

Buying a Russian S-400 Triumph Air Defense System

In September of 2017 Turkey signed a \$2.5 billion contract to buy S-400 Triumph air defense systems from Russia.¹ The US was none-too-pleased with the news and voiced disdain for the purchase repeatedly. Frustration with Turkey is based on the expectation that they will procure NATO-approved products for the sake of systems interoperability. In a February 2018 interview with the Washington Post, Sergei Chemezov head of Rostec was asked if selling Russian heavy weapons to a NATO ally was a strategic move. Chemezov cheekily replied, “The S-400 is not an offensive system; it is a defensive system. We can sell it to Americans if they want to.”² Part of Chemezov's joke pivots on the Cold War assumption that the prospect of the US purchasing an air defense system designed to counter its own aircraft is absurd. The US sells plenty of its comparable Patriot systems to NATO allies. If the Pentagon truly wished to take Chemezov up on the boastful offer, it would have to clear a few hurdles.

Export control by FSTEC

The S-400 system is manufactured by Almaz-Antey Air and Space Defense Corporation, Joint Stock Company. Almaz-Antey has two ways of selling products to foreign customers. The primary path is through the larger export control organization Rosoboronexport. Additionally, they are licensed to sell arms “as an independent subject of military-technical cooperation...”³ The specific limitations of the license are unknown, so it isn't clear exactly how Russian law would prevent a sale of an S-400 to a US company or government agent.

The legal body that governs Rosoboronexport and therefore Almaz-Antey is called “Federal Service for Technical and Export Control of Russia (FSTEC).” They list among their powers a number of specific provisions relating to export control, missile technologies, weapons and military equipment, state secrets, etc.⁴ Any US agent working with local procurement would likely need a contact at FSTEC, Rosoboronexport and Almaz-Antey.

Broadly speaking, the open-source picture of the Russian defense industrial base appears clearly organized, modern and efficient. It is a testament to Russia's experience as a leading global arms purveyor that the process for buying weapons should be relatively transparent even to a layperson.

NATO would object

The US State Department voiced its “concern” about the Turkish purchase of the S400 in

¹ Bryen, Stephen. 2018. “Russia's S-400 Is Way More Dangerous Than You Think.” *The National Interest*. January 18. <http://nationalinterest.org/blog/the-buzz/russias-s-400-way-more-dangerous-you-think-24116>.

² Troianovski, Anton. 2018. “Q&A: Sanctioned Putin Ally Holds Out Hope That Trump Will Boost Russia Ties.” *The Washington Post*, February 10.

³ Almaz-Antey. 2018. “Almaz-Antey.” *Almaz-Antey.Ru*. Accessed April 28. <http://www.almaz-antey.ru/en/voenno-tehnicheskoe-sotrudnichestvo/>.

⁴ FSTEC. 2018. “Information on powers of FSTEC of Russia.” *FSTEC.ru*. Accessed April 28. <https://fstec.ru/en/359-powers>.

November of last year, specifically on the grounds that undermined NATO interoperability.⁵ Turkish President Erdogan responded that Turkey has a right to purchase any self-defense equipment it needs, and that the US was applying a double standard. Cyprus was required to hand over S-300 (precursor to the S-400 Triumf) to Greece, years earlier.⁶ The US recognizes Turkey's strategic value as a NATO member and has been measured in its expression of indignation. NATO Secretary General Jens Stoltenberg responded to a Turkish journalist who asked about the apparent double standard that what Turkey buys for self-defense is a "national decision." He also noted that Turkey is in dialogue with the US to potentially buy Patriot missiles.⁷ Why Ankara would be interested in both systems is unclear.

One would expect that if the US were to reach out to Russia and begin negotiating the purchase of an S-400 system, other NATO member countries would find it confusing, especially if there was an expectation that the system was to be deployed alongside or in place of the popular Patriot system. Given the US core role in NATO, allies would have to seriously rethink their procurement models, force posture, and training models. The full ramifications of having an SA-21 Growler (NATO designation of the S-400) in service are beyond the scope of this memo. It is worth noting that NATO members may not be able to stop the US from signing a deal, but that deployment of one's former/not-so-former adversary's heavy weaponry would be unprecedented for the Cold War-era alliance. It is more plausible that the US would engage in procurement of adversary for use as an opfor training tool—something they did clandestinely during the Cold War.⁸

US sanctions may or may not be import barrier

The most serious actual barriers for the Department of Defense are sanctions that have been applied to Russian entities off and on over the last few decades. The most recent were in response to interference Ukraine, the annexation of Crimea. Sanctions of Rosoboronexport appeared in 2006 connected with arms proliferation in Iran and Syria.⁹

The Office of Foreign Assets Control has a website specifically for searching through sanctions lists.¹⁰ S-400 system is produced by Almaz-Antey, exported through Rosoboronexport, which is part of the technology collective Rostec. Searching for any of these entities in the SDN¹¹ lists a reveals an a program under which each is sanctioned.

Almaz-Antey is listed as sanctioned under Executive Order 13661 (EO13361). EO13661

⁵ Nauert, Heather. 2017. "Department Press Briefing - September 12, 2017." Department of State. Washington, DC. September 12. <http://www.state.gov/r/pa/prs/dpb/2017/09/274039.htm>.

⁶ Majumdar, Dave. 2018. "The Real Reason NATO Should Fear Russia Selling S-400s to Turkey." *The National Interest*. March 14. <http://nationalinterest.org/blog/the-buzz/the-real-reason-nato-should-fear-russia-selling-s-400s-24907>.

⁷ Stoltenberg, Jens. 2018. "Press Conference by NATO Secretary General Jens Stoltenberg Ahead of the Meetings of NATO Foreign Ministers." NATO.int. Brussels.

⁸ Weinberger, Sharon. 2010. "How Not to Buy a Russian Helicopter." *Foreign Policy*, November 12.

⁹ Loukianova, Anya. 2008. "Boltonesque Sanctions on Rosoboronexport." *Arms Control Wonk*. October 31. <https://www.armscontrolwonk.com/archive/602078/bolton-esque-sanctions-on-russias-rosoboronexport/>.

¹⁰ The same lists can also be explored through the "Consolidated Screening List" at export.gov.

¹¹ Specially Designated Nationals and Blocked Persons list.

was first issued under President Obama March 16, 2014. It's the first in a series of EOs to appear in 2014 in response to Russian interference in the Donbass and Crimea. Rosoboronexport and Rostec are first named in EO13662; which first appeared eight days after EO13661 on March 24, 2014. These executive orders eventually became law and as of today the original provisions are subsumed under CAATSA. CAATSA, or *Countering America's Adversaries Through Sanctions Act* is an even more rigorous body of sanctions issued August 2, 2017.¹² Section 231 of CAATSA is targeted at "the defense or intelligence sectors of the Government of the Russian Federation." The State Department keeps a web page with a short list of Russian defense and intel agencies named specifically in CAATSA Section 231(d). At a glance, the producer of the S-400, its international export agency and the overall holding company appear in a longer list of companies intended to represent the full Russian Federation defense-industrial base.¹³

Interestingly, Rosoboronexport, but not Almaz-Antey nor Rostec are named as targets of sanctions issued by George W. Bush in April of 2006 and extended in 2008 through two executive orders. Anya Loukianova suggests that the 2008 sanctions were likely the work of John Bolton.¹⁴ In 2010 Rosoboronexport was removed from the "Iran, North Korea, and Syria Nonproliferation Act."¹⁵

The nonproliferation sanctions levied against Rosoboronexport in 2006 created only a small barrier for the US Army as they attempted to rebuild forces in Iraq and Afghanistan. The US was seeking to build up Afghan air transport capability in the mid-2000s and encountered an unusual challenge. The Afghans flying and maintaining Soviet-built Mi-17s, but no such experience US-made helicopters. The Mi-17 performs well in the harsh, high altitudes of the Hindu Kush because the Soviets designed it for service in Afghanistan. Between trying to train them on US helicopters, or buy Russian equipment, the Army favored the latter. Through a US intermediary, the Army was able to secure a no-bid contract worth \$322 million for Mi-17s through an commercial company called Kazan.¹⁶ Kazan was apparently not under Rosoboronexport, or sanctions at the time. The helicopters were then transferred to the United Arab Emirates for military retrofitting.¹⁷ Between 2001 and 2011, "the Pentagon...paid more than \$1 billion to buy Russian military helicopters," despite off-on again sanctions on Russian defense manufacturers.¹⁸

Where there's a will, there's a waiver

¹² Treasury, US Department of the. 2018. "Ukraine-/Russia-Related Sanctions." Treasury.Gov. Washington DC. May 1. <https://www.treasury.gov/resource-center/sanctions/Programs/pages/ukraine.aspx>.

¹³ US Department of State. 2017. "CAATSA Section 231(D) Defense and Intelligence Sectors of the Government of the Russian Federation." Department of State. Washington, DC. October 27. <http://www.state.gov/t/isn/caatsa/275116.htm>.

¹⁴ Loukianova, Anya. 2008. "Boltonesque Sanctions on Rosoboronexport."

¹⁵ US Department of State. 2013. "Iran, North Korea, and Syria Nonproliferation Act." State.Gov. Washington, DC. May 29. <https://www.state.gov/t/isn/inksna/c28836.htm>.

¹⁶ Weinberger, Sharon. 2008. "How to Do Business with a Blacklisted Russian Weapons Company." Wired.com. July 28. <https://www.wired.com/2008/07/how-to-do-busin/>.

¹⁷ Sharon Weinberger broke a number of stories between 2008 and 2011 for Wired.com about how these deals were made and the consequences in Congress.

¹⁸ Weinberger, Sharon. 2010. "How Not to Buy a Russian Helicopter."

US firms have been getting around federal sanctions on doing business with Russia since the interwar period. It is perhaps novel that the US Department of Defense would be forced to buy helicopters for Afghans, thirty years after it was spending billions to train and arm Afghani mujahedeen to shoot them down. America's relationship with Russia has never been completely opaque, logical or consistent and likely never will be. The sanctions regime that is in place currently is targeted at changing specific behavior, in specific regions of the world and in the emerging *gray zone*. The US and Russia do collaborate more or less successfully in other areas. Should there be an unexpected warrant for the United States to purchase an S-400 system, say for an ally or for red-teaming purposes, there is evidence to suggest that they will find a way to exempt a Russian defense agency in such a way as to purchase one without having to abandon the entire sanctions regime.

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