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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

January 22, 2020

VIA ELECTRONIC TRANSMISSION

Mr. James Baker

Director

Office of Net Assessment

Department of Defense

Dear Mr. Baker:

On July 12, 2019, I wrote to Secretary Esper and requested “all records related to Professor [Stefan] Halper’s contracts with DoD” no later than July 25, 2019.¹ On July 25, 2019, your office provided a one page response that failed to provide any of the requested documents. On August 9, 2019, after I raised your failure to comply with a congressional request with Secretary Esper, your office provided documents to my office that purported to respond in full to my initial request for “all records.” However, upon review, this production of documents still did not include all records requested. For example, you failed to provide all Halper-related documents that you delivered to the Department of Defense Office of Inspector General (DoD IG) for their review. On November 14, 2019, after several months of back and forth with your office, I received an additional production of documents, pursuant to my original request. The delay was unacceptable and I urge you to provide a timely response to this letter.

In my July 12, 2019, letter to Secretary Esper, I noted how the DoD IG’s review exposed significant flaws in ONA’s contract management and oversight processes that clearly indicate weak or non-existent internal controls.² The November 14, 2019, ONA production sheds additional light on those findings.

In one contract, awarded in May 2012, pre-award evaluators identified several weaknesses in Professor Halper’s proposal, noted concerns that Professor Halper planned to contract out some of the work, and questioned the importance of the proposed research paper.³ For example, one review stated that “[t]here is actually not much substance to the proposal...” and another said “[w]e’ll want to advise the author to do a better job on this project.”⁴ Additionally, the award decision memorandum noted concerns about Professor Halper’s full-

¹ Letter from Sen. Charles E. Grassley, Chairman, S. Comm. on Finance, to Mark Esper, Sec’y of Def., dated July 12, 2019.

² *Id.*

³ See Exhibit A.

⁴ *Id.* at 9, 12.

time work at Cambridge University and his ability to adequately perform the work required of the contract.⁵ It is unclear if these problems were mitigated.

In another contract, awarded in September 2015, Professor Halper lists former Deputy Foreign Minister for Russia, Vyacheslav Trubnikov, as a consultant and advisor to a paper delivered to ONA.⁶ Trubnikov is a known Russian intelligence officer, who was listed by Christopher Steele as a source in the now-debunked Steele dossier, which was used as a predicate to obtain a Foreign Intelligence Surveillance Act (FISA) warrant to surveil Trump Campaign adviser Carter Page.⁷ It is unclear from the contracting officer file whether Professor Halper paid Trubnikov for his assistance in gathering information for this paper, or in what capacity Professor Halper interacted with Trubnikov during the course of performing work for this contract. Further, reports indicate that Halper offered George Papadopoulos \$3,000 for assistance in completing an energy study and met Carter Page at a Cambridge conference.⁸ Given Professor Halper's intelligence connections and government funding, it is reasonable to ask whether he used any taxpayer money in his attempt to recruit Trump campaign officials as sources.

Halper's file for a contract, awarded in September 2016, also contains unusual references to unknown third parties paying for portions of his travel and hotel expenses for a trip to Japan where he conducted several interviews with Japanese officials for a government project relating to the relationship between China and India.⁹ This begs the question as to who exactly paid for the travel and hotel expenses and why? These information gaps are not a new phenomenon in Halper's contracts. In Halper's India-China study, he stated he would interview former high-level U.S. and foreign government officials. According to the DoD IG, of the 348 footnotes attributed to source material, none of them cited interviews. Further, ONA was unable to provide DoD IG with any evidence that these high-level officials contributed to the study at all. These and multiple additional deficiencies resulted in DoD IG finding that ONA "could not provide sufficient documentation that Professor Halper conducted all of his work in accordance with applicable laws and regulations."¹⁰

Another document obtained by the Committee, titled "On the Nature of Americans as a Warlike People: Workshop Report," was authored by the Long Term Strategy Group (LTSG) and appears to be, at the very least, of questionable importance to ONA's overall mission.¹¹ The

⁵ See Exhibit B, at 2-3.

⁶ See Exhibit C.

⁷ See Andrew C. McCarthy, *Steele's Shoddy Dossier*, NATIONAL REVIEW, at <https://www.nationalreview.com/magazine/2019/06/24/steeles-shoddy-dossier/>.

⁸ Tom Hamburger, et. al., *Cambridge University perch gave FBI source access to top intelligence figures – and a cover as he reached out to Trump associates*, Washington Post (June 5, 2018), https://www.washingtonpost.com/politics/cambridge-university-perch-gave-fbi-source-access-to-top-intelligence-figures--and-a-cover-as-he-reached-out-to-trump-associates/2018/06/05/c6764dc2-641e-11e8-99d2-0d678ec08c2f_story.html.

⁹ See Exhibit D.

¹⁰ Defense Department Inspector General Memorandum to Senator Grassley (July 2, 2019), <https://www.grassley.senate.gov/news/news-releases/grassley-continues-press-dod-over-mismanagement-stefan-halper-contracts>

¹¹ See Dept. of Def. Directive 5111.11, dated December 23, 2009, available at <https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodd/511111p.pdf>; ON THE NATURE OF AMERICANS AS A WARLIKE PEOPLE: WORKSHOP REPORT, Long Term Strategy Group, dated April 2009, <https://www.esd.whs.mil/Portals/54/Documents/FOID/Reading%20Room/Other/Litigation%20Release%20-%20On%20the%20Nature%20of%20Americans%20as%20a%20Warlike%20People%20Workshop%20Report%20%20200904.pdf>.

workshop paper highlights the “level of American belligerency . . . [which is] the result of the persistence of Scotch-Irish culture in America, with its emphasis on violent responses to challenge[.]”¹² It further states that “[t]he role of Scotch-Irish culture must also be understood as having been reinforced by slaveholding, and American Protestant religious beliefs,” and that the Scotch-Irish culture was “shaped by endemic warfare that placed high value on violent and immediate personal responses to challenges and high loyalty to clan and kin.”¹³ The paper continues by stating that the Scotch-Irish culture placed value “on violent immediate responses to challenges [which] shaped [their] views, and thus of the United States as a whole, toward war.”¹⁴ ONA has also funded a paper titled, “A Technical Report on the Nature of Movement Patterning, the Brain and Decision-Making,” which focuses largely on Vladimir Putin’s neurological development and potential Asperger’s diagnosis.¹⁵ The fact that taxpayer money was used to support these projects calls into question ONA’s ability to be a proper steward of the people’s money and whether ONA has acted consistent with its mission and purpose.

In an effort to better understand ONA’s contracting practices, please answer the following questions, on a question-by-question basis, no later than February 5, 2020:

1. ONA is required to conduct a yearly Net Assessment of DoD’s military capabilities as compared to the military capabilities of other countries.¹⁶ When was the last time ONA completed a Net Assessment?
2. Please provide a list of all contracts issued for each year over the last five years, the title of each funded project, and the total cost of each contract to the taxpayer. Of those contracts, which ones called for classified research?
3. Please provide a list of the top five individuals or entities, in terms of dollar amount, over the last five years that have received awards, including the names of awardees, number of contracts awarded, dates of award, dollar amount per award, the project to be funded, and the authorizing official(s).
4. Please describe ONA’s process for how it evaluates research proposals and oversees the process of editing and managing the research paper. In your answer, please address the following:
 - a. What role do pre-award evaluations play with respect to ONA’s decision to award a contract to an individual or entity?
 - b. Does ONA conduct any assessment of the validity of citations or supporting research used in the research paper? If not, why not?

¹² *Id.* at 1.

¹³ *Id.* at 3.

¹⁴ *Id.* at 4.

¹⁵ Elizabeth F. Ralph, *The Pentagon’s Secret Putin Diagnosis*, Politico, February 5, 2015, at <https://www.politico.com/magazine/story/2015/02/putin-autism-pentagon-114937>

¹⁶ See 10 U.S.C. § 113; Dept. of Def. Directive 5111.11, dated December 23, 2009.

- c. When entering into contracts, does ONA require that research papers be peer reviewed to assure that the views within the deliverable are adequately vetted and not affected by bias or outside influence? If not, why not?
 - d. Does ONA believe that, for a research paper to be of significant value to furthering ONA's purpose of providing assessments of the standing, trends, and future prospects of United States military capabilities and military potential in comparison with those of other countries, statements within research papers must be accurate and adequately vetted? If not, why not?
 - e. Does ONA currently require contractors to provide the name and dollar amount contributed by third parties to ensure that a contractor's work is in no way influenced by foreign individuals or entities, or any other potential conflict of interest? If so, please provide this policy. If not, does ONA intend to develop or institute such a policy? If not, why not?
 - f. For each of Halper's contracts, did ONA perform a post-contract evaluation? If so, please provide each evaluation. If not, why not?
5. If a contract has an exercisable option, which individual within ONA makes the determination as to whether that option is exercised? If ONA has the discretion to exercise an option in a contract, is the strategic value to ONA considered when that option is exercised? If not, why not?
6. In response to DoD IG recommendation #3, ONA stated that "not every contract requires exhaustive or significant verification of the methods used to derive analytic content."¹⁷ Further, ONA stated, relating to Professor Halper's contracts, that "[t]he Government received deliverables that were high quality and conformed to the requirements set forth in the contract."¹⁸ ONA further states that quality controls will be established, based on ONA's minimum needs.
- a. If a contractor does not actually interview individuals that they say they interviewed, or provide accurate sourcing, the deliverable does not meet contract specifications and the contractor should not be paid. Accepting and paying for a defective deliverable may be a violation of law. If ONA does not take any steps to verify a contractor's work product, how can ONA rely on that contractor or deliverable to provide accurate information in order to make a net assessment?
 - b. What quality controls does ONA seek to establish in order to verify that contractors are adhering to, and fulfilling, every requirement in a given contract?

¹⁷ Department of Defense Office of Net Assessment, Response to DoD IG Research Project on DoD Office of Net Assessment Contract Management (Project No. D2019-D000AX-0104.000), dated June 27, 2019.

¹⁸ *Id.*

7. After a research paper is completed, are the papers shared outside ONA? If so, please describe the process by which research papers are shared within the federal government or private sector. If not, why not?
8. Did Professor Halper ever disclose his relationship with former Deputy Foreign Minister for Russia Vyacheslav Trubnikov to yourself or any other ONA official prior to completion of contract number HQ0034-15-C-0100 (The Russia-China Relationship: The Impact on the United States' Security)? Does this relationship with a Russian intelligence officer suggest that there may be biased and unreliable information contained within the deliverable?
9. Can ONA state for certain that Halper did not use taxpayer money provided by DoD to recruit, or attempt to recruit, sources for the FBI investigation into the now-debunked theory of collusion between the Trump campaign and Russia?
10. Are you, or any other ONA official, aware of any other relationships Professor Halper had with foreign intelligence officers?
11. Does the research paper titled, "On the Nature of Americans as a Warlike People: Workshop Report," authored by the Long Term Strategy Group, and the research paper titled, "A Technical Report on the Nature of Movement Patterning, the Brain and Decision-Making," further ONA's purpose and mission as stated in DoD Directive 5111.11?¹⁹ Please explain.
12. How much did ONA pay Long Term Strategy Group for the research paper "On the Nature of Americans as a Warlike People: Workshop Report"? How much did ONA pay for "A Technical Report on the Nature of Movement Patterning, the Brain and Decision-Making"?
13. Does ONA share workspace with contracted, non-government, or detailed employees? If so, please provide a list of individuals, and what entity that individual worked for, to the Committee. Would these employees have been privy to ONA's assessment of its future needs, in terms of future research projects? If so, do you believe that having a contractor's employee privy to the future needs of ONA creates an appearance of a conflict of interest, and inappropriate access to ONA internal discussion?
14. Documents provided to my office suggest that ONA has spent a significant amount of money on Asia studies over the last 20 years.
 - a. How many studies related to Asia have been conducted over the last 20 years, and how much money has been spent on Asia studies?
 - b. Have those studies significantly aided ONA in its mission to conduct net assessments of Asian countries' military capabilities? Please explain.

¹⁹ See Dept. of Def. Directive 5111.11, dated December 23, 2009.

I anticipate that your written reply and most responsive documents will be unclassified. Please send all unclassified material directly to the Committee. In keeping with the requirements of Executive Order 13526, if any of the responsive documents do contain classified information, please segregate all unclassified material within the classified documents, provide all unclassified information directly to the Committee, and provide a classified addendum to the Office of Senate Security. Although the Committee complies with all laws and regulations governing the handling of classified information, it is not bound, absent its prior agreement, by any handling restrictions.

Should you have questions, please contact Joshua Flynn-Brown or Quinton Brady of my Committee staff at (202) 224-4515. Thank you for your attention to this important matter.

Sincerely,



Charles E. Grassley
Chairman
Committee on Finance

CC:

The Honorable Mark Esper
Secretary of Defense

Mr. Glenn Fine
Acting Inspector General, Department of Defense

Exhibit A



OFFICE OF THE SECRETARY OF DEFENSE
1920 DEFENSE PENTAGON
WASHINGTON, DC 20301-1920

DIRECTOR OF
NET ASSESSMENT

February 3, 2012

MEMORANDUM FOR WHS/A&PO

ATTENTION: Evaluation Authority

SUBJECT: Technical and Cost Evaluation for Proposal Submitted by Professor Stefan Halper PhD, DPhil

In accordance with FAR 6.102(d)(2) a broad agency announcement was issued by WHS/A&PO and posted in FedBizOps on January 30, 2009 on behalf of OSD Net Assessment (ONA), with a due date of October 31, 2011 for proposal submission. A total of 15 proposals were submitted by 10 separate companies, under the 6 technical rubrics delineated in the BAA and in accordance with the instructions established in the BAA. The BAA number for this proposal is HQ0034-ONA-09-BAA-0002.

Professor Halper submitted a proposal, titled: China's Three Warfares: Disrupting US Power Projection in Pre-war and Wartime Settings. The proposal received a thorough technical evaluation by an evaluation panel, in accordance with the evaluation criteria set forth in the BAA. The individual rating sheets for each technical factor can be found at Attachment No. 1.

The following represents the proposal submitted by Professor Halper and the evaluator's scores:

No.	Proposal Title	Eval 1	Eval 2	Eval 3	Consensus Score
1	China's Three Warfares	A	E	A	H

This proposal was submitted as a 12-month effort.

Proposal Price: \$215,376

Proposal number one: This proposal is of interest to ONA. A description of the project is as follows:

The DOD Annual Report on Chinese Military Power refers to (on p.26) China's innovative use of the law, the media and psychological tactics. The PLA refers to these as the "Three Warfares". The report describes them as follows:

—"Three Warfares"

The Chinese concept of "three warfares" (*san zhong zhanfa*) refers specifically to psychological warfare, media warfare, and legal warfare. It reflects China's desire to

effectively exploit these force enablers in the run up to and during hostilities. During military training and exercises, PLA troops employ the —three warfares□ to undermine the spirit and ideological commitment of the adversary. In essence, it is a non-military tool used to advance or catalyze a military objective.

Psychological Warfare seeks to undermine an enemy's ability to conduct combat operations through operations aimed at deterring, shocking, and demoralizing enemy military personnel and supporting civilian populations.

Media Warfare is aimed at influencing domestic and international public opinion to build support for China's military actions and dissuade an adversary from pursuing actions contrary to China's interests.

Legal Warfare uses international and domestic law to claim the legal high ground or assert Chinese interests. It can be employed to hamstring an adversary's operational freedom and shape the operational space. Legal warfare is also intended to build international support and manage possible political repercussions of China's military actions. China has attempted to employ legal warfare in the maritime domain and in international airspace in pursuit of a security buffer zone.

In 2003, the CCP Central Committee and the Central Military Commission endorsed the —"Three Warfares" concept, reflecting China's recognition that as a global actor, it will benefit from learning to effectively utilize the tools of public opinion, messaging, and influence. China likely hopes to employ these three concepts in unison, particularly during the early stages of a crisis, as they have a tendency to support one another.

Several US government reports in 2008 and 2009 called for greater understanding of and response to military and non-military operations guided by the "Three Warfares". Timothy Walton, writing in *Defence Concepts* (January 2010), makes the point that "...an analysis of this strategy's scope and employment, as well as the implications of the Chinese perspective on the use of force, is critical."

Clearly, this concept is deeply rooted in Chinese military thinking:

"For one to win one hundred victories in one hundred battles is not the acme of skill. To subdue the enemy without fighting is the acme of skill.—Sun Tzu (6th century)

Why is this of interest to the government?:

In view of China's hard-line claims and threat behaviors seen in the Senkaku episode in the East China Sea, as well as territorial, mineral and gas disputes with the Philippines, Vietnam and others in the South China Sea, it is clear that China's forward posture has been guided by the concept of the "Three Warfares".

China's actions provoked the Philippines to dispatch its largest warship (with President Aquino aboard) to defend her territory and waters. Vietnam purchased six Russian submarines and deployed a frigate ship on August 22nd, and India has accelerated its naval building and acquisition program, including an aircraft carrier. These responses by neighboring states underscore the alarm and potential instability generated by China's claims and enhanced capabilities.

Why is this important?

China's double digit defense budget increases over the past decade have vastly enhanced the sophistication, scope and reach of China's military. A white water navy is transitioning to blue water status, expanded capacity below the surface, in the air and in space, and particularly in communications and battle-space management, compel us to continually assess China's power projection, area denial capabilities and, particularly its use of new forms of warfare.

Moreover, power brings change. New power is expanding the realm of the possible for China; it stimulates ambition and increases a sense of entitlement. China particularly fears it will be blocked, obstructed by the US in realizing its ambitions with Taiwan and in the South China Sea—and believes humiliation in these quarters could undermine the party's authority at home. Thus China has used its massive hard currency reserves for a range of soft and hard-power initiatives in the region. These have brought a measure of instability; the resulting early steps and steps toward remilitarization within the region can be seen already.

This study contributes directly to ONA's mission. It assesses a trend/policy ...that may fundamentally change the character of the competition or substantially alter the competitive position of the United States or other actors, including Japan. It identifies an emerging area of military competition, where the United States must analyze and deflect Chinese initiatives and claims, to preserve the present "freedom of Navigation" and traditional territorial disposition of land and resources in the South China Sea and East China Sea.

This analysis will detail the various elements of the challenge presented by the "Three Warfares"; refine our understanding of the conditions and arrangements surrounding Beijing's use of this concept, its potential impact, and the implications for US strategic planning and deployments.

OBJECTIVES:

1. Identify the commands that will be most heavily impacted, i.e. the 7th Fleet in the South China Sea, (the 5th Fleet in the Indian Ocean). Describe how use of the "Three Warfares" may limit or disrupt their ability to project power. What were our responses? Which were effective?
2. Describe how China's use of the "Three Warfares" limits our options in pre-war situations? Possible counter measures;

3. Describe past incidents. How did they occur, how they inflate, how they are described in the media, what legal and psychological tactics has Beijing applied, how have incidents been negotiated, best approaches to resolution (Senkaku Islands, others);
4. Assess how this “new warfare area” can affect US planning and policy. Identify useful metrics so the US can measure the trends over the past decade then project them ahead another decade;
5. How has use of the “Three Warfares” altered facts on the ground?
6. Identify and describe the agreements that are the object of Beijing’s criticism, i.e. fishing treaties, Law of the Sea provisions, Japanese territorial claims arising from post WW II transfers from the US, The Taiwan Relations Act;
7. Looking forward, describe where the US can expect US challenges in the South China Sea and the East China Sea, (other places);
8. Determine next steps in Beijing’s use of the “Three Warfares”. What are the best responses? What resources are required? (doctrine, training, etc);
9. Where do the “Three Warfares” fit in the PLA’s views of potential conflict with the US. What are the most salient themes in PLA and defense studies literature? Who are the main supporters of the “Three Warfares”? Is it applicable only to the South China Sea or will we see it elsewhere.

The proposal was determined to be acceptable by a consensus of the three evaluators individual scores (Individual Ratings for Technical Factors can be found in Attachment No.1). Some notable comments on the proposal are as follows:

“The proposal seeks to gain greater understanding into how China’s holistic approach (Three Warfares) potentially affects and shapes US power projection in response to crises and conflicts.”

“Dr. Halper has extensive experience on the subject of China’s rise and the corresponding impact to the international system. He also has access to the senior decision makers who would be responsible for responding to Chinese aggression.”

“Offeror presents a strong case for the proposal in that he identifies an emerging area of military competition which has been, heretofore, largely neglected by military strategists. Offeror offers a well conceived and structured plan for conducting a study of how Chinese strategic thought has been actualized through a range of emerging trends that hold the capacity to upset the East Asian military balance in strategically significant ways – a topic which meshes seamlessly with ONA’s study agenda.”

“This proposal seeks to analyze China’s use of the “three warfares”— psychological, media, and legal—in order to advance its interests while disrupting those of the United States. Without a doubt, our office has a compelling interest in exploring this topic. The author proposes a robust, thorough study toward that end.”

Concerns/Issues Relating to Proposal No.1:

The author knows China; has thought about this topic for a long time; and definitely has a passion for pursuing it. The proposal has nine questions it will attempt to answer by incorporating the perspectives of different experts; however, we believe the proposal would best be served by narrowing the focus to three or four conflict scenarios. These should include conflicts in:

1. South China Sea
2. Sea of Japan involving the Ryukyu Islands or the Senkaku Islands in the East China Sea
3. Indian Ocean and/or a conflict involving Guam in the Pacific

Conflicts should focus on the 7th Fleet in the Pacific and the 5th Fleet in the Indian Oceans.

By narrowing the focus of this proposal, ONA believes it can be a useful study.

We offer the following to Dr. Stefan Halper as a substitution to the deliverables proposed on page 11. His comments would be appreciated.

1. Define the "Three Warfares" and identify where they are most likely to be applied. This will discuss past incidents to analyze how the "Three Warfares" were applied, the US response, and the results. Has use of the "Three Warfares" limited US force projection in pre-kinetic situations? If so, how?

2. The "Three Warfares" are designed to block US power projection in pre-kinetic situations: Using the literature and through interviews, the analysis will examine and seek to understand the perspective of Chinese military planners in the 'pre conflict' period. The "Three Warfares" will be examined as instruments used by Chinese planners to structure the pre-kinetic period, prior to a military engagement. Determine what the CMC had in mind when authorizing the "Three Warfares" in 2003.

3. All confrontations are different: Each evolves differently, has a different (political and operational) context and is structured differently. We do not assume the 'Three Warfares' will be used in the same manner each time. How can they be used differently in different confrontations to structure the pre kinetic period? The analysts will look in depth at how the Chinese would approach different conflict scenarios, how they would actually use the "Three Warfares" and how this could impact US plans and operations.

4. What lessons have the Chinese taken from the way the US enters conflicts that informs their use of the 'Three Warfares'?

5. The analysis would describe past incidents in which China has used one or all of the 'Three Warfares'. How did their use 'inflate' the situation? How was each deployed? How were the incidents described in the media; which legal arguments did Beijing use and what psychological tactics were applied? What impact did use of the "Three Warfares" have at each stage of a crisis?

6. What are the most salient themes in PLA literature relating to the 'Three Warfares'? Where did the concept originate. Where do the "Three Warfares" fit in the PLA's views of potential conflict with the US. Who, exactly, has supported it within the Central Military Commission. What is China's current strategic thinking on the use of the "Three Warfares" and how should this affect the 7th Fleet and the 5th Fleet?

7. Identify the "triggers and reference points": What agreements that are the object of Beijing's concern, i.e fishing treaties, Law of the Sea provisions, Japanese territorial claims, issues related to the Taiwan Relations Act, arrangements governing mineral, gas and other deposits beneath the sea bed.

8. How, and with what effect, can the "Three Warfares" be used to sway world opinion; how does that impact US power projection in pre-kinetic situations? How are US military operations best supported in a 'war of framing concepts' where both the US and the PRC seek to frame the public's perception of events in pre-war situations.

Cost Issues:

1. Dr. Halper proposes \$160,000 for his effort, which appears to be 277 days at a cost of \$577.61 per day. In his proposal he states that he is a professor at Cambridge University and has been appointed Senior Fellow at the Centre of International Studies and Director of the American Studies Programme. In addition to his position at the Department, Professor Halper was elected to a Life Fellowship at Magdalene College, Cambridge. These positions appear to be full-time, yet his proposal leads one to believe he is working 88 days in these capacities at Cambridge. Out of 365 days in a year, there are 104 weekend days, leaving approximately 261 work days, less various holidays (either US or UK). It is unrealistic to assume that Professor Halper can devote 277 days to this project while at the same time fulfill his duties at Cambridge. First, we should ascertain from him, what his professional year at Cambridge is and then proceed to negotiate a rate for his effort under this contract.
2. We propose reducing his assistant's days by half from \$24,376 to \$12,188.
3. The travel proposed appears reasonable, however, this may change during negotiations and some of the travel may be cancelled.

4. Dr. Halper is proposing 15 expert papers at a cost of \$2500 each. Since we are proposing a change to the deliverables, these 15 expert papers may not be necessary.
5. Likewise with the 9 paid interviews. This price should be reduced to no more than \$187.50 per hour. The proposal states each interview is approximately 2 hours – the cost per interview should not exceed \$375. Should there be 9 interviews the maximum allowable should be \$3,375 vice \$4,500.
6. I am concerned that the proposed costs are elevated to alleviate the disparity between the Euro and dollar. Nevertheless, the contract will be paid in dollars and the cost should be reasonable, based on dollars.

Based on a thorough evaluation of this proposal, we recommend entering into discussions with Dr. Stefan Halper with the intent of awarding a contract to him for a 12-month effort to commence at contract award.


Rebecca C. Bash
Evaluation Board Chairman

Attachment:
Individual Rating Sheets

WHS ACQUISITION & PROCUREMENT OFFICE
 HQ0034-ONA-09-BAA-0002
 Research and Studies of the Office of Net Assessment
 Evaluation Plan Attachment A

INDIVIDUAL RATING SHEET FOR TECHNICAL FACTORS

PROPOSAL # HQ0034-ONA-09-BAA-0002

TITLE China's Three Warfares

Offeror: Stefan Halper

Evaluator: [REDACTED]

FACTOR: (2) Offeror's Capabilities, Related Experience, and Past Performance, including the Qualifications, Capabilities, and Experience of the Proposed Personnel (Composed of: 2.1 The quality of technical personnel proposed, 2.2 The offeror's experience in relevant efforts with similar resources, 2.3 The ability to manage the proposed effort)

RATING FACTORS:

*EXCELLENT (E) *HIGHLY ACCEPTABLE (H) *ACCEPTABLE (A) *MARGINAL (M) *UNACCEPTABLE (U)

COMMENTS: (Use continuation sheet as necessary)

- Strong aspect(s) of the Proposal for this Factor:

The author knows China; has thought about this topic for a long time; and definitely has a passion for pursuing it. He appears committed to incorporating the perspectives of different experts (British, U.S., Chinese, and Japanese) ... though he is clearly most comfortable with the British experts.

- Weak aspect(s) of the Proposal for this Factor (indicate whether the weakness is considered significant in accordance with the RFQ definition):

My biggest concern is "Afghan End-Game" report redux. Halper will be contracting out expertise (as he did in that study) to a large number of people. The papers he collects will add up to a very thick study of mixed quality. One wonders why Halper just won't ratchet down the number of participants to a carefully chosen few; solicit their input; and write a paper himself (rather than an executive summary that tries to incorporate a barely manageable number of often disparate views). Incidentally, four of Halper's sixteen British experts on China wrote as Afghanistan experts in his last report.

- Deficiencies of the Proposal for this Factor:

The interviews from the "Afghan End-Game" report lacked context and yielded very little useful commentary. We'll want to advise the author to do a better job on this project. It looks like he will be interviewing senior British officials with Hong Kong/China experience, as well as Chinese and Japanese academics and officials. He will want to ask probing questions and not be satisfied with answers that yield general, relatively known insights.

Questions/Remarks:

FACTOR RATING

A

Evaluator's Signature:

Date:

Nov 10, 2011

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 HQ0034-ONA-09-BAA-0002
 Research and Studies of the Office of Net Assessment
 Evaluation Plan Attachment A

INDIVIDUAL RATING SHEET FOR TECHNICAL FACTORS

PROPOSAL # HQ0034-ONA-09-BAA-0002

TITLE China's Three Warfares

Offeror: Stefan Halper

Evaluator

FACTOR: (1) Potential Contribution to ONA's Mission and Department of Defense Concerns (Composed of: 1.1 The degree of innovation, 1.2 The soundness and feasibility of technical approach, 1.3 The offeror's understanding of the problem and the technical effort needed to address the problem)

RATING FACTORS:

*EXCELLENT (E) *HIGHLY ACCEPTABLE (H) *ACCEPTABLE (A) *MARGINAL (M) *UNACCEPTABLE (U)

COMMENTS: (Use continuation sheet as necessary)

- Strong aspect(s) of the Proposal for this Factor:

This proposal seeks to analyze China's use of the "three warfares"--psychological, media, and legal--in order to advance its interests while disrupting those of the United States. Without a doubt, our office has a compelling interest in exploring this topic. The author proposes a robust, thorough study toward that end.

- Weak aspect(s) of the Proposal for this Factor :

The proposal's nine "targeted results" or questions seem very tactical/operational in nature. This approach will likely focus the author's analysis on contemporary issues when the office will find greater value in examining the role of the "three warfares" in conflict decades from now. The author plans to commission 15 papers. These will comprise the bulk of the deliverable. He briefly and broadly describes the topic of each paper. Unfortunately, the topics lend themselves to a great deal of repetition. I also question the coherence of the overall report--comprised as it will be of discrete papers on different topics written by different authors.

- Deficiencies of the Proposal for this Factor:

There is actually not much substance to the proposal ... not even a sampling of the detail we might expect. The author notes that one of the first things he will do is hold a conference to identify key regions, themes, etc. But shouldn't this have been done already? The focus is on the maritime tensions surrounding the East and South China Seas. But what about "media warfare" against U.S. domestic audiences? Or "legal warfare" against U.S. industries? What about similar Chinese efforts in Africa or Central Asia, and how efforts there might disrupt U.S. power projection? He also assumes Chinese invulnerability when clearly there are bureaucratic tensions the PRC will need to overcome as it synchronizes these "warfare" efforts ... not to mention China's apparent ham-handedness in handling certain incidents and initiatives. What do these PRC weaknesses mean for the U.S.?

Questions/Remarks:

None.

FACTOR RATING

A

Evaluator's Signature

Date: Nov 10, 2011

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Disclosure Authorized by the Chairman

WHS ACQUISITION & PROCUREMENT OFFICE
HQ0034-ONA-09-BAA-0002
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INDIVIDUAL RATING SHEET FOR TECHNICAL FACTORS

PROPOSAL # HQ0034-ONA-09-BAA-0002

TITLE China's Three Warfares

Offeror: Stefan Halper

Evaluator: [REDACTED]

FACTOR: (1) Potential Contribution to ONA's Mission and Department of Defense Concerns (Composed of: 1.1 The degree of innovation, 1.2 The soundness and feasibility of technical approach, 1.3 The offeror's understanding of the problem and the technical effort needed to address the problem)

RATING FACTORS:

*EXCELLENT (E) *HIGHLY ACCEPTABLE (H) *ACCEPTABLE (A) *MARGINAL (M) *UNACCEPTABLE (U)

COMMENTS: (Use continuation sheet as necessary)

- Strong aspect(s) of the Proposal for this Factor:

Offeror presents a strong case for the Proposal in that he identifies an emerging area of military competition which has been, heretofore, largely neglected by military strategists. Offeror offers a well conceived and structured plan for conducting a study of how Chinese strategic thought has been actualized through a range of emerging trends that hold the capacity to upset the East Asian military balance in strategically significance ways -- a topic which meshes seamlessly with ONA's study agenda.

- Weak aspect(s) of the Proposal for this Factor :

A very strong proposal, well presented. No weaknesses.

- Deficiencies of the Proposal for this Factor:

A very strong proposal, well presented. No deficiencies

Questions/Remarks:

FACTOR RATING

E

Evaluator's Signature

Date:

Nov 16, 2011

WHS ACQUISITION & PROCUREMENT OFFICE
HQ0034-ONA-09-BAA-0002
Research and Studies of the Office of Net Assessment
Evaluation Plan Attachment A

INDIVIDUAL RATING SHEET FOR TECHNICAL FACTORS

PROPOSAL # HQ0034-ONA-09-BAA-0002

TITLE China's Three Warfares

Offeror: Stefan Halper

Evaluator: [REDACTED]

FACTOR: (2) Offeror's Capabilities, Related Experience, and Past Performance, including the Qualifications, Capabilities, and Experience of the Proposed Personnel (Composed of: 2.1 The quality of technical personnel proposed, 2.2 The offeror's experience in relevant efforts with similar resources, 2.3 The ability to manage the proposed effort)

RATING FACTORS:

*EXCELLENT (E) *HIGHLY ACCEPTABLE (H) *ACCEPTABLE (A) *MARGINAL (M) *UNACCEPTABLE (U)

COMMENTS: (Use continuation sheet as necessary)

- Strong aspect(s) of the Proposal for this Factor:

Offeror has a long history of providing excellent work for ONA, tailoring his study carefully to address those aspects of long-term military competitions that are most useful to the Department of Defense. Offeror's prior work has been of unusually high quality.

- Weak aspect(s) of the Proposal for this Factor (indicate whether the weakness is considered significant in accordance with the RFQ definition):

Offeror is very highly regarded by ONA leadership and has a long history of providing excellent work that fits closely to ONA's research agenda. No weaknesses.

- Deficiencies of the Proposal for this Factor:

No deficiencies.

Questions/Remarks:

FACTOR RATING

E

Evaluator's Signature

Date:

Nov 16, 2011

WHS ACQUISITION & PROCUREMENT OFFICE
HQ0034-ONA-09-BAA-0002
Research and Studies of the Office of Net Assessment
Evaluation Plan Attachment A

INDIVIDUAL RATING SHEET FOR TECHNICAL FACTORS

PROPOSAL # _____

TITLE China's Three Warfares: Disrupting US Power Projection in Pre-War and Wartime Settings

Offeror: Stephan Halper Evaluator: [REDACTED]

FACTOR: (1) Potential Contribution to ONA's Mission and Department of Defense Concerns (Composed of: 1.1 The degree of innovation, 1.2 The soundness and feasibility of technical approach, 1.3 The offeror's understanding of the problem and the technical effort needed to address the problem)

RATING FACTORS:

*EXCELLENT (E) *HIGHLY ACCEPTABLE (H) *ACCEPTABLE (A) *MARGINAL (M) *UNACCEPTABLE (U)

COMMENTS: (Use continuation sheet as necessary)

- Strong aspect(s) of the Proposal for this Factor:

This proposal seeks to gain greater understanding into how China's holistic approach (Three Warfares) potentially affects and shapes US power projection in response to crises and conflicts.

- Weak aspect(s) of the Proposal for this Factor :

The principal investigator has focused primarily on the maritime aspects of the Chinese way of war. He should also consider the impact on the other commons such as air, space and cyberspace. What treaties or rule of law in those domains are being challenged by the Chinese? What are the affected commands for these domains?

- Deficiencies of the Proposal for this Factor:

Questions/Remarks:

Study should include impacts to US air, space, and cyberspace power projection as well.

FACTOR RATING

A

Evaluator's Signature

ate:

Nov 17, 2011

WHS ACQUISITION & PROCUREMENT OFFICE
HQ0034-ONA-09-BAA-0002
Research and Studies of the Office of Net Assessment
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INDIVIDUAL RATING SHEET FOR TECHNICAL FACTORS

PROPOSAL # _____

TITLE China's Three Warfares: Disrupting US Power Projection in Pre-War and Wartime Settings

Offeror: Stefan Halper Evaluator [REDACTED]

FACTOR: (2) Offeror's Capabilities, Related Experience, and Past Performance, including the Qualifications, Capabilities, and Experience of the Proposed Personnel (Composed of: 2.1 The quality of technical personnel proposed, 2.2 The offeror's experience in relevant efforts with similar resources, 2.3 The ability to manage the proposed effort)

RATING FACTORS:

*EXCELLENT (E) *HIGHLY ACCEPTABLE (H) *ACCEPTABLE (A) *MARGINAL (M) *UNACCEPTABLE (U)

COMMENTS: (Use continuation sheet as necessary)

- Strong aspect(s) of the Proposal for this Factor:

Dr Halper has extensive experience on the subject of China's rise and the corresponding impact to the international system. He also has access to the senior decision makers who would be responsible for responding to Chinese aggression.

- Weak aspect(s) of the Proposal for this Factor (indicate whether the weakness is considered significant in accordance with the RFQ definition):

Current proposal does suggest any military or academic experts on air, space, or cyberspace power.

- Deficiencies of the Proposal for this Factor:

none.

Questions/Remarks:

Recommend Dr Halper expand his list of experts to include those familiar with air, space, and cyberspace.

FACTOR RATING

A

Evaluator's Signature

ate:

Nov 17, 2011

Exhibit B

AWARD DECISION MEMORANDUM

SUBJECT: HQ0034-12-C-0039 – China's Three Warfares for Office of the Secretary of Defense, Office of Net Assessment (OSD/NA)

References:

- a) RFP for solicitation HQ0034-ONA-09-BAA-0002
- b) Technical Proposals
- c) Cost Proposal including Price Analysis

1. Background

Dr. Stefan Halper submitted a proposal entitled, "China's Three Warfares" on 13 October 2011 in response to Broad Agency Announcement (BAA) No. HQ0034-ONA-09-BAA-0002, which solicits for research and studies projects for OSD/NA's. Dr. Halper's proposal was opened on the BAA cut-off date, 31 October 2011 and evaluated. A total of fifteen proposals were submitted by ten separate companies, under the six technical rubrics delineated in the BAA and in accordance with the instructions established in the BAA. The project will be awarded as a Firm Fixed Price with Cost Reimbursement CLINs for Travel and related ODC's task order for conducting research and studies in support of OSD/NA. OSD/NA provided funding HQ006720390001000 in the amount of \$215,376.00 on 08 February 2012.

2. Technical Proposal Evaluation

The BAA proposal evaluation panel from OSD/NA conducted a technical evaluation in accordance with the BAA instructions. The proposal was determined "Highly Acceptable" by consensus of the three evaluators and recommended for award on 03 February 2012. The evaluation panel found no notable deficiencies within the technical aspect of the proposal.

The technical evaluations identified the following concern(s)/suggestions:

Technical Issues to address:

The author knows China; has thought about this topic for a long time; and definitely has a passion for pursuing it. The proposal has nine questions it will attempt to answer by incorporating the perspectives of different experts; however, we believe the proposal would best be served by narrowing the focus to three or four conflict scenarios. These should include conflicts in:

1. South China Sea
2. Sea of Japan involving the Ryukyu Islands or the Senkaku Islands in the East China Sea
3. Indian Ocean and/or a conflict involving Guam in the Pacific

Conflicts should focus on the 7th Fleet in the Pacific and the 5th Fleet in the Indian Oceans.

By narrowing the focus of this proposal, ONA believes it can be a useful study.

We offer the following to Dr. Stefan Halper as a substitution to the deliverables proposed on page 11. His comments would be appreciated.

1. Define the "Three Warfares" and identify where they are most likely to be

- applied. This will discuss past incidents to analyze how the "Three Warfares" were applied, the US response, and the results. Has use of the "Three Warfares" limited US force projection in pre-kinetic situations? If so, how?
2. The "Three Warfares" are designed to block US power projection in pre-kinetic situations: Using the literature and through interviews, the analysis will examine and seek to understand the perspective of Chinese military planners in the 'pre conflict' period. The "Three Warfares" will be examined as instruments used by Chinese planners to structure the pre-kinetic period, prior to a military engagement. Determine what the CMC had in mind when authorizing the "Three Warfares" in 2003.
 3. All confrontations are different: Each evolves differently, has a different (political and operational) context and is structured differently. We do not assume the 'Three Warfares' will be used in the same manner each time. How can they be used differently in different confrontations to structure the pre kinetic period? The analysts will look in depth at how the Chinese would approach different conflict scenarios, how they would actually use the "Three Warfares" and how this could impact US plans and operations.
 4. What lessons have the Chinese taken from the way the US enters conflicts that informs their use of the 'Three Warfares'?
 5. The analysis would describe past incidents in which China has used one or all of the 'Three Warfares'. How did their use 'inflate' the situation? How was each deployed? How were the incidents described in the media; which legal arguments did Beijing use and what psychological tactics were applied? What impact did use of the "Three Warfares" have at each stage of a crisis?
 6. What are the most salient themes in PLA literature relating to the 'Three Warfares'? Where did the concept originate. Where do the "Three Warfares" fit in the PLA's views of potential conflict with the US. Who, exactly, has supported it within the Central Military Commission. What is China's current strategic thinking on the use of the "Three Warfares" and how should this affect the 7th Fleet and the 5th Fleet?
 7. Identify the "triggers and reference points": What agreements that are the object of Beijing's concern, i.e fishing treaties, Law of the Sea provisions, Japanese territorial claims, issues related to the Taiwan Relations Act, arrangements governing mineral, gas and other deposits beneath the sea bed.
 8. How, and with what effect, can the "Three Warfares" be used to sway world opinion; how does that impact US power projection in pre-kinetic situations? How are US military operations best supported in a 'war of framing concepts' where both the US and the PRC seek to frame the public's perception of events in pre-war situations.

Cost Issues:

1. Dr. Halper proposes \$160,000 for his effort, which appears to be 277 days at a cost of \$577.61 per day. In his proposal he states that he is a professor at Cambridge University and has been appointed Senior Fellow at the Centre of International Studies and Director of the American Studies Programme. In addition to his position at the Department, Professor Halper was elected to a Life Fellowship at Magdalene College, Cambridge. These positions appear to be full-time,

yet his proposal leads one to believe he is working 88 days in these capacities at Cambridge. Out of 365 days in a year, there are 104 weekend days, leaving approximately 261 work days, less various holidays (either US or UK). It is unrealistic to assume that Professor Halper can devote 277 days to this project while at the same time fulfill his duties at Cambridge. First, we should ascertain from him, what his professional year at Cambridge is and then proceed to negotiate a rate for his effort under this contract.

2. We propose reducing his assistant's days by half from \$24,376 to \$12,188.
3. The travel proposed appears reasonable, however, this may change during negotiations and some of the travel may be cancelled.
4. Dr. Halper is proposing 15 expert papers at a cost of \$2500 each. Since we are proposing a change to the deliverables, these 15 expert papers may not be necessary.
5. Likewise with the 9 paid interviews. This price should be reduced to no more than \$187.50 per hour. The proposal states each interview is approximately 2 hours – the cost per interview should not exceed \$375. Should there be 9 interviews the maximum allowable should be \$3,375 vice \$4,500.
6. I am concerned that the proposed costs are elevated to alleviate the disparity between the Euro and dollar. Nevertheless, the contract will be paid in dollars and the cost should be reasonable, based on dollars.

Discussions with the Contractor

The technical issues were addressed via e-mail on 15 March 2012. The contractor provided additional information, which was evaluated by OSD/NA and was found acceptable on 09 April 2012 by Rebecca Bash, COR, OSD/NA..

Based upon the agreed to changes the revised cost was \$17,750.33 lower (8%) then the initially proposed cost of \$215,376.00.

3. Price Analysis

The pricing for the proposal was based on a GS-15 step 10 wage and hours. A labor analysis was done comparing the rates and expertise for similar services on GSA and based on the expertise/experience that Dr. Stefan Halper brings to the project the price is considered fair and reasonable.

Labor Rate Analysis:

Labor category or similar	Anser- GSA Schedule GS-10F-0026J	BAH- GSA Schedule GS-23F-9755H	Dr. Halper Proposed
Subject Matter Expert	\$141.79	\$382.85	\$74.51

Summary:

For this comparison Anser and BAH GSA rates were selected that provide similar services. Labor categories were matched to the proposed categories in terms of education, experience and job description. Hourly rates were compared to Anser and BAH's schedules and according to FAR 8.404 (d), GSA has already determined the price of supplies and services under GSA Schedule to be fair and reasonable. Thus, based on the comparison above with GSA negotiated rates for similar services the rates proposed by Dr. Stefan Halper are either within the range or less than the proposed range. Also based on the

evaluation by Rebecca Bash, OSD/NA rates proposed by Dr. Stefan Halper are considered to be fair and reasonable.

-G&A and Fee:

The contractor did not propose any G&A or Fee for ODC or Travel Costs.

-ODC/Travel:

Dr. Halper proposed travel costs and ODCs at \$25,875.00 and they will be billed on as incurred basis and will require prior Contracting Officer or COR approval. Estimated costs were verified and are reasonable.

4. Responsibility Determination

The Contracting Officer has determined that the contractor is responsible within the meaning of FAR 9.104, in as much as the contractor, maintains an active registration in the Central Contactor Registration (CCR), and is not listed among those firms listed in the Federal Excluded Parties List System.

5. Recommendation

Based on the information presented herein, the Contracting Officer hereby makes the determination that Dr. Stefan Halper has demonstrated that they are a viable candidate for award of a Firm-Fixed-Price type contract. Their proposal has met the technical requirements of the Government and the stipulations of the BAA solicitation. The total estimated price of \$197,625.60 for the base year is considered fair and reasonable and in the best interest of the Government. The total period of performance shall be from 30 May 2012 through 29 May 2013, should the Government exercise its option.

PREPARED BY,

[REDACTED]
CONTRACT SPECIALIST

DATE

APPROVED BY,

[REDACTED]
CONTRACTING OFFICER

DATE

Exhibit C

Section C - Descriptions and Specifications

PWSSOW

Working within a global community of Chinese, Russian and US strategic analysts that includes economists, sociologists, political scientists, military professionals, and strategists, the Principal Investigator will identify eight issue areas in which critical trends, interests and national objectives will be examined. The Principal Investigator will select eight analysts and commission papers addressing each of the eight issue areas. This will be **PART I** of the study.

The Principal Investigator will undertake discussions with analysts located in the US, the UK, China and Russia to obtain their views and perspectives. American views will be obtained through discussions at several institutions in the US including the National War College, the Naval War College, The Center for Naval Analysis, the American Enterprise Institute, the Center for Strategic and International Studies, George Washington University, Harvard University, Dominion University in Norfolk, and the Asia Pacific Center for Security Studies, among others. Similarly, to obtain the British perspective, the Principal Investigator will conduct interviews in the United Kingdom at Cambridge's Centre of International Studies, Oxford's Centre for International Studies, The Royal United Services Institute, Chatham House, The London School of Economics, the Foreign Office and the Ministry of Defense. To gain a non-Western perspective on the evolving relationship between China and Russia, the Principal Investigator will meet with Japanese strategic analysts, economists, and experts from the Japanese Self Defense Force, the Ministry for Trade and Investment, Research Institutes and from the Prime Minister's office. The Principal Investigator will also be in contact with analysts at the Lowy Institute in Australia, the Carnegie Endowment in Moscow, and former Russian diplomats, intelligence officers and strategic planners.

Based upon these discussions and research papers, the Principal Investigator will write an analysis of the evolving Russia-China relationship and the implications for US interests. This will be **PART II** of the study. Part One and Part Two of the study will be delivered to ONA at the 12 month mark and comprise the base year effort.

Initial Steps:

At the outset the Principal Investigator will assemble an unpaid group of advisors drawn from the US and the UK---- including experts on Russian politics and policy, and experts on Chinese policy and objectives--to discuss the contours of the study. The advisory group will include:

Professor Jakub Grygiel, SAIS, Johns Hopkins University; Dr. Wesley Mitchell, President, Center for European Policy analysis (CEPA); Dr. Fritz Ehrmarth, former CIA National Intelligence Officer for the USSR and East Europe; David Shambaugh, Professor of Political Science and International Affairs, Director, China Policy Program, George Washington University; Michael Auslin, American Enterprise Institute, General Brent Scowcroft, The Scowcroft Group; RADM James R. Stark (Ret.) former President of the Naval War College; John F. Lehman former Secretary, US Navy; Willy Wo-Lap Lam, China Brief; Professor Hans Van de Ven, University of Cambridge; Dr. Mohan Malik, Professor, Asia-Pacific Center for Security Studies; Hawaii; General V.I Trubnikov, Russian Academy of Sciences. Mr. Trubnikov is a former general of the KGB, was head of the SVR, Ambassador to India and Deputy Foreign Minister; British Ambassador Sir Rodric Braithwaite (Gorbachev period 1988-1992), British Ambassador Sir Anthony Brenton (Putin period 2004-2008), Professor J.B.L. Mayall, Department of Politics and International Studies, University of Cambridge.

The Principal Investigator will discuss a range of relevant topics with this group, and others, and will draw upon this group, and others, for their perspective and analysis.

Deliverables:

(1) PART I. The Principal Investigator will conceptualize, commission, edit and deliver eight papers. The papers will address the topics iterated below. Each paper will be 3000-5000 words. This will form Part I of the study. It will be delivered six months from the start date.

PART II. Based upon the commissioned papers, interviews and research, the Principal Investigator will write a comprehensive analysis that examines the nature of the Russia-Chinese relationship, its trends, areas of shared interest, and areas where there are differences and/or competition between the two nations. The analysis will center on how the likely trends in Russian-Chinese relations will impact the US, identify points of leverage that may be available to the US, and determine what policy options the US might employ to minimize adverse effects.

Secondly, the analysis will analyze Moscow's current tactical and the strategic interests? Is Russia capable of 'grand strategy' now? Moscow's risky actions in Ukraine and Crimea shredded the agreed borders of post-war Europe. Has Russian irredentism changed the rules governing the post-war 'European order'?

China's view of international law parallels but does not replicate the Russian view. China asserts that the international law arising in the post WW II period is broadly illegitimate as China had no role in its creation. Hence both Russia and China reject, in different ways, Western internationalism and the global order it has inspired; Russia's ambitions are directed toward Eastern Europe while China's strategic territorial ambitions extend from the East China Sea to the South China Sea, to South Asia to Central Asia. In Central Asia, Vietnam, India and perhaps the Middle East, Russia and China, it seems, have conflicting interests.

This paper will analyze Russian and Chinese policies and objectives with reference to how US interests are affected in Europe, East and South Asia, the Middle East, Central Asia, and within multilateral institutions. It will analyze the similar perspective of both authoritarian regimes toward the West and the alienation of each from the 'liberal international order' that has been advanced by the US and the West. The paper will look carefully at areas where Russia and China seek advantage over the US and its allies. It will also examine areas of dependence and vulnerability in Russia-China relations and areas where differences can be exploited to US advantage. This overview and analysis will form Part II of the study. It will be delivered twelve months from the start date.

Exhibit D

Contract No. HQ0034-16-P-0148 – India China Relationship

Dr. Stefan Halper

Airline:

Departure: January 13, 2017

Return: January 21, 2017

Airfare was provided by third party. No expense to the contract.

Taxi

Residence to Dulles	\$ 45.00
Dulles to Residence	\$ 45.00

Hotel

Imperial Hotel Tokyo (January 14 – 21, 2017 total: \$5,642.98)	
Per Diem for Tokyo: (\$480/day x 7 days)	\$3,360.00*
Transportation within Tokyo	\$2,433.67
Total	\$5,883.67

*Hotel expenses in excess of US per diem was paid by third party.