The title of it was "Putin Wields the Nuclear Threat," and I highly recommend it, if you take a look at it. Also, on the Integrated Air and Missile Defense Group, with is a part of NDIA, there is a PowerPoint slide show, which I delivered at Johns Hopkins University last week called the "Three Arrows of Allah: Oil, Nukes and Missiles and Iranian Geostrategic Policy."

For those of you who are interested, after the Fourth of July recess we have Congressman Rogers on the 8th. We have our next Space event on July 10th. Tom Karako, who is with us today from CSIS, will be speaking with Jim Acton on July 14th.

Then on July 16th we have Tom D'Agostino, and he will be talking about maintaining industry's technological edge in innovation and how that relates to strategic nuclear modernization and the insights he has as former Administrator of NNSA. That is not going to be here. It's going to be in Rosslyn at the Air Force Headquarters on July 16th. And then we have Uzi Rubin, the next day, on July 17th.

We're going to begin with Steve. Ambassador Pifer is going to talk to us about dealing with and dissuading Russia and ballistic missile defense and arms control issues. Would you give a warm welcome to Ambassador Pifer?

(Applause).

MR. STEVEN PIFER: Peter, thank you very much. Thank you for the opportunity to come and speak to this group again. Let me break my talk down into a couple of piece. One is talking about the Russia strategic problem, and then what I think the United States and Europe should be doing to address that problem, particularly with a focus on Europe.

And I'll just begin with the observation that what you've seen Russia do in Ukraine is a violation of the cardinal rule of European security going back at least four decades to the 1975 Helsinki Final Act, which is that you should not use force to change borders or to take territory. But what we're seeing in Ukraine is not just about a complex history between Russia and Ukraine. A lot of it is about Russian domestic politics, and a big part of it goes beyond Ukraine. It's a challenge by the Russians to the European security order as it has developed since 1991.

You've seen a number of things said by the Russians over the last several years which are of concern. First of all, going back six or seven years, the Kremlin has asserted this right to protect or defend ethnic Russians or Russian speakers wherever they are located and regardless of their citizenship. And that's going to cause concern in places such as the Baltic states, Estonia and Latvia, in each of which about a quarter of its population is ethnic Russian. Some of you may have seen the Daily Show about a year ago when they suggested there's also a potential problem in Brighton Beach. My guess is that's a little bit further down the road.

You also have on the part of Vladimir Putin the construction of a narrative

regarding NATO as a hostile organization that has enlarged not because of a demand from the Central European countries that emerged from the wreckage of the Warsaw Pact, but that enlarged because the United States, Germany and Britain wanted to hem in Russia, wanted to bring military force to Russia's borders. I think that narrative is demonstrably false, but Vladimir Putin, I think, has said it so much he actually believes it, and he has sold it to the Russian people. That's a bit worrisome because in some sense Putin may see his actions as defensive in nature. And it does raise the question, how far is Putin prepared to go in terms of challenging NATO.

Finally, we've seen this even a couple of weeks ago, Putin's relatively loose talk about nuclear weapons, and we are trying to figure out what that means. You can come up with a benign interpretation, which is that Putin just wants to remind the world that Russia has a large nuclear arsenal, because that's really Russia's sole claim now to superpower status. But there are also more worrisome interpretations. Does Putin see nuclear weapons not as instruments of deterrence, but perhaps of coercion?

And then finally looking over the last 18 months, at least for me personally, we have to come to a conclusion that Putin has gone beyond the lines of predicted activities. In January of 2014 with a colleague we wrote a paper at Brookings saying after the Sochi Olympics Putin is going to move to settle scores with Moldova, Georgia, and Ukraine for getting too close to the European Union. But, we saw the means as economic, energy and political. Very few, if any, analysts predicted military force to seize Crimea.

Likewise in eastern Ukraine, last year while you had lots of evidence of Russian support for the separatists, few predicted that you'd see regular units of the Russian army go in as they did last August and again earlier this year. So we see Putin prepared to use force. We've seen him less predictable in the last year and a half than was the case before. And so I think we have to be more humble in terms of our assessment of how far Putin will go.

Those are some of the things that are being said about policies. Just to look briefly at Russian military capabilities, because there's been a very active program particularly since about 2010, to rebuild both Russian nuclear and conventional forces. I'll step back, though with a little bit of context.

A lot of what the Russians are doing is playing catch-up. There was a period from 1991 until about 2005 where the Russian defense budget really did not have a lot of money. That reflected the fact that for most of the 1990s the Russian economy was in freefall.

Since about 2005-2006, as you've seen increased energy prices and greater energy revenues, you've seen the Russians devote more to their defense budget. Their current 10 year program envisages modernizing about 70 percent of the equipment by 2020. I think there's a serious question whether they can achieve that, whether that program is sustainable given the fact that you have an economy which still has significant structural flaws, the soft price of energy and the effect of Western sanctions. And you've already

begun to see some things slip.

But in terms of specific programs, they have put priority on strategic nuclear forces. I actually think we should be fairly relaxed about the strategic nuclear force modernization as long as it stays within the limits of New START. A lot of this is going to basically modernize forces, replace forces, that should have been retired in some cases seven or 10 years ago. If you look at the deployed strategic ballistic missile force, about half of those deployed warheads are on SS-18, SS-19 and SS-25 missiles which either should have been retired a number of years ago or will be retired by 2020.

There was quite a bit of attention about two weeks ago when Vladimir Putin went out and said we're going to build 40 intercontinental ballistic missiles this year. I think the press got overly excited. What he was basically announcing was the 2015 installment on a 10 year modernization program that the Russians announced about four years ago, which was to build 400 strategic missiles over 10 years.

I am more concerned about what the Russians are doing in terms of non-strategic nuclear weapons, where they appear to have a desire to have a panoply of capabilities, and particularly what they're doing with regards to an intermediate-range ground-launched cruise missile. And that fits in against a backdrop where if you go back and look over the last six or seven years, you've had senior Russian leaders, including Putin himself, basically raising questions about the efficacy of the INF Treaty, saying that it only prohibits the United States and Russia from having these missiles, when a number of countries near Russia are acquiring those capabilities.

On conventional, you're seeing a Russian effort -- although I still would argue that NATO has both qualitative and quantitative advantages in conventional forces -- but the Russians are trying to erode that. How much progress they make will depend on one, can they sustain the modernization program? And there already has been slippage in their conventional modernization program.

The other problem which I think the Russians have, and it's self-inflicted, which is they still depend largely on conscripts. So once you get past special forces and airborne, where you have high quality forces, and you look at the regular army, you're still looking at a military where 40 to 50 percent of the enlisted personnel are conscripts with less than one year of service.

Putting this all together, in the NATO context, the scenario NATO should worry about is a possible action, either with hybrid warfare or perhaps even conventional forces, against one of the Baltic states, Estonia or Latvia. I do not think that this is a high probability event, but it's not zero, and NATO would be unwise not to prepare for it. So let me talk about what the United States and NATO ought to be doing in response.

I break the strategy down into three pieces: deter, constrain and engage. Deterrence, primarily the United States and NATO, means building up and maintaining conventional advantages that the alliance has. It's going to mean that the European

countries need to come up with more money. It means that the United States should take a look at its current ongoing drawdown from Europe. Some of those things may make sense, but I would argue that withdrawing 24 Apache attack helicopters from Germany, and redeploying them to Alaska, does not make a lot of sense given that they can help make up for some of the disadvantages in the Baltic region in terms of heavy weapons and forces.

But in terms of conventional, do the things that NATO talked about last year. Develop a rapid reaction capability with the ability to get to places very, very quickly. Bolster the conventional force presence in Central Europe and the Baltic region.

I would argue here that what the United States has done with so-called persistent deployments in each of the Baltic states and Poland is a very positive step. I think persistence is the new definition for permanent. It would be, I think, better if each of those American units is matched by Europeans, both in terms of a deterrence signal and an assurance signal.

And then also, pre-positioning equipment that was announced last week is a sensible step. Depending on what the Russians do, it may make sense to pre-position more American equipment in Europe. M-1 tanks and Bradley fighting vehicles that are in depots in Poland and in Germany are going to have more of a deterrent effect than those sitting out at the Sierra Army depot in California.

I think NATO needs to think through how it deals with a hybrid conflict. And the focus here needs to be on, how does NATO respond to one of these scenarios in a robust and rapid manner? That may require some pre-delegation of authority to SACEUR.

In terms of missile defense capabilities, at this point I would leave the European Phased Adaptive Approach pretty much as is. The focus of that system is not on Russia. But depending on what the Russians do, for example with Iskander, if you see Iskanders deployed to Crimea, as the Russians have said they will, and a permanent deployment in Kaliningrad, it may make sense for the United States and NATO to look at capabilities to deal with that, for example the Patriot 3 capability. I also think it makes sense for NATO to take a harder look now at defenses against cruise missiles, as a response if in fact the Russians propose to go forward with the INF cruise missile. And that would then have the advantage of dealing not only with the ground-launched cruise missile, but capabilities against sea-launched and air-launched cruise missiles.

On nuclear posture, at this point I don't see a need for change. I think NATO missed an opportunity three years ago to reduce by about 50 percent the American nuclear stockpile in Europe and still have a credible deterrent and assurance force. But that was then, this is now, and now is not the time to be reducing the American nuclear presence in Europe.

By the same token, I think the plans that are underway with the deployment of the F-35 coming up and the B-61 modernization, are going to suffice for the NATO nuclear

posture. Any additional steps would actually be difficult within NATO. The one idea that has been floated outside of government, and has been hinted at in Congress that I think would not be wise to pursue, is the idea of taking American dual-capable aircraft and B-61 bombs and deploying them to a place like Poland or the Baltic states.

That would be unwise on three counts. First of all, militarily it would make those systems much more vulnerable to Russian pre-emption in a crisis. Second, it would be provocative. I don't think NATO has to worry a lot about being provocative vis-à-vis Russia, but this would be really provocative, on par with 1962 when the Soviets put nuclear weapons into Cuba.

And third, it would be the kind of thing that would actually cause a rift within NATO. So a policy that makes your weapons more vulnerable, really gets to the Russians, and causes differences within NATO, does not strike me as a policy that's smart to do at this point. Again, I would maintain the NATO focus at this point in time on maintaining NATO conventional edges versus the Russians.

The second part is constrain, and this is more between the United States and the European Union. The focus here should be to bolster what I would call the in-between states, states between NATO and the European Union and Russia: Ukraine, Moldova and Georgia. We want to help those countries and their economies become more resilient so that they're less susceptible to mischief-making by the Russians.

This means things like financial assistance. I don't think there really is yet a serious conversation in this town or in the European Union on the potential financial needs to keep Ukraine from failing economically. That conversation is going to have to happen and the earlier it happens the cheaper that's going to be.

Second, there should be greater military assistance for Ukraine. I would disagree with the administration's policy here. It should include lethal weapons, particularly things like light anti-armor weapons.

And then another part of the constrain policy would be to maintain the sanctions on Russia until there is a significant change in Russian policy towards Ukraine, and absent that change, to consider in fact increasing the sanctions. The sanctions so far have had a significant impact on the Russian economy. They have not yet achieved their political purpose, but the sanctions will have an economic impact that in fact grows over time.

The third part of the strategy would be engage, and that is leaving the door open to conversations with the Russians when Russia changes its policy. There are going to be some areas of common interest between the United States and Russia that the sides will pursue simply because they converge: Iran and counterterrorism. Both countries have an interest in the New START Treaty.

We know how to compartmentalize. When I served at the embassy in Moscow

back in the 1980s, we did the INF Treaty. We made lots of progress on START I. There was progress on human rights.

We even began to come to some understandings with regards to what the Soviets were doing in places like Latin America. But at the same time, the United States was also pumping Stinger missiles and lots of other assistance in Afghanistan to kill Soviet soldiers. We and the Russians know how to compartmentalize.

A second reason to keep a conversation open is that at the end of the day with regards to Ukraine, peace and normalcy in Ukraine will not be possible if the Russians don't want it. And that's just a fact because the Russians have too many levers: military, economic, energy, subversion, to make life difficult in the Ukraine. The problem that Ukraine faces, unfortunately, is thus far you have not seen a readiness on the part of the Russians to accept any kind of settlement in Ukraine that would be considered remotely reasonable.

A third area, I would leave the door open to arms control. I think that the United States still has an interest in pursuing reductions of strategic forces and getting into limitations on non-strategic and non-deployed weapons, although I have to say at this point in time it's very unlikely there's going to be much on the bilateral track in that regard in the next several years. As part of this, there also needs to be a push to bring the Russians back into compliance with the INF Treaty. It makes sense for the United States to continue to abide by that treaty for now, while looking at various response options that make sense.

I thought it was very interesting about a month ago when there was an Associated Press story that suggested that one of the options might be deployment of a new land-based missile in Europe. My guess is that at the end of the day that's hard for cost reasons, and it would be hard to find a European country that would be prepared to accept that. That may not be the right option to go, but it was interesting to see in Moscow the reaction from the foreign minister, from the Kremlin spokesman, the fact that the United States might actually consider a Pershing III reminded them just about how much they thought about the Pershing II back in the 1980s. And that's not a bad thing to have the defense ministry worry about in Russia.

And then finally there is actually one channel where it would make sense for a NATO-Russia conversation, which is to look at things like the Incident At-Sea Agreement and the Military Activities Agreement between the United States and the Soviet Union, and see if it would be possible to multilateralism those. For the foreseeable future you're going to have many more instances of NATO military and Russian military warships and aircraft operating in close proximity, and it would be of use to both sides to have an agreed set of rules so you don't have accidents or miscalculation.

Finally, at some point in an engagement you're going to want to get back to a discussion with the Russians about what is your understanding of the European security

order? That's going to be a difficult conversation to have because the Russians have diminished so much trust with their actions of the last 18 months. But I think in each of these areas: Ukraine, arms control, the broader European security questions, you're not going to get a lot of progress on engagement unless and until there's a change in policy in Moscow. And my last observation would be that to the extent that the United States and Europe get it right in terms of the deterrence and the constraint pieces, that engagement conversation frankly will be far more productive.

Thank you very much.

(Applause).

MS. REBECCAH HEINRICHS: Good morning. I've been reading quite a bit from some pieces that Steve has written, and I was worried if we did this event that there would be not much on which we would disagree. But I'm happy to report --

(Laughter).

Secretary Carter just wrapped up a tour in Europe where he provided some details on what the United States might be doing to bolster support for NATO in light of Russian aggression. He was firm. He was clear on the U.S. commitment to Article V. And he left little room to question just how serious the Pentagon is thinking about and taking Russian threats.

I think in doing so he struck the right tone. What we are seeing in the actions of Russia, I think, is one, that Russia is testing the alliance. What can it get away with? How seriously will the alliance defend itself and member states, and what will it tolerate?

I think the other piece of this that makes this just so serious is we really are seeing Russia test the arms control regime that has been in place since the Cold War. So it's important that we respond appropriately and seriously, and this is the great challenge. How does the U.S. and NATO deter and dissuade Russia? How does the U.S. provide assurance to our allies who are under the nuclear umbrella? And how do we strengthen NATO, all without escalating the situation in Russia? That is the dilemma in which we find ourselves.

So on the matter of deterring and dissuading Russia, I think Secretary Carter announced some of the things we're going to be doing. We're going to increase military aid, 250-some tanks, armored vehicles and other military equipment across the former Soviet bloc nations. During the press conference, I thought it was -- I didn't see it but I read the transcript. I recommend it to you. It's very good, I think, even to see the tone of some of our allies and how they're talking about this and how much they really do appreciate what the United States is contributing. So I do commend that to you.

Latvian State Secretary of Defense Sarts made it quite clear that it was important that the effort isn't too weak. He said, quote, "I believe the posture has to be militarily

significant enough to change that calculus, the calculus of the Russians, to basically neutralize the perceived advantage of space and time." So what is the advantage that he's talking about? It is the overwhelming conventional advantage that NATO enjoys over Russia.

But I think if you look at, and Steve mentioned it, what Russia has been doing on its nuclear force, I want to go over that because I think that's a critical piece to understanding the context in which Russia is behaving. Russia is undergoing a major modernization overhaul. It has been doing this, it's not new, and it includes new nuclear capabilities.

When the United States talks about modernizing our force, we're not talking about new nuclear capabilities, we're just talking about patching up the stuff that we already have. That's not what the Russians understand modernization to be. They are improving their systems. They are developing new capabilities.

And on the point that Steve raised about the 40 new ICBMs, he's right. It is part of the Russian modernization program. What I think is critically important about that piece, though, is that Putin himself made the announcement.

This is what he said, quote, "Over 40 new nuclear intercontinental ballistic missiles capable of penetrating even the most technologically advanced missile defense systems, will join the nuclear forces in the current year," end quote. Why was Putin making this announcement? And why did he find it important to make sure that everybody understood that it could penetrate the most sophisticated missile defenses? And of course he's talking about the United States. I don't think many of us would disagree with that point, but we appreciate the clarification.

The second point is Russia is flying nuclear aircraft near Western countries' airspace without turning on its transponders. This is more than just a slight provocation, I think. NATO's Secretary-General Stoltenberg said, quote, "Last year allied aircraft intercepted Russian planes more than 400 times. Over 150 of these intercepts were conducted by NATO's Baltic Air Policing Mission, that's about four times as many as in 2013, four times as many.

And then Russia using nuclear weapons in its war games. As noted by Secretary Carter, this is something normal that countries do to practice their weapons systems, practice new strikes in the event that they have to do that. But of course we understand that war games are also an effective means of deterrence.

You want to actually show everybody else not only what you're capable of doing but what you're thinking about. That's why you run through these. And Secretary Carter himself said that they're very worrisome.

And there have been Russian media reports, most likely propaganda, about moving nuclear Iskander missiles into Ukraine. It's most likely propaganda, but still it's

important. And then just the overall rhetoric from Putin himself and from other senior Russian officials.

I thought Secretary Carter answered this question really well when he was asked -- he might have been in Germany, I think. One of the members of the press said, "Secretary Carter, what are we to make of Russian nuclear threats? What are we to make of the 40 ICBMs? Is this just saber rattling, essentially?"

And Secretary Carter said, nuclear rhetoric isn't something to be loose with, basically. We have understood since the Cold War that you don't just throw around the word nuclear. That's what we've seen the Russians doing and it is different now than what it was even a few years ago and 10 years ago. That's important.

So in view of all of this -- I think all of that is pretty troubling, but then in addition to that is what we have seen in Russia's escalatory posture. This is something that the think tank world has been talking about. In the 2000 military doctrine Russia came out and said that its escalatory doctrine was to -- it didn't take off the table the use of nuclear pre-emption in a conventional conflict in order to de-escalate the conflict. And then that language was taken out of more recent military doctrines from Russia.

But last week, interestingly, Admiral Winnefeld at the House Armed Services Committee brought this up. He answered the question. He said, quote, "The Russians believe that we have a significant conventional force advantage and therefore they rely more on their nuclear weapons as a deterrent. What we are concerned about is the way they explain their escalatory posture."

And so that is the challenge. As Steve said, we do have an overwhelming advantage in conventional weapons. And so it's hard for me to see how -- though I do agree that we should be doing what we can to assure our allies with conventional forces. We should do everything we can to provide the aid that they need, especially Ukraine. I don't think that there's any disagreement there.

But when you see that the Russians already have basically -- not conceded that point but understand that the advantage is there -- and so they are now relying more on their nuclear deterrent. As you remember, the Russians do have a 10 to 1 advantage over the United States in tactical nuclear weapons. And so while I think that the secretary has taken significant steps to respond appropriately to Russian aggression, there will almost certainly be more required.

It's hard to imagine it being done with this administration. But this is the paradox, as I said, to de-escalate and to prevent a much larger regional -- perhaps nuclear, battlefield nuclear weapons -- conflict, the United States must show it is willing to defend the alliance at all costs. And in addition to making it clear that the United States will respond with any battlefield nuclear attack on a NATO ally with a nuclear weapon, I don't see how we can make this a credible threat without providing a clear willingness to flex the U.S. and NATO nuclear deterrent. I just don't see how we do it. It's clear that

many in the Pentagon are thinking about this, so this is not a radical idea.

This is not something that only a few of us are saying and talking about. In March, Brian McKeon, Principal Deputy Undersecretary of Defense for Policy, told the Senate Foreign Relations Committee the United States could consider deploying a ground-launched cruise missile in Europe. Its deployment would require withdrawing from the INF Treaty, a treaty that Russia is currently in violation of already. And importantly, Rose Gottemoeller, Undersecretary of State for Arms Control and International Security, remains optimistic about persuading Russia to come into compliance with INF, despite Russia's intentions remain in violation.

So there does seem to be -- I perceive this divide between the Department of State Arms Control Bureau and what the United States military is saying, almost across the board, with the Pentagon. I mean, if you look at the posture hearings they're all saying similar things about Russia and some of the things that they would recommend and not put off the table. It's different than what the State Department is saying. Of course, there's no surprise there.

I do think there's a space here for Congress to apply a little pressure to shore up political support for the Pentagon to do what needs to be done. We saw that the House has recognized that this space exists. If there is any theme I picked up going through the NDAA this year coming out of the House side, the House Armed Services Committee, it's Russia, Russia, Russia, Russia, lots of Russia.

Previously, it was mostly Iran. And when it talked about what the United States should be doing with our strategic posture, it was mostly -- it was lots of things about Iran. But it's far more about Russia this year, much less in the Senate.

But beyond what was suggested by Brian McKeon, there are other options, including rotational basing of B-52 bombers in NATO. The United States has already deployed some B-52s in England, and did some exercises there, so this is not something too groundbreaking. This isn't much of a leap on that front.

And then I would disagree with Steve that it's not worth -- I believe that it is worth quietly working with NATO in discussing the deployment of the B-61. I don't think that we should be talking about this openly and aggressively and kind of bullying NATO to do this. Obviously this is for their own security as well.

But certainly you can see a shift in NATO already over the last couple of years in what it is willing to do. I think as we've seen with Russia continuing to increase its provocations, that this isn't something that NATO might see as completely ridiculous over the next coming years. And so I think that that is something worth pursuing quietly with our NATO allies.

And then there's other things too. Another suggestion would be to include our NATO allies in more of our deterrent missions and war game exercises. In 2014 it was

reported that Poland participated in its first NATO strike exercise. It contributed non-nuclear F-16s, possibly for the purpose of providing air support in a potential nuclear mission. That raised some eyebrows, but I think as there are opportunities for NATO to cooperate we should certainly welcome that and take advantage of that opportunity to do so.

And, of course, we should be modernizing our own nuclear enterprise regardless of what is going on in Russia. Thankfully, Rose Gottemoeller did respond unequivocally recently when asked in a Congressional hearing if the United States has finally given up on this idea of pursing unilateral cuts. Even as recently as just a year ago, that was still on the table. Ms. Gottemoeller said no, unequivocally, that given Russia's behavior the United States would not pursue unilateral cuts.

And then the last thing is I do want to talk about the missile defense piece and how it can play a role here. I do think that there is an important role for missile defense to play. Ballistic missile defense cannot be looked at as a separate issue from the overall U.S. strategic posture.

What I mean by that is this, when the United States thinks about ways to respond to Russia it cannot merely think about nuclear and conventional offensive arms and relegating missile defense to that specific and exclusive mission of defending against a possible attack from a rogue state. There is nothing legally binding on the United States that would have the United States only develop missile defenses against rogue states. Current U.S. law states that the United States must at least -- it's a floor -- develop a limited ballistic missile defense against limited threats, whether accidental or unauthorized launches.

That is a floor, not a ceiling, and U.S. policy over the years has been to make sure that we are just looking at that as a ceiling and only doing that, partly out of a fear of upsetting the balance with Russia. But as we've seen, there isn't a strategic balance there and as Russia continues its behavior it doesn't really make sense for the United States to limit itself when we can actually make ourselves more secure.

Admiral Winnefeld recently gave a talk at CSIS in which he said, and I'm paraphrasing this a little bit, that the two basic pillars of deterrence are denying adversary objectives and imposing costs on that adversary for its aggression. And then he said, quote, "Missile Defense is clearly in the realm of the former, denying an adversaries' objectives," end quote. And then interestingly -- it didn't receive -- it received a little bit of a flurry of media attention just among defense journalists, but it was I thought so important. He said that there was a threat to the United States' homeland from Russian cruise missiles. This was Admiral Winnefeld making this point.

So it does raise an important question among many other, but it does demand an answer, I think. If the former NORTHCOM commander is concerned about protecting the U.S. homeland from Russian cruise missiles, arguably more challenging to defend against than ballistic missiles, why does it remain taboo still to this day to talk about the

possibilities for investing in ballistic missile defense to adapt to defend against some of what Russia is threatening with? It doesn't have to go from zero to 100 percent. That's not what I'm suggesting. I'm suggesting actually taking our current systems and stretching them to their technological capabilities in seeing what they can do to provide extra defense.

Brian McKeon was recently asked about our current ballistic missile defense posture in view of what's been going on in the world right now. He said, "The foundation for our current ballistic missile defense policy remains as it was articulated in the 2010 BMDR. For the homeland, it provides a limited defense against ICBMs ahead of North Korea and Iran. And despite significant changes in the international environment since 2010, including the Arab Spring and Russia's illegal actions in Ukraine, the core principles of the BMDR have held up pretty well," end quote. I would suggest that Mr. McKeon has a rosy view of things and that there is room here to change U.S. ballistic missile defense policy to adapt to the current threat.

Just a couple of weeks ago the Deputy Director of MDA, General Todorov, was here giving a talk at this breakfast series and he explained the rising demand on the Missile Defense Agency for procurement dollars. He said that there was an unsustainable strain on the agency to not only continue modernizing and procuring for the services, but then also keeping up with research and development. But R&D is exactly what MDA was designed to do.

We should research and develop as quickly as possible and then kick out mature systems to the services. So the simplest answer -- and it's the simplest answer, it is not a simple answer, just the simplest one -- is that the services are going to have to foot the bill for mature systems that the CoComs are calling for. And that means that Congress has to give them the resources they need. That way, you're not having programs that are already mature fighting for dollars from systems that are critically important to U.S. security, that need to be not only sustained and for their reliability to be increased, but also pushing the envelope to make sure that their capabilities are increasing and that we're not falling behind the threat.

Again, I think it's so important what Steve said that Russia is behaving in a way -- he said that almost nobody predicted. There are some of us who did predict that Russia was becoming more aggressive, and that came up in the presidential debates even a few years ago. But even for those who remain skeptical that Russia would even cross this line, this is a reminder to all of us that we don't have control of other actors. They are their own independent actors with their own national objectives, their own calculations that they're making, their own internal domestic politics that they have to consider. And so they might surprise. And so the United States can't afford to be surprised, especially in this way, and so we should be providing and preparing for that.

At the very least, I would agree with Steve that the United States should move forward with its EPAA as planned, and there are opportunities I think to increase the capabilities even there to adapt to the Russian cruise missile threat. And if there are

opportunities to do that, then the United States should do that as well. And with that, I look forward to continuing the discussion.

(Applause).

MR. HUESSY: Steve and Rebeccah, would you do one thing? Would you repeat the questions you get from the audience so our Voice of America folks will know what the question is?

MR. PIFER: Okay. First, at the risk of reducing our disagreement further, I may not have been clear. I actually think in terms of Europe going forward with the F-35 and the B-61 modernization, That is the plan. My guess is that doesn't seem to be very controversial within Europe now because of Russian actions. It's going to new nuclear capabilities beyond that, and while it's good -- I like the Russians worrying about a return to the Pershing II missile -- Greg Thielmann and I can show you the scars on our back from the early 1980s when we deployed in the Dual-Track decision, and it was really, really hard. My guess is --

MR. : Did it work?

MR. PIFER: It worked, it was really hard, but we almost broke the alliance in doing it. And my guess is that the enthusiasm in Europe for accepting a new American nuclear capability would be very limited.

MR. HUESSY: Questions, ladies and gentlemen?

MS. RACHEL OSWALD: Rachel Oswald with Congressional Quarterly. I have to preface this a little bit first. There have been a couple of really interesting pieces in the media recently comparing the climate today to right before World War I, where you had both sides -- you had Germany and you had Britain and France kind of taking very, very tough stands, so that the other would back down.

And the concern analysts are drawing today is that both NATO and Russia are taking such tough stands that we're back to where we were in the early days of the Cold War where you're approaching a point where you actually have to make good on your threat to use a nuclear weapon or you face a horrific humiliating defeat. And we're returning to a point, which is so very disturbing, like the Cuban Missile Crisis. And we're also doing it when we have kind of broken -- where some of the infrastructure and safety valves that were put in place as a result of the Cuban Missile Crisis, the red phone, are no longer there. Can you guys talk about that and your concerns about it?

MS. HEINRICHS: Yeah, I mean, one of the key elements of an effective deterrent is it has to be credible. So what we are seeing with the Russians, this is why I'm most concerned about low-yield nuclear weapons, which the Russians have a 10-to-1 advantage over the U.S. This is why they were adamant about not including these weapons in the New START Treaty.

If you remember, this is just one of the big problems that opponents of the New START Treaty had. Why would you not include the very thing that the Russians need and want, that would threaten NATO and would threaten the United States, this tactical nuclear weapon? And I think that right now the Russians are giving us exhibit A in why they refused to put tactical nuclear weapons in the New START Treaty or include them, because I think that they are more credible.

So back to your point, at some point all of this talk is nerve racking because somebody is going to have to act on it or otherwise it's just very difficult to take seriously. I think over the last several years Russian nuclear threats haven't been taken very seriously. But again, with Admiral Winnefeld's statement about the escalatory posture and with the advantage of low-yield nuclear weapons, Russia might actually think that a low-yield nuclear weapon detonated to de-escalate a conventional conflict might not get a nuclear response from NATO or the United States.

Understandably, the United States and NATO don't want to employ nuclear weapons. I think what is not credible is the United States keeping our non-strategic weapons close to home. Even threatening, which we're not -- but even exercising them in any way, shape or form is very difficult to imagine the United States would ever -- in fact, I would say it will not happen. The United States will not use a strategic nuclear weapon.

And so it's not a credible threat. That's why I think to put a flexible low-yield kind of threat in Europe, would show that the United States is serious and would respond in kind to the Russians if they were to do that. That would make the deterrent capability a little bit more credible and hopefully would prevent a nuclear exchange.

MR. PIFER: Some of the historical parallels to 1914 can be overdrawn. It seems to me that the steps NATO has announced and the U.S. has announced are prudent steps. No one, for example, is going to put an armored division in Estonia. But I think that there are reasonable steps.

On the nuclear side -- and we'd probably disagree on the question of START and tactical weapons -- but on your question I do think having the F-35 and having B-61s, there is a nuclear capability in Europe. I could conceive, for example, of a B-2 -- and actually in addition to the B-52s which were in Europe two weeks ago, a couple of B-2 went to Europe also, which was an interesting demonstration. And a B-2 might be a way to deliver a weapon in theater.

But it seems to me that the focus for NATO really ought to be on the conventional capabilities because NATO has conventional edges. If you get to a nuclear decision, I want to push that nuclear decision on the Kremlin. It seems to me that if you're the Russians and you get into -- and again, this is very low probability -- but if you get into a scenario where the Russians actually use conventional forces to occupy some territory in Estonia or Latvia, NATO has the capability, it will take some time, to come back and

retake that conventionally.

For the Russians to threaten to use a nuclear weapon, and that's something we need to think about in a serious way, there is a risk. And I think, though, from the Russian calculation the probability of an American nuclear response goes up if you use a nuclear weapon basically to defend territory that you've occupied -- NATO territory that you've occupied. I want to leave that decision on the Russians because that's a pretty hard gamble to make. Again, with U.S. capabilities, there will be the capabilities there to raise that question in the minds of the Russians. Does their nuclear use trigger an escalation that they don't want to proceed down?

MR. HEINRICHS: Just to follow up on that point, our threat of nuclear retaliation has to be credible. And so if all we have are high yield nuclear weapons that we're threatening with, I think that that decreases the credibility. And that's why I'm suggesting that we do want the flexibility of lower yield nuclear deterrence in Europe, to show that.

I do think that the Russians do understand. NATO doesn't even want nuclear weapons really. I mean, they do want them because they believe that they have to have them, that they're necessary, but they're not crazy about them. They don't like modernization, generally speaking. They don't -- they don't like nuclear weapons.

And the Russians don't have qualms about nuclear weapons, to put it lightly. So again, those of us who talk about modernization a lot and a flexible nuclear deterrent get accused of threatening escalation, but it's a paradox. What I would suggest is you have to have a credible deterrent in order to prevent nuclear conflict, and that is what I'm suggesting that we do.

MR. PIFER: Just one last point, with the B-61 you will have a low yield option.

MS. HEINRICHS: Yes.

MR. GREG THIELMANN: Greg Thielmann, Arms Control Association. Admiral Winnefeld was recently asked at a House hearing about his reaction to Russia's nuclear modernization plans and announcements. He expressed a particular concern about the MIRV'ed mobile systems that were being deployed as part of the plan.

I was quite struck by that. That surprised me. I would have thought he was concerned about having stationary MIRV'ed heavy missiles and SS-18 replacements.

So my question is, what should we think about that? In 1990s kind of U.S. strategic thinking that would be good news. Anything that moves away from a MIRV'ed stationary system would be considered stabilizing and not destabilizing. So where are we n reacting to Russia going with MIRV'ed mobile systems?

MR. PIFER: In terms of a more stabilizing force structure the U.S. military has

made a smart move with the decision, for example, to go to a single warhead ICBM force. It makes those ICBM silos much less inviting targets in a crisis. And I'm actually very comfortable with the Russians going to mobility.

Again, we talk about mobility in terms of our submarine force and survivability. In the same way that I want the U.S. to have survivable nuclear forces in a crisis, I also think it's good to have the Russians have survivable forces because I don't want the Russians to be in a use or lose situation in a crisis where they might do something crazed that we would not want them to do because they fear that their options are limited. So I don't see -- I mean, you want to have a regime, I think for arms control purposes, that you can still count those weapons. And there are some challenges when you're talking about mobile systems as opposed to fixed systems. But I don't think, as a reason of principle with regards to stability, that we should be concerned or opposed to the Russians moving to mobile ICBMs.

MS. HEINRICHS: I disagree. I might come from a different school of thinking on deterrence, but mobile systems make it – it might be great for the Russians because they're mobile and flexible and they can move them. It's harder for the United States to know what they're doing because they can quickly roll them out. And then whenever you MIRV them, you've got multiple warheads to deal with. That makes it incredibly difficult for the United States to know how to respond to that.

I would hope, I wish, that the Russians would follow the U.S. example on this and go with non-MIRV'ed missiles, but they haven't. They won't. It's not in their interest to do so. It's an interesting point too, because if you remember under the START Treaty the limits are 700 deployed strategic delivery vehicles. There's not a limit on the warheads on the delivery vehicles.

So as the Russians continue to MIRV, they are putting more warheads on -- they could put more warheads on deployed strategic delivery vehicles. This was a big loophole that many of us opposed to the New START Treaty. The Russians are not stupid. They're very, very smart and they're taking advantage of that loophole, as I think we're seeing with the MIRVing.

So yeah, it is interesting. Admiral Winnefeld is the NORTHCOM commander. You really have to understand that whenever he's talking about being nervous about mobile MIRV'ed missile systems it a troubling thing.

MR. : If you read a lot Putin's speeches, he has a lot of obsessions. One of them that he brings up quite a bit, in addition to BMD in Europe, is conventional prompt global strike. He'll throw that in speeches that have really nothing to do with the topic. What do you think that suggests about Putin's thinking and what does that suggest about our pursuing that program? Also, is there a dissonance between what he thinks we're doing and what we're actually doing with our fairly modest funding?

MR. PIFER: There are probably two pieces to that. The question was about

Russian concerns about prompt global strike with conventional systems. I think part of the Russian concern is that it is an area where even with significant resources they have a hard time seeing themselves catch up to the United States. That gap, if it's narrowing, is narrowing only very slowly. They can build tanks and they can build armored personnel carriers to erode NATO's edge in that area, but in terms of that qualitative edge, that's going to be a much tougher challenge for the Russians to meet. So they worry about that as an American military capability.

There's also some in Moscow -- and I think this is an overstated concern, but the Russians can get themselves spun up -- as the Russians begin to worry, does prompt global strike give the Americans capabilities to hit key Russian targets with conventional weapons that previously would have required a nuclear weapon. And therefore, does that somehow create a scenario where the United States might be tempted to use conventional weapons in a way hoping to avoid a Russia nuclear response? I think that concern is overstated, but it's something that you do hear from Russians.

MS. HEINRICHS: I would just say the United States has clearly moved away with deliberately -- especially under this administration -- has moved away from trying to focus on and lean on nuclear deterrence in our deterrence strategy. We're supposed to be leaning more on conventional weapons. So I find it very troubling if the United States is then also going to be intimidated by Russian opposition to not move forward with our conventional weapons.

I disagree that we should be moving away from the importance and the kind of backbone of our deterrent, our strategic systems. But we certainly have to be improving and developing our conventional weapons. If we can use those, we would of course prefer to use those rather than nuclear weapons. So it is very, very troubling to me if the United States would be persuaded by Russian opposition not to do that.

MR. TOM KARAKO: Steve, very good remarks. I really enjoyed it. One thing that you emphasized, which is consistent with the administration, is that even with a deal with Iran on nuclear issues the U.S. should continue forward with EPAA. You said that.

I wonder if you could walk us through that. It has taken a number of years. There's still a number of years to go on that. Why does it make sense to continue with EPAA even if there's a nuclear deal with Iran?

MR. PIFER: If you have a nuclear deal with Iran that may change part of the EPAA calculation. If you had a nuclear deal with Iran accompanied by the Iranians basically saying they will limit their further development of ballistic missiles, then you have to take a look at does the next phase of the EPAA make sense. If you look at it and say the main driver right now for EPAA is the Iranian concern, if they self-limit, maybe Phases I and II suffice.

Having said that, I think in part because of the way the administration -- which I believe made the right decision in September of 2009 to reconfigure ballistic missile

defense -- they handled the rollout terribly. And in the case of Poland, Phase III, if we are ever to get a situation -- it's still an if question because I'm not sure how far we're going to go with Iran on the nuclear question and on their ballistic missile question. If you were ever to the point where you say, does Phase III make sense in Poland, and you decide that maybe you don't need it, the United States would be almost obligated to have something to come in to replace it.

The Poles, quite frankly, I don't think there's a lot of people in Warsaw who spend a lot of time worrying about an Iranian missile strike. I don't think they care whether it's SM-3 or Patriot or whatever. They want to have American boots on the ground.

And so if you ever got to a point where you said maybe Phase III isn't necessary, I would say maybe then you put in a Patriot battery manned by Americans. That would have assurance value, for the Poles. The ironic thing here is you would take away an SM-3 which at this point has no capability vis-à-vis Russia because the Russians don't have anything in the medium-range, intermediate-range ballistic category, and you would replace it with an air defense capability that in fact would have capabilities against the Russians. But I do think that there has to be some military presence that would come in if you found a reason that you decided that Phase III was not worth going forward with.

MS. HEINRICHS: Can I follow up on that just for a second? The only thing that I'd say about that is the Iranians have made it quite clear that they're not going to be limiting their ballistic missile systems. They completely took that off the table for the nuclear negotiations. There are no indications that the Iranians -- nor is there any Iranian interest to slow down their ballistic missile program. So I don't see that happening.

And even if they did -- which I think is just impossible to even imagine at this point, but even if they did -- talk about the credibility question, this would be the third time that the United States would be breaking its commitment to deploy missile defenses in Europe. The first, of course, was in 2009 when we pulled back on the plans for the fixed two stage GBIs in Poland. Then we dialed back the fourth phase of the EPAA, and then this would be the third time.

To quote the administration, we have an ironclad commitment to our European allies on this. They have said that so much I can tell that they're not trying to convince us, they're trying to convince our European allies. So that would be a huge shot to American credibility, I think, in Europe. I do agree with the point that they're probably most concerned about having boots on the ground. But they've invested a lot of time and toil on EPAA and so I think it's critically important for a number of reasons that the United States follow through on its commitment.

MR. PIFER: I'd just add, if the Iranian threat went away I'm not sure I'd want to spend a lot of money putting a capability into Poland to defend against a non-existent threat, as opposed to against a real threat. So we'd have to think about that from what makes sense in terms of limited defense dollars.

MR. BRIAN BRADLEY: I'm Brian Bradley with Nuclear Security and Deterrence Monitor. You both alluded to the fact that Russia is about to -- well, I don't think you said Russia is about to complete, but correct me if I'm wrong -- I think Russia is about to complete its ongoing modernization of all its nuclear forces. You both alluded to the fact that it's ongoing and has been planned for years.

My question is, as Russia is kind of closing in on completing its modernization and the U.S. is just about to begin its modernization efforts, how do you think or could that affect strategic stability in the interim, you know, kind of the 10 to 15 years when Russia has completed its modernization and the U.S. finishes its modernization? Or, do you kind of see it as a non-factor for strategic stability, that disparity between modern nuclear forces and legacy nuclear forces?

MR. PIFER: I may be less concerned about it than Rebeccah is. One of the issues that you have here is that the U.S. and Russia are just on different cycles when it comes to our strategic forces. So over the course of the next five or six years, by 2020-2021 the Russians will have built the eight new ballistic missile submarines. They'll have the Bulova SSBN deployed. They'll have new ICBMs out there.

And 10 years from now, in 2025 we're going to be building new ballistic missile submarines, probably a new ICBM, and a new bomber. So it will just be a different cycle. Again, as long as you have the numerical limits in place, I don't think the United States should get overly concerned about the fact that the Russians are doing modernization on the strategic side now, when our plans really kick into high gear in the 2020s.

The second point I would make is that a lot of what the Russians are doing now probably the Russian military would have really wanted to have done 10 or 11 years ago. They simply didn't have the resources at that point in time, so a lot of this is catch up. The third point is that even when the Russians are going forward with their modernization program, I've yet to hear a senior American military officer say I'd be prepared to trade American strategic forces for Russian strategic forces.

MS. HEINRICHS: The last point is incredibly important. I'd agree with that. What I'm concerned about -- I mean, I'm taking my cues from Admiral Winnefeld, for example. It's not that -- how do I want to say this? It's not just the current capabilities, for instance in looking at the disparity between the U.S. and Russia because the U.S. does still have an advantage in capabilities, but it's the way they even view modernization.

The United States has precluded itself from developing new nuclear weapons. We don't do that, and we don't test. So we've limited ourselves in what we are even willing to do to make sure that we have an appropriate and flexible and reliable nuclear deterrent. The Russians don't have that limitation on themselves.

So I think that there's a danger in just looking at what we have now compared to

what they have now. They have enabled themselves to change and to adapt and to respond to what they view as necessary for their security. That's concerning to me in view of the fact that the United States does not have that for ourselves.

MR. HUESSY: Steve and Rebeccah, thank you so very much.

(Applause).

Everybody have a wonderful Fourth of July. Congressman Rogers will regale you with remarks on July8th. Thank you all very much, Steve, and thank you very much, Rebeccah.