Report on Gray Zone Conflict

International Security Advisory Board

January 3, 2017

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This is a report of the International Security Advisory Board (ISAB), a Federal Advisory Committee established to provide the Department of State with a continuing source of independent insight, advice, and innovation on scientific, military, diplomatic, political, and public diplomacy aspects of arms control, disarmament, international security, and nonproliferation. The views expressed herein do not represent official positions or policies of the Department of State or any other entity of the United States Government.

While all ISAB members have approved this report and its recommendations, and agree they merit consideration by policy-makers, some members may not subscribe to the particular wording on every point.

United States Department of State

Washington, D.C. 20520

January 3, 2017

MEMORANDUM FOR ACTING UNDER SECRETARY COUNTRYMAN

SUBJECT: Final Report of the International Security Advisory Board (ISAB) on Gray Zone Conflict

I am forwarding herewith the ISAB's report on Gray Zone Conflict. The report responds to former Under Secretary Gottemoeller's request of June 30, 2016 that the Board undertake a study of deterrence, dissuasion, conflict management, escalation, and de-escalation in the context of gray zone conflicts. The report was drafted by members of a Study Group co-chaired by the Honorable Walter Slocombe and Representative Harold Naughton, Jr. and was reviewed and approved by all ISAB members by December 27, 2016.

The report examines the nature of gray zone conflicts as well as the strategic and organizational challenges they pose to the Department of State and broader U.S. government. The ISAB believes that while the term "gray zone conflict" is relatively new to the vernacular, it is intended to describe a type of conflict that is not new and in fact is one that the United States has not only faced but excelled in for much of our history. What makes this concept particularly relevant today is both the greater extent to which these tactics are being utilized by our adversaries, and also the expanded technological tool kit that can be brought to bear in these efforts.

Among other recommendations, this report calls for: 1) taking a whole of government approach to countering gray zone efforts, including engaging agencies whose primary focus is not international security; 2) setting up an organizational structure for gray zone operations that will facilitate coordination and management across the full range of U.S. government agencies engaged; 3) a renewed focus on planning to face these challenges, including a sober assessment of our goals, objectives, and interests in different countries and regions around the world; 4) continuing U.S. efforts to address the fundamental underlying sources of violence and the conditions that make gray zone tactics potentially effective – by promoting economic opportunity, justice, human rights, good governance, public health, and the rule of law; and 5) developing, both at the Department of State and across the U.S. government, a better "after action/lessons learned" system as well as an

additional focus on training and "war gaming" gray zone scenarios with stakeholders across government.

Given the relatively truncated timeframe of this report, the ISAB has identified numerous areas where further study and inquiry are needed; including further examination of the tools other U.S. agencies and stakeholders might muster in the gray zone. We hope the Office of the Under Secretary for Arms Control and International Security will consider recommending these additional lines of inquiry to the appropriate officials at a later date.

The report is intended to inform a broad audience within the United States and beyond. The Board stands ready to brief you and other members of the Administration on the report.

Hon. Gary Hart
Chairman
International Security Advisory Board

INTERNATIONAL SECURITY ADVISORY BOARD

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ISAB Report on Gray Zone Conflict

The study addresses the challenges facing the United States from the increasing use by rivals and adversaries – state and non-state alike – of what have come to be called "Gray Zone" techniques.

The term Gray Zone ("GZ") denotes the use of techniques to achieve a nation's goals and frustrate those of its rivals by employing instruments of power – often asymmetric and ambiguous in character – that are not direct use of acknowledged regular military forces.

The report is organized according to the specific subjects the ISAB was directed to consider by the Terms of Reference (TOR) – Characteristics of GZ Operations, Policy Options and Concepts, and Deterrence/Dissuasion.[1]

I. Characteristics of GZ Conflict

Perhaps the most widely used definition of Gray Zone conflict is that established by the U.S. Special Operations Command (SOCOM): "gray zone challenges are defined as competitive interaction among and within state and non-state actors that fall between the traditional war and peace duality. They are characterized by ambiguity about the nature of the conflict, opacity of the parties involved, or uncertainty about the relevant policy and legal frameworks."[2] Read too broadly, this definition would embrace practically all international interaction, most of which is directed in some degree at affecting the actions or view of other countries. However, it is possible to describe the problem without seeking a universal and precise definition.

The term "Gray Zone" may be new; the phenomenon is not. Although many of the techniques used now are based on modern technology, notably cyber and networked communication, many are as old as history. What are now being called GZ methods have been conducted in the past under such names as "political warfare," "covert operations," "irregular or guerrilla warfare," "active measures," and the like. In some sense, the Cold War was one protracted GZ campaign on

[1] The TOR also directs a review of the "current state of analysis" of the subject. There is an extensive literature, governmental and academic, U.S. and foreign, on the GZ concept, including case studies and more general discussions. We have reviewed some part of this literature, but given time constraints, we have not performed a comprehensive literature search. We recommend that, as part of a comprehensive review of the GZ issue, the Department of State should commission such a review.

[2] See, e.g., U.S. Special Operations Command, "The Gray Zone", September 9 2015, pg. 1, available at: https://info.publicintelligence.net/USSOCOM-GrayZones.pdf.

both sides on a global scale. The Trojan Horse exploited many of the instruments of a GZ operation – creating confusion and division in enemy opinion, extending ostensible inducements, implanting hidden military forces, deception, and clandestine infiltration of enemy territory.

The central characteristic of GZ operations is that they involve the use of instruments beyond normal international interactions yet short of overt military force. They occupy a space between normal diplomacy and commercial competition and open military conflict, and while often employing diplomacy and commercial actions, GZ attacks go beyond the forms of political and social action and military operations with which liberal democracies are familiar, to make deliberate use of instruments of violence, terrorism, and dissembling. Moreover, they often involve asymmetry in magnitude of national interests or capabilities between the adversaries. GZ techniques[3] include:

- Cyber, information operations, efforts to undermine public/allied/local/ regional resistance, and information/propaganda in support of other hybrid instruments;[4]
- Covert operations under state control, espionage, infiltration, and subversion;
- Special Operations Forces (SOF) and other state-controlled armed units, and unacknowledged military personnel;
- Support – logistical, political, and financial – for insurgent and terrorist movements;
- Enlistment of non-governmental actors, including organized criminal groups, terrorists, and extremist political, religious, and ethnic or sectarian organizations;
- Assistance to irregular military and paramilitary forces;
- Economic pressures that go beyond normal economic competition;
- Manipulation and discrediting of democratic institutions, including electoral system and the judiciary;
- Calculated ambiguity, use of /covert/unacknowledged operations, and deception and denial; and

[3] Not all use of these techniques can properly be considered "Gray Zone" operations. For example, SOF have many functions, such as engagement and peacekeeping, that are not Gray Zone efforts, if only because they lack the objective of gaining competitive advantage over an adversary.

[4] Cyber represents an instrument of GZ attacks that is particularly challenging, not only because of its novelty, but – in most contexts – greater U.S. dependence and vulnerability than of likely adversaries. Accordingly, preparing both organizationally and operationally to meet GZ challenges requires a focus on cyber issues.

- Explicit or implicit threat use, or threats of use of armed force, terrorism, and abuse of civilian populations and of escalation.

Currently, the United States can reasonably be said to face GZ campaigns in a range of theaters:

- Russia has mounted a variety of GZ operations, not only in Ukraine where it actually employed thinly disguised military force and support for local militias as well as other instruments, but also targeting the Baltics, Eastern Europe, the Balkans, the United States, and a range of European countries with a massive campaign (including expansive use of cyber) to spread its narratives, undermine confidence in legal, economic, and electoral systems, and manipulate political action, exemplified by the FSB/GRU cyber operation that hacked into networks used by U.S. political figures and organizations in what is assessed by the U.S. intelligence community and the FBI as an effort intended to influence the recent U.S. presidential election.
- China is aggressively advancing its disputed maritime claims in the South and East China Seas, by both incremental establishment of "facts on the ground," by construction and occupation of disputed features, providing material incentives to accommodate to Chinese desires, and undermining confidence in U.S. credibility by an extensive media effort.
- Iran in Syria and elsewhere in the Middle East, and from Daesh and other radical Islamist groups in Iraq, Syria, and elsewhere using terror, exploiting sectarian and ethnic divisions, and otherwise seeking to disrupt the established order in the region.[5]
- North Korea has over the years, repeatedly used ostensibly deniable violence, political infiltration, intimidation by threats of massive escalation, and hostage-taking to divide the Republic of Korea and the United States and protect its failing system.

[5] The study has focused on GZ actions directed against the United States. However, the term was, according to some accounts, initiated by an article by Russian General of the Army Valery Gerasimov in describing a "new" form of warfare being employed by the United States against Russia and to which Russia needed to develop better responses. (See, e.g., Gerasimov, V., "The Value of Science is in The Foresight: New Challenges Demands Rethinking the Forms and Methods of Carrying out Combat Operations", Military Review, Jan. 2016, available at: http://usacac.army.mil/CAC2/MilitaryReview/Archives/English/MilitaryReview_20160228_art008.pdf.) Whatever the merits of that claim, there are plenty of cases – including some current and very recent ones – where the United States has done things that could reasonably be said to fit within the concept. These include those being mounted to restrain the nuclear and missile programs of North Korea and Iran, and, those aimed at regime change in Iraq pre-2003. Indeed, it is arguable that the United States has been more successful in offensive use of GZ techniques than in defending against them.

Contemporary GZ challenges present special problems for the United States, in part because GZ operations employ techniques calculated to avoid confronting the United States on grounds, notably open conventional warfare, where military power, based on personnel, experience, technology, and economic capacity give the United States an edge. These techniques – which may be broadly described as "asymmetric" and as unlikely to be effectively countered by large scale application of conventional military force – include:

- Employment of new technology like cyber and social media;
- Instruments which the United States, for very good legal and moral reasons, declines to use;[6]
- Operations in unfamiliar places, with different cultures, values, and an ability to reach beyond Westernized elites to traditionalist, nationalist, or religious groups;
- Efforts in theaters/regions thought to have become unlikely prospects for violent competition (Europe, East Asia);
- Exploitation of differences between the United States and its adversaries in the interests at stake, in willingness to take risks of escalation and deepening commitment, and to accept (and impose) casualties;
- Intervention in contexts where there are no wholly ideal partners and there is confusion about intentions, capabilities, and character of participants – even of who is on what side;
- Turning important U.S. values like rule of law and democratic procedures against the United States by "lawfare" that seeks to leverage U.S. concern with legal constraints, and plebiscitary (and corrupted) electoral systems; and
- Reliance on reluctance of the United States to risk (or sustain) escalation and potential ineffectiveness of an effort to respond to asymmetric attack on its own terms, instead of developing U.S. courses of action that are asymmetric with respect to the adversary.

The United States does have some comparative advantages. These include massive resources; economic and financial power; intellectual and cultural advantages; military strength of unsurpassed quality, power, and capacity for adaptation to new environments and tasks; technological capacity; experience of

[6] For example, conditions in an area of GZ conflict may be strongly affected by actions of U.S.-based NGOs, private businesses, and media organizations. Adversaries do not hesitate to use similar non-governmental entities in their campaigns, and both adversaries and others often view such entities as under U.S. government control, and they could in theory be enlisted in U.S. efforts. In practice, however, there are strong legal, normative, and practical constraints on U.S. government efforts to operate with or through such U.S.-based non-governmental entities.

both success and failure in similar contexts; a global network of real allies and partners, wide-spread international official, and private sector presence; adherence to values and principles that have broad appeal in many areas of the globe; and capacity to conduct its own defensive operations that employ GZ techniques. Authoritarian governments seem to be both better at conducting GZ activities and yet may themselves be vulnerable to them because of those governments' strong – and therefore potentially rigid – chains of command and lack of political legitimacy.

II. Policy Options and Operational Concepts

GZ campaigns are likely to be more common and potentially dangerous in the future, and the United States must improve its capacity to resist them. To that end, the U.S. government should address the following:

Fundamental Policy and Strategy Decisions. Effective action requires both an appropriate organizational and operational structure for dealing with the general challenge and, for specific cases as they arise, a coherent policy framework and strategy to guide U.S. response – and indeed to determine if, and in what way, to respond. Establishing such a strategy must include assembling a comprehensive understanding of the local, regional, and global situation relevant to the case, including the characteristics and capabilities of "players" in the context, and a sober assessment of the scale and nature of U.S. national interests at stake, the resources that will be required, the costs likely to be incurred, the risks of escalation, plausible political objectives the United States can achieve, and possible outcomes – recognizing that GZ conflicts often end with a compromise political resolution, not absolute victory – and a candid appraisal of the means and commitment by the United States necessary to be successful.

Planning, Management, and Implementation. For those GZ conflicts where these criteria are met, and the United States chooses to engage, the United States needs to give increased attention to improving its capabilities for such conflicts. This will require development of concepts for dealing with asymmetric threats, not within the boundaries established by the adversary, but with U.S. action that is asymmetric with respect to the adversary. It will also require an improved ability to use a very broad range of instruments of national power resident outside agencies with a primary focus on international security affairs.[7] Decision-makers

[7] Such agencies may, depending on the specific case, include the Treasury Department (which has a strong international focus, but not traditionally one oriented toward security issues), the Department of Homeland Security, the Department of Energy, the Department of Commerce, the Department of Justice, and others.

and planners must also recognize that, while the GZ conflict may be "about" a single country or movement, an effective response will usually transcend national and even regional boundaries.

A key organizational obstacle to achieving this highly integrated and wide-ranging effort is that there is no common chain of command short of the President, no capability for strategic planning for the whole government effort, and no established structure for management and coordination of implementation across the federal government. The ultimate authority for GZ operations is, of course, the President, and the National Security Council (NSC) Staff, as the President's immediate staff support for international affairs, needs to lead on defining strategic approaches, developing plans, and coordinating U.S. efforts.

The fact that a campaign to counter a GZ challenge will need to be a team effort – in military jargon "cross-domain" and in academic jargon "interdisciplinary" – and many agencies will need to contribute to a successful effort means that the NSC must have the lead on overall planning and coordination. However, no such strategic planning capability exists in the NSC Staff now, a gap that should be filled if the United States is to be as effective as needed in dealing with GZ conflicts.[8]

There is, however, a fundamental difference between strategic assessment, policy formulation and planning, and the implementation of plans once they have been approved. It will be a sufficiently difficult and important task to create an improved capability for the former, without attempting to give the NSC Staff the additional task of managing execution of the plans. In any event, the NSC Staff is not structured or sized to play a command operational role in managing operations – nor should it be – so it cannot and should not attempt to be the venue for managing implementation.

The United States needs an organizational structure to take on that implementation task. This structure should not be primarily military. The Department of Defense (DoD) will almost always have an essential role in counter GZ efforts if only because reasonable physical security is a prerequisite for other instruments being effective. Actual military operations must be under a military chain of command. In many cases, the best military partner in the overall effort will be Special

[8] The need for a strategic planning and an implementation structure is not, of course, limited to the Gray Zone problem. The ISAB studies of epidemic disease, security capacity building, and Arctic policy have all pointed to the need for such structures for problems that extend across many fields and involve many agencies.

Operations Forces that are trained and doctrinally oriented for the sort of conflicts in which GZ tactics are employed by adversaries.

The military cannot, however, be expected to deliver alone even on all the security tasks. Often law enforcement, "rule of law" assistance, intelligence support, border control, and other critical – but non-military – security fields will be more important. Accordingly, the relevant U.S. agencies will need to contribute.

In any event, because the conflict is (mostly) non-military, DoD is not well-suited to be in operational charge overall.

Rather there should be an effective civilian-led structure for planning and management of executing U.S. counter-GZ activities within a centrally determined strategy. Whatever structure is devised will need to be capable of managing the tricky task of coordinating military and civilian actions in the field.

At the single-country level the United States should make the Country Team – augmented as necessary to include representatives of all involved agencies – the structure for in-country coordination and management.[9] The Country Team is, however, by its very nature, limited to a single nation. The GZ challenge will almost always require actions throughout the region, and indeed often encompassing more than one region. The United States lacks a regional-level civilian institution, comparable to the military's regional combatant command (CCMDs), to direct regional-level activities.

Such a structure needs to be established, and doing so should be a high priority as a new administration, like most new administrations, reviews and revises organizational arrangements. Whatever structure is adopted, it must assure participation by all relevant agencies and pre-crisis development of plans and procedures to set it up.

The options – excluding attempting to have the NSC manage execution – include employment of:

- A Washington-based mechanism, led by the Department of State;
- A deployable case-specific civilian "task force" organization, based in the region, and using a pre-developed template. This would essentially be a

[9] For a detailed discussion of this proposal, see C. Lamb and E. Marks, *"Chief of Mission Authority as a Model for National Security Integration" (Center for Research, Institute for Strategic Studies, National Defense University) 2010.*

parallel civilian regional structure alongside the military regional structures, with the Department of State having the leadership assignment; and

- An integrated military-civilian structure, headed either by a senior civilian or a military officer, but co-located with a regional combatant command and with a single chain of command over both civilian efforts and military activities (other than strictly operational combat operations).

Each model has virtues and faults.

- The Department of State-headed, Washington-based approach has the advantage of a global perspective and relatively easy involvement of all relevant agencies. However, it suffers from distance from the field, diversion of senior attention to other contemporaneous problems, and likely rivalry between the Department of State, as the implementation authority, and the NSC.
- An ad hoc, region-based, all-civilian model would allow for tailoring the structure to the immediate problem, but its improvised nature would risk delays and inadequate pre-crisis planning. Moreover, it does not address the issue of parallel military and civilian chains of command.
- There is a case for integrating a strong civilian management element with the military's regional CCMD structure, because of the need for close coordination between the two lines of effort.[10] The strength of this model is that it makes use of a well-established, and generally effective, regional entity that has no real civilian counterpart and establishes a single authority in the field over all parts of the operation. The principal problem for such an integration is that it attempts to run both a military and a civilian chain of command through a single organization. This model would entail either (a) civilian control over military activities (other than purely combat operations which both legally and practically cannot be directed by a civilian, other than the President and SecDef), or (b) military control over civilian activities, which raises both a risk of over-reliance on military force and questions of civilian control over an effort that is not primarily military. Experience also suggests that the distinction between "combat operations" and other military action in support of an overall GZ effort may be easier to state in principle than to apply in practice.

[10] The case for such an arrangement, and discussion of its advantages, problems, and variations, is discussed in J. Jones, *All Elements of National Power: Toward a New Interagency Balance For U.S. Global Engagement,* (Atlantic Council Scowcroft Center) 2014.

No doubt many other possibilities exist. However, what is critical is that a definite decision be made on which model to adopt and a clear priority placed on preparing organizations based on the model and not leaving these critical command, management, and organizational issues to be resolved ad hoc in the midst of a crisis in which timely action is of the highest importance.

The Department of State's internal organization, training programs, exercise/ simulation programs, and personnel evaluation should be structured to reflect the new (and/or higher priority) responsibilities in the GZ area. To build a basis for effective interagency work, personnel from other agencies and other countries that are potential partners in counter-GZ efforts should be fully included in State training and exercise programs, as should individuals from inside and outside government with useful local and regional experience and expertise.[11] Moreover, support should be given for education and training of students in language skills and cultural studies, as well as academic research in these domains so that the United States has an appropriately skilled workforce to address GZ issues in the Department of State and other agencies. Put another way, there needs to be investment at home as well as abroad in order to counter GZ actions.

Focus on Planning for Operations. The very complexity of GZ challenges means that the United States must be prepared to anticipate problems and be capable of rapid response across the government.

Too often, U.S. action in a GZ crisis is reactive rather than pro-active, and inadequate basis in local conditions. While no organizational structure can guarantee that it will be innovative, proactive, and successful, planning and exercises can increase the chances. A major deficiency in U.S. government GZ efforts is inadequate planning, which too often leaves the task to ad hoc arrangements in the midst of crisis.

To remedy the planning problems, the United States should establish, with cross-government participation and NSC oversight, an "on-the-shelf" structure for detailed planning and conducting rapid – and enduring and coordinated – counter-GZ operations. These would include stand-by interagency "task forces" with linked communications, access to resources, agreed detailing/funding mechanisms, training and exercise/simulation programs, arrangements for deployment of personnel and other assets, an inventory of personnel and assets – particularly from

[11] Indeed for the long run success of the U.S. in the international context we will face in the coming decades, the nation needs to invest education and training in these fields, with the same focus and priority as for science and technology.

agencies not primarily focused on international security – that could be employed in a GZ operation, and provision of needed additional authorities and funding. Such a planning structure will establish an organization and management template for GZ operations.

"Winning the Narrative." GZ operations have a strong information element aimed at shaping public opinion both in the immediate theater and more broadly. The United States is not as effective as it should be in this dimension of GZ operations, despite the solid efforts of individual organizations. There needs to be a government-wide review led by NSC, with input from State's public diplomacy and the military's information operations stakeholders, of the current fragmented U.S. government public diplomacy structure, including its capacity for use of the full range of contemporary media. The review should examine whether there is a need for a single agency – a modernized United States Information Agency (USIA) – for civilian information efforts, and how to make better use of SOCOM's expertise and experience in information operations.

Intelligence and Other Information. Countering GZ attacks successfully places a heavy demand on intelligence. In this context, "intelligence" will come not only from the Intelligence Community as such, but from other agencies and non-governmental sources (business, non-governmental organizations (NGOs), academic, and others) with contacts, skills, experience, and cultural/social understanding relevant to the problem. The need will be not only for day-to-day operational intelligence of both military and political action – but also to understand the dynamics of the nation and region in which the conflict is occurring, the character of the conflict, and the perspectives of adversaries, partners, and others with an interest in, or a potential for, affecting the course of events – and to identify in advance situations in which the United States is likely to have to deal with GZ operations. A key element of a GZ strategy should be a preventive approach that seeks to identify critical vulnerabilities in key countries at risk, to include energy, other natural resources (such as water), cyber, financial systems, and governance integrity (e.g. susceptibility to corruption). Preparation for and support of GZ defense should be a high priority for U.S. intelligence. In the effort to provide intelligence, broadly understood, the Department of State has, and should employ, its strong potential advantage arising from its world-wide presence and core mission of understanding, as well as conducting diplomacy with foreign nations.

Link Development and Quality of Government to Favorable Outcome. To say that the United States must be effective in defeating the immediate GZ challenges is not

to deny the need for long term efforts to address the fundamental underlying sources of violence and the conditions that make GZ tactics potentially effective – by promoting economic growth, justice, human rights, good governance, health, education, and the like. Moreover, development assistance can sometimes be an effective inducement to co-operations and an instrument of influence – and of "winning the narrative."

Deployable Personnel with Needed Skills. Effectiveness requires people with a range of skills, and training and preparation to work in hostile environments. The Department of State has important contributions to make in this connection arising from its ability to quickly staff new lines of work in foreign countries with people with relevant skills and experience. However, many of the needed skills are found in other federal agencies and in state and local government, that (unlike the foreign/security agencies) lack an "expeditionary" orientation. A system needs to be established to inventory these skills and set up a mechanism to deploy the relevant personnel when needed.

International and Regional Stakeholder Engagement. Success may depend on engaging other nations and institutions not only for their direct contribution (including financial support, deployment of personnel, and assistance in the intelligence and information efforts) but to demonstrate that the effort is not an exclusively U.S. project. Other countries whose support and participation would be critical to success will often have different interests, both political and economic,[12] and it will be a significant task to secure their cooperation. The Department of State is uniquely situated to engage foreign nations and international organizations like the UN, EU, NATO, and other regional security institutions and to engage NGOs and private business as resources and allies.

Learning and Evaluation. The United States needs to create a better system for institutional learning from experience to ensure that important insights, contacts, and local knowledge and practical knowledge of how to meet the challenges are accessible when future contingencies arise. Such a "lessons learned" program should build on the practices of those parts of the system that have made learning a central priority, notably but not exclusively, within the military.

This lessons learned effort should be government wide, but the Department of State – which does not have a strong "after action lessons learned" system – should

[12] For example, the burden of sanctions will vary greatly among countries, as will dependence on sources of energy, and political, cultural, and other alignments and allegiances involved.

put more emphasis on this task internally. An area ripe for additional study within State is to understand how to develop the resources needed for institutional learning.[13] Federally Funded Research and Development Centers (FFRDCs) may have the capability to provide rigorous, consistent analytic support to such an activity. The Department of State should consider having such an organization support a whole of government assessment of GZ activity. At a minimum, the Department of State should establish an explicit protocol for recording and preserving what has been learned during individual staff members' work.

Authorities and Access to Resources. U.S. government operations that must be conducted on a rapid reaction basis and across a range of agencies notoriously suffer from rigid legislation and regulations regarding funding sources and authorities for agency action. Effective coordinated action will be facilitated if fiscal control systems permit easier transfer of funds among agencies and necessary authorities can be made available in pursuit of common goals. Any changes in this area will likely involve legislation and must in any case be made in close consultation with Congress. Congress cannot be asked or expected to give a blank check, but a careful process of consultation – and systems for notification and explanation – should make it possible to assure more flexibility without loss of transparency and accountability.

Legal Framework. A critical area in need of further exploration is the legal framework surrounding the U.S. response to GZ challenges. Key questions include:

- Understanding of the ways in which application of the Law of Armed Conflict and other recognized international laws and norms would delegitimize GZ tactics. Even when such norms are violated, appeals to their validity may be useful in winning the "narrative "and building support for defense against the operations.
- Assessing possible new "GZ-specific" norms – the establishment of which would be helpful in meeting GZ challenges because they are adapted to the specific problem of GZ operations. At issue in this context is whether certain GZ techniques, such as interference in foreign political systems, should be banned by international law. However, the very breadth of instruments used in most GZ operations, and their existence in a "gray zone" between normal competition and open conflict, seem likely to make it difficult to find rules that can reasonably be applied universally (or even be

[13] One option might be to assign the "lessons learned" task to U.S. Institute of Peace (USIP).

acceptable to the United States given that the United States sometimes employ GZ tactics – such as use of covert action) and that will likely also be featured in any GZ operations against U.S. interests. In particular, potential connections between GZ operations and either terrorism or organized crime need to be addressed.

- U.S. Law – A review of the legal foundation for GZ operations should be undertaken to develop an inventory of statutory and regulatory authorities that govern U.S. government activities in the GZ, including consideration of any inappropriate limitations these authorities impose and what statutory modifications would contribute to more effective, rapid response. A key issue is identifying the various funding mechanisms that exist for these activities, the opportunities and obstacles they present, and whether and how they can be made more flexible without losing accountability. In any effort along these lines, close consultation and collaboration with Congress will be essential because of legitimate concerns with ensuring that greater flexibility in funding and other authorities does not compromise congressional oversight and authorization of use of funds.

The international law part of this legal analysis falls naturally within the purview of the Department of State's Office of the Legal Adviser, as the international law authority for the Department. That office should also sponsor a review, working with the Department of Justice and other legal and policy offices concerned, of applicable domestic U.S. law.

III. Actions to Deter or Dissuade GZ Operations

In the GZ context as in others, the ideal U.S. goal is the prevention of conflict by convincing adversaries that it is not in their interest to use whatever tactics are within their command because such use has both high chance of failure and prospect of unacceptable costs/punishment. Moreover, local and regional support, which are normally essential for an effective GZ defense, will only be available – and thereby deter GZ attacks – if the people involved believe the United States (and local allies) can assure their safety and the defeat of the attacks.

Prevention of GZ challenges will be enhanced by:

- Pre-conflict preventative defense – and pre-conflict political action – including clarity about U.S. commitments and demonstrated preparation and capacity to meet them.

- Part of political action may include a measure of willingness to promote a compromise on the issues that give rise to the possible GZ attack.
- Improved ability to anticipate GZ attacks will allow more time for both political/diplomatic action and for preparation for countermeasures.
- Demonstration of U.S. capacity to defeat GZ challenges is a powerful instrument of dissuasion.
- Building allied and local support.

Escalation is always a factor – sometimes a credible threat to increase or shift the scale and instruments the United States uses will increase the probability that the GZ campaign will fail, thereby contributing to dissuading the adversary from trying. However, a major U.S. concern will usually be to prevail without enlarging the conflict.

In the GZ context, it seems likely that dissuasion by the prospect of lack of success is more relevant to conflict prevention than deterrence by threat of unrelated punishment. The instances in which the United States can credibly or effectively deter GZ attacks by the prospect of in-kind response will be few and far between. U.S. actions are unlikely to deter, unless they also present heightened prospect of defeat, not just punishment. U.S. steps to increase its ability to counter GZ operations are detailed in the body of the report.

IV. Recommendations

Recognizing the Challenge. GZ campaigns are likely to be more common and potentially more dangerous in the future, including through the nexus with terrorism and organized crime, and the United States must improve its capacity to resist them. The U.S. government – and the Department of State[14] as a part of it – should identify GZ operations as one of the high-priority challenges the United States will face in the coming years, and understand better the nature of the challenge and the steps needed to meet it.

Fundamental Policy and Strategy Decisions. Effective defense against Gray Zone (GZ) tactics requires:

[14] While our study has taken a whole of government approach, we have concentrated on the Department of State's role. With a few exceptions, we have not attempted to identify the particular element of the Department of State that should take the actions we recommend. We do, however, recommend that the Under Secretary for Arms Control and International Security ("T") undertake to ensure that the recommended actions be taken by the appropriate Department of State element and that it should be the default element responsible for overall GZ actions inside the Department.

- A better organizational and operational structure both for dealing with the general challenge and for handling specific cases as they arise;
- A coherent policy framework and strategy to guide U.S. response – and indeed to determine if and in what way to respond;
- Assembling a comprehensive understanding of the local, regional, and global situation relevant to the case at hand;
- A sober assessment of the plausible political objectives the United States can achieve – recognizing that these sorts of conflicts often end with a compromise political resolution, not absolute victory;
- A candid appraisal of the means and commitment by the United States necessary to be successful; and
- Defining and setting realistic objectives and policy-driven pro-active plans of actions to meet those objectives.

Addressing Underlying Sources. In many cases, GZ challenges exploit genuine grievances and government and economic failures. While giving due attention to immediate operations, the United States should continue to address the fundamental underlying sources of violence and the conditions that make GZ tactics potentially effective – by promoting economic opportunity, justice, human rights, religious and ethnic tolerance, good governance, public health, and the rule of law.

Improving Organization and Planning. The U.S. government must take a whole of government approach to counter-GZ efforts. This will require engaging a full range of agencies including agencies whose primary focus is not international security. Accordingly, the NSC should conduct broad planning for GZ operations and should be the entity to coordinate among agencies. However, it should not attempt to manage day-to-day operations or detailed implementation planning. Instead there should be an effective civilian-led planning and management structure for U.S. counter-GZ activities – with particular attention to cyber and other information issues – within a centrally determined strategy. At a single-nation level, the Country Team, augmented as necessary to include all agencies involved, should be the manager and coordinator in the field of the civilian aspects of a GZ operation. However, because virtually all GZ operations will involve more than one country, and often whole regions, there needs to be a regional structure – analogous to, but not part of, the military's regional combatant commands – for managing counter GZ operation. The options include a Washington-based mechanism (which is basically what we have relied on in the

recent past) led by the Department of State, a deployable case-specific organization based in the region, and an integrated military-civilian structure co-located with a regional combatant command. (In general, our preference, based on the less than satisfactory experience with separate civilian and military chains of command, is for integration of the civilian and military regional structures, and for giving the Department of State the leadership civilian assignment in whatever structure is used.) There are a variety of models for the structure to conduct operations in the field, with varying degrees of integration of the civilian and military aspects of implementation. What is critical is that a definite decision be made on which model to adopt and a clear priority placed on preparing organizations based on the model and not leaving these critical command organizational issues to be resolved ad hoc in the midst of a crisis in which timely action is of the highest importance.

To remedy the planning problems, the United States should establish, with cross-government participation and NSC oversight, an "on-the-shelf" structure for detailed planning and conducting rapid – and enduring and coordinated – counter GZ operations. The U.S. government planning process should include formalizing structures, procedures, and operations so that instead of improvising its response to each new GZ challenge the U.S. government has an "on-the-shelf" structure allowing for a rapid, enduring, and coordinated response. These would include creating stand-by interagency "task forces" with linked communications, access to resources, agreed detailing/funding mechanisms, training and exercise/simulation programs, and designated personnel.

Plans to respond to GZ challenges should identify "asymmetric responses" available in each country or region, the contributions that can be made by agencies not primarily concerned with international security, international partners, private U.S. business and NGOs, and create an inventory of whole of government tools/resources that can be brought to bear when faced with a GZ challenge. The Department of State should make preparation for GZ situations an element of training in the Foreign Service Institute (FSI) and elsewhere, including for Chiefs of Mission, and a core priority for posts, to prepare them to manage campaigns and coordinate with the military's combatant commanders within a centrally determined strategy.

In this connection, the Department of State should conduct and sponsor games and exercises addressing potential GZ challenges with participation by personnel from other agencies and other countries that are potential partners in counter-GZ efforts.

Institutional Learning. The U.S. government needs to be structured to learn from experience during GZ conflicts so it can adapt for the next one. To that end the United States needs to create a better system, drawing from "lessons learned" systems in the military and elsewhere, for institutional learning from experience. This lessons learned effort should be government wide, but the Department of State – which does not have a strong "after action/lessons learned" system – should put more emphasis on this task. For example, when staff rotates out from posts/assignments, the Department of State should have an explicit protocol for recording and preserving what has been learned during the individual staff members' work on the GZ problem.

The U.S. government needs to be able to systematically conduct assessments based on the "after action/lessons learned" collection of data, and use these assessments in a positive feedback loop for future GZ conflicts. FFRDCs may have the capability to provide rigorous, consistent analytic support to such an activity. The Department of State should consider having such an organization support a "whole of government" assessment of GZ activity. Furthermore, policymakers should make full use of the Department of State's Office of the Historian and consult professional historians to better inform themselves of the analogues and precedents of U.S. and foreign uses of GZ activities. Applying this history would prove useful in anticipating and planning for GZ challenges.

Intelligence. Preparation for and support of GZ defense should be a high priority for U.S. intelligence, on both a day-to-day basis to support operations, and on the fundamental dynamics of on-going and potential GZ conflicts to better understand when social, economic, and political conditions are such that a partner or ally may be susceptible to these challenges.

In the effort to provide intelligence, broadly understood, the Department of State has and should employ its strong potential advantage arising from its world-wide presence and core mission of understanding, as well as conducting diplomacy with foreign nations.

Tools, Resources, and Authorities. The U.S. government needs a deeper understanding of the whole of government tools/resources that can be brought to bear when faced with a GZ challenge include examining flexibility in staffing and budgeting, to see when and how the Department can more quickly adapt to these dynamic threats over time. State, with the Legal Advisor in the lead, should assess the legal framework surrounding the U.S. response to GZ challenges. Key questions include:

- Understanding of the ways in which the Law of Armed Conflict and other recognized international laws and norms apply to GZ operations and how focus on such application could delegitimize GZ tactics.
- Assessing possible new "GZ-specific" norms – the establishment of which would be helpful in meeting GZ challenges because they are adapted to the specific problem of GZ operations. Recognize that it is likely to be difficult to find rules that can reasonably be applied universally (or even be acceptable to the United States given that the United States sometimes employ GZ tactics, such as use of covert action) and that will likely also be featured in any GZ operations against its interest.
- A review of the domestic U.S. legal foundation for GZ operations should be undertaken both to develop an inventory of statutory and regulatory authorities that govern U.S. government activities in the GZ and identify any inappropriate limitations these authorities impose and what statutory modifications would contribute to more effective, rapid response.
- Identifying the funding mechanisms that exist for these activities and how, by legislative or regulatory action, they can be made more flexible without losing accountability.

Information and Narrative. The U.S. government, with NSC leadership and with the involvement of the Department of State's public diplomacy stakeholders and DoD's information operations, should review the current fragmented U.S. government public diplomacy structure, including its capacity for use of the full range of contemporary media. The review should examine whether there is a need for a single agency – a modernized USIA – for civilian information efforts, and how to make better use of SOCOM's expertise and experience in information operations.

Personnel. Effectiveness requires people with a range of skills, and training and preparation to work in hostile environments. However, many of the needed skills are found in other federal agencies and in state and local government, that (unlike the foreign/security agencies) lack an "expeditionary" orientation. A system needs to be established to inventory these skills and set up a mechanism to deploy the relevant personnel when needed. This should include long-term support for language and culture studies, as well as academic research that can support U.S. capability in GZ conflicts.

Appendix A – Terms of Reference

UNDER SECRETARY OF STATE FOR
ARMS CONTROL AND INTERNATIONAL SECURITY
WASHINGTON

June 30, 2016

MEMORANDUM FOR THE CHAIRMAN, INTERNATIONAL SECURITY ADVISORY BOARD (ISAB)

SUBJECT: Terms of Reference – ISAB Study on Gray Zone Conflict

The International Security Advisory Board (ISAB) is requested to undertake a study of deterrence, dissuasion, conflict management, escalation, and de-escalation in the context of gray zone conflicts. These situations can be defined as competitive interactions among state and non-state actors that fall beneath the level of armed conflict, but involve the use of coercion by one side, usually in a gradual and/or indirect manner, such as through the use of para-military personnel. It is intended that the ISAB study will complement and enrich other ongoing efforts in the interagency to better understand and more effectively address this form of asymmetrical challenge to U.S. interests.

The United States is developing its policy and implementation options to address the challenges posed by gray zone conflict. Gray zone conflicts typically involve some combination of military, political, and economic activities within a sovereign nation conducted by another state or its proxies, or the use of non-state actors within ungoverned territories or failing states. Other tactics include the exploitation of international institutions to advance activities or delay censure of them. While these tactics have long existed – and have frequently been favored by weaker powers – they are increasingly employed by countries that can back their risk-taking with the threat of imposing substantial costs should an ambiguous gray zone dispute escalate to overt conflict.

Such an actor may come to believe that the ambiguity associated with its tactics and its deeper stake in the ultimate outcome of the dispute will allow it to achieve its objectives without catalyzing explicit armed conflict. This risk-acceptant behavior can complicate the search for effective but proportional policy tools to counter this form of aggression, particularly when attempting to create off-ramps that de-escalate and return the situation to the *status quo*. The ability of a state to deny involvement in such a conflict because of its use of proxies and the indirect nature of the conflict complicates working with that state to de-escalate the

conflict. The gradual unfolding of gray zone conflicts can mask the erosion of a situation until it is too late and the onus of possible escalation is faced.

It would be of great assistance if the ISAB could examine and assess:

- Unique characteristics of gray zone conflict;
- New policy options and operational concepts available to the United States to seek to de-escalate a gray zone conflict when one is underway;
- Actions or capabilities that could dissuade or deter states from engaging in gray zone conflict to advance their policy goals;
- The current state of analysis of gray zone conflict as it relates to dissuasion, deterrence, and de-escalation, and gaps in this work.

During its conduct of the study, the ISAB may expand these tasks, as it deems necessary. I request that you complete the study in 140 days. Completed work should be submitted to the ISAB Executive Directorate no later than December 1, 2016.

The Under Secretary for Arms Control and International Security will sponsor the study. The Principal Deputy Assistant Secretary of State for Political-Military Affairs will support the study. Ms. Sita Sonty will serve as the Executive Secretary for the study and Chris Herrick will represent the ISAB Executive Directorate.

The study will be conducted in accordance with the provisions of P.L. 92-463, the "Federal Advisory Committee Act." If the ISAB establishes a working group to assist in its study, the working group must present its report of findings to the full ISAB for consideration in a formal meeting, prior to presenting the report or findings to the Department.

Rose E. Gottemoeller

Appendix B – Members and Project Staff

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Hon. Gary Hart (Chairman)
Hon. Charles B. Curtis (Vice Chairman)

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Amb. Brooke Anderson
Hon. Douglas Bereuter
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Mr. Christopher Herrick, Executive Director, ISAB
Mr. Wesley Thompson, Executive Secretary
Ms. Anne Choi, ISAB Action Officer
Ms. Thelma Jenkins-Anthony, ISAB Action Officer

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Appendix C - Individuals Consulted by the Study Group

Individuals who consulted directly with the study group, either in person or via phone

August 31, 2016
Dr. Hriar Cabayan, Joint Staff/J-39, DDGO;
Mr. Jay Rouse, Senior Strategist, Joint Staff /J5 Strategy Development Division;
Mr. Brandon White, Chief of Targeting, Department of the Treasury Office of Foreign Assets Control, Eurasia/Levant Team; and
U.S. Department of State, Bureau of Intelligence and Research Briefers

September 28, 2016
Mr. Daniel Kimmage, Policy Planning Staff, Office of the Secretary of State, Department of State; and
U.S. Department of State, Bureau of Intelligence and Research Briefers

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