



THE U.S.-INDIA PARTNERSHIP: LOOKING FORWARD

December 4, 2020

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The growth of the U.S.-India strategic partnership has been a significant achievement both in Washington and in New Delhi over the last two decades. Deputy Assistant Secretary of State Laura Stone and Deputy Assistant Secretary of Defense Reed Werner review recent successes and identify future goals for the relationship. Carnegie's Ashley J. Tellis moderates.

Ashley J. Tellis:

Good morning, everyone, and wherever you're calling in from, welcome. A very good morning to those of you who are joining us in the United States. I'm Ashley Tellis, a senior fellow at the Carnegie Endowment for International Peace, and it's my great pleasure this morning to host this discussion on the U.S.-India partnership.

The ties between the United States and India have been steadily transforming now for a little over two decades, and this relationship promises to become pivotal as the global order itself evolves over this century. The changes around us are self-evident, and the importance of close ties between the world's oldest and largest democracies only more so. The last four years have seen a remarkable deepening of U.S.-India strategic ties, yet both countries will be faced with the need to make bold decisions in the years ahead in order for this partnership to bear fruit.

To take stock of these issues—both where we are, where we've come from, and where we ought to go—I'm delighted to introduce two U.S. government officials who are deeply

involved in U.S.-India relations on a day-to-day basis and whom I've invited to present their thoughts this morning. Our first guest, Laura Stone, is a career member of the Senior Foreign Service and is currently deputy assistant secretary for South Asia, overseeing U.S. policy towards and relations with India, Nepal, Sri Lanka, Bangladesh, the Maldives, and Bhutan. She knows India very well—and, I might add, Asia too—having served three tours in Beijing, as well as tours in Bangkok and Tokyo previously.

She's joined this morning by my good friend Reed Werner, who is the deputy assistant secretary of defense for South and Southeast Asia. Prior to assuming his current position at the DoD, Reed worked as an investment banker in the private sector in Asia and, previously, in the U.S. government as well, where he served in the State and Defense Departments with the Coalition Provisional Authority in Iraq and at the White House.

A very warm welcome to both of you, Laura and Reed. I will yield the floor very quickly to each of you in turn, and I was wondering if you could offer about ten to twelve minutes of remarks before we then open the floor for a brief discussion among ourselves and then go to the Q&A from the audience. So, welcome all of you, and over to you, Laura.

Laura Stone:

Thank you so much, Ashley, and thanks to everybody who is joining us. I know that there's a lot of interest in the U.S.-India relationship, both looking back and going forward, so I'm really excited to be here. It's an excellent time to be taking stock of where we are and just thinking more deeply about the U.S.-India relationship. As you pointed out, over the last twenty years, the United States and India have been cultivating this evolving and developing relationship, and U.S.-India ties have become an increasingly consistent focus for U.S. foreign policy. And the relationship is generally on an upward trajectory, quite remarkably—people who look back twenty years with some really good perspective look at it like, "Wow, that's really not the place I expected us to be right now."

One of the interesting things—we were out there just in November, doing the 2+2—we kind of came in a little bubble, did our meetings and bubbled our way out again—but one of the really interesting things about the discussion is that we really do have a strategic convergence right now. And we put that intentionally in the statement, right at the top of the joint statement, to note the fact that the United States and India both recognize this growing strategic convergence in our way of looking at the relationship and looking at the world. So, it's been great that even during the pandemic, both of our countries have been very seriously impacted by this horrible disease, but at the same time, we've really worked very hard to keep the ties, keep the communication going.

So, I want to highlight five key observations that stand out right now, right in the middle of the relationship. First is the frequency and the candor of our government-to-

government dialogues. In the last three months alone, our two governments have had more than half a dozen dialogues. Most of these have been virtual, but—there's a new working group on counter-narcotics going on that just met virtually last week—so, even [when events don't get as much visibility as] the big 2+2 press conference kinds of things, there's tons of work going on at the technical level, and that's continuing. The growth of the partnership over the last three years—and the last ten years, the last twenty years—has really stood out, and the 2+2, I think, has become an increasingly valuable format for having that kind of communication. It's really worked out well. And we're really starting to build out under it to make sure that it's broad—it's not just one or two specific issues, it's really quite a large swath of the relationship that's encompassed.

Second is this: that there's an increasing understanding that our shared strategic framework is grounded in some kind of common vision for the region. The Indo-Pacific nomenclature seems to work well for both of us, and it works well for our partners as well. So, there's obviously a challenge that India faces on its northern border. This clearly has had some role in accelerating the strategic convergence, but it's very broad and increasingly comfortable for both sides.

Third, I did want to highlight that this shared strategic outlook is not just about the quantity of engagements but also the quality of the engagements and the quality of the regional cooperation. You can look at things like the Quad discussions, which are getting both broad and deep, but that's just one aspect of the relationship that's thriving. Fourth—I'll let Reed speak mostly to this—our security ties. There's been a real growth in defense cooperation, information sharing, some increase in interoperability and the ability to work together, and I think that's one of the most prominent areas. But it's not just defense—it's really quite a broad and deepening relationship.

And then, last, we're doing quite a lot of work together that allows us to be much more flexible. The rigidity is starting to pull out of the relationship. So, we can respond to these global challenges like COVID—I was actually, honestly, in those first few days of lockdown, I won't say concerned, but we were watching closely to see how both sides could respond and if we could really operationalize this partnership. And we did: there was a tremendous amount that needed to be done at the government-to-government level, especially in those first few days, but now, as we move into production of therapeutics and vaccines, as we move into increased research cooperation, it's been very reassuring to see how when—you know, we're both bureaucracies, and we have long bureaucratic traditions, but when it really came down to it and lives were on the line, we were able to move quite quickly in order to operationalize what needed to be done. And so that made me very comfortable with the idea that we're going to have increasingly strong foundation for future collaboration.

So, I don't want to take up too much time by sort of running through everything that's going on, but I want to highlight a couple of key visits. The first was the 2+2, where Secretaries Pompeo and Esper did travel to Delhi in this little bubble for the third ministerial. For people that are interested, it's worth looking at the joint statement. That was a very careful articulation of the breadth and depth of the relationship in the realms that are covered by those two secretaries of state.

We also do 2+2 intersession roles that continue to build that out. Just before, the Deputy Secretary had gone to India and Bangladesh and gave a keynote at the U.S.-India Forum, and I also commend that discussion for a vision of how we see the relationship and how the deputy secretary sees it. Then, obviously, just before we moved into lockdown, we had the POTUS visit. President Trump and Prime Minister Modi had a very important visit that elevated our ties to a comprehensive global strategic partnership and concluded some important defense deals. Since then, we've had really valuable COVID-19 cooperation going on throughout the pandemic. They've been speaking frequently on the phone. The embassy in Delhi, they have a health working group that continues to cooperate on some of the technical aspects, building on decades of health cooperation.

So, some of that groundwork was laid decades ago, but it continues to build out with new work on supply chains, with MOUs, and ongoing cooperation. And, I should mention, this is not just government-to-government cooperation—it's really important that we emphasize the fact that there's a whole strong underpinning of business-to-business, education institution-to-education institution, research institution-to-research institution ties that are really coming into fruition right now.

And that was the kind of thing we were able to highlight at the meeting that we had about a month before the 2+2 in Tokyo—that's an increasingly valuable meeting of like-mindeders that has really started to bring concrete cooperation into a what had been previously mostly meetings and exchanges of views. And then we also just saw a Malabar exercise, and I think that Malabar exercise, while not technically a Quad exercise, did give a good example of the fact that the U.S., Japan, Australia and India do find increasing value in cooperating together.

So, this is all been part of this shared vision for the region, for the Asia-Pacific. And we do have a real commitment to developing the relationship, but also broadening it out to be a regional entity, as well, so that we're really looking at how there can be value in doing regional development, regional cooperation. We do have things like the Coalition for Disaster Resilient Infrastructure and the USAID development partnership agency cooperation that [don't] just look at the bilateral aspects, but now [are] really broadening it out to look at international organizations, regional development cooperation, and a

whole range of areas. And I think I'll stop there. We're happy to take questions, but I do want to turn it back over to you.

Ashley J. Tellis:

Thank you, Laura. It strikes me that we are now in the second phase of this relationship—we spent many years early on just trying to get to know each other, and the years between, say, 2001 and 2006 were sort of familiarizing ourselves with [each other]. We knew each other at one level, but at another level, we didn't have the intimacy because of the history of the Cold War and so on. And now, just listening to you speak, I was struck by the fact that there were three things that sort of pop out. One, the increasing convergence of interests, which is what keeps us together; the second is the common vision, which you highlighted as offering us opportunities to actually do things according to a playbook that serves common interests; and then, last, doing things for others. I'll come back to that when we have the discussion because I think it's really remarkable that it's not simply a relationship between two parties, but common action on behalf of a larger community. Let me just leave that as thoughts for the moment, and let me invite Reed to offer his remarks, particularly on the security side of the relationship, because in many ways that is still dominant and still a very important driver as we go forward.

Reed Werner:

So, thanks, Ashley, and thanks to Carnegie for hosting us. We spoke a few weeks ago about doing this, and the timing is particularly good on the defense side. The relationship is probably at its best, most mature in recent memory—we just concluded the third 2+2 that Laura mentioned, which was a milestone in the relationship—and then we're approaching a transition of administration here, which is always a good opportunity to look back, but also look forward on the horizon.

So, I'll begin here by talking about some of the key achievements of the last four years in the defense relationship with India. Then I'll touch briefly on what we covered that was defense-related in the 2+2, and then I'll talk a little bit at the end about where I see the defense relationship going here into the next administration. So, I would start with [saying that] the Trump administration inherited a defense relationship on the upswing back in 2017. So, that came on the back of the renewal of a ten-year defense partnership agreement in 2015, the signing of the LEMOA, the Logistics Exchange Memorandum of Agreement, in 2016—I believe in the fall—and then we elevated the defense relationship to a major defense partnership, our only one, in the winter of 2016, right in advance of the transition itself. So, there was momentum going into this administration, and certainly in the last four years that has continued. I would say the progress over the last four years is in part due to the convergence of strategic interests which we just noted, in part it has to do with good personal relationships amongst our leaders—not just at the head of state level, but even one level below and further levels below, and that matters—

and then lastly, as we've started to do more together, I think both the Indian military and the U.S. military have appreciated the benefits that come from cooperation, and we're starting to identify comparative advantages in that relationship.

So, in the last four years, some of the key areas of progress—I think, first, it's the foundational agreements. Most on this live stream will recall we signed GSOMIA, the first of the foundational agreements, back in 2002, and then there was a very long period of time until this bill LEMOA was signed in 2016, and then it sped up in the last two years. In 2018, we signed the COMCASA, and then this year we signed the fourth, the BECA, for geospatial information sharing, and then in between, one of the key deliverables last year at the 2+2 was signing the Industrial Security Annex to the GSOMIA. So, the speed to conclusion of the foundational agreements was a big accomplishment because these documents, as you know, take time to get to the point of signature.

Second, we've deepened service-level cooperation. Our navies don't just train together—now we operate together. And the Navy relationship in particular provides a good example of where we want to take the Army-to-Army and Air Force-to-Air Force relationships as well. We've also started to introduce jointness into our exercise schedule. We held our first tri-service exercise last year, Tiger Triumph, which was notable, and we are going to look to introduce joint elements into other service-level exercises here in the years ahead, and I am confident that under the next administration that will happen.

And then, third—Laura mentioned this—our dialogues have really matured and deepened. So, the Quad relationship has been held strictly thus far in State Department channels, but the frequency at which the Quad is meeting, the depth and multiple layers at which those discussions are occurring, and then the scope of topics which are being covered really provide depth and breadth to the partnership there, and that's important. And then we just concluded our third 2+2 last month, a little over 30 days ago, and the 2+2 format really has proven constructive in advancing and providing shape and form to the relationship, and it really facilitates coordination within our own governments, not just across them. It's notable—I just realized this a few weeks ago—that each of the Quad members conduct 2+2 dialogues with each other. So, India now in the last 12 months has 2+2 dialogues with Australia, Japan, and of course we're on the third year with the United States. But Australia and Japan have a 2+2 dialogue, and, of course, we have AUSMIN and a 2+2 format with Japan. It's interesting, and perhaps it portends where the relationship will ultimately go because all sides clearly find utility in that format.

So, that may be a good point to segue into the 2+2 discussions that we had a month ago in New Delhi. I'd say that 2+2 was notable for two reasons in particular. First, rarely do you find the Secretary of State and Secretary of Defense together overseas, [which was] all the more rare the week before the presidential election and in the middle of a surging

pandemic around the world. And that clearly sends—and it was intentional—sends a signal to the world of the importance of the bilateral relationship. And then, two, it came maybe two weeks after the Quad ministerial in Tokyo, and it's notable because a lot of the discussions that were held in Tokyo moved over into the 2+2 discussions, particularly on issues like regional cooperation. So, what you're seeing here with the development of the Quad and the 2+2 formats in parallel is a bit of a network effect, that these discussions are reinforcing each other as we move along in New Delhi.

On the defense side, we focused our discussions both in the bilateral and in the 2+2 format around three topic areas, and those were military-to-military cooperation, defense trade, and then regional cooperation. So, first, on military-to-military cooperation: over the last two years, we spent a lot of time focusing on expanding service-level and joint cooperation across activities. So, in terms of exercises, I'd mentioned Tiger Triumph last year, we were very happy with the resumption of Malabar exercise in a quadrilateral format, and then the involvement of the Nimitz Strike Group in Phase II of Malabar to add complexity to that exercise.

We're also looking to expand or introduce joint and combined elements into some of our other service-level exercises as well. And I think this is a theme you're going to start seeing: increased jointness and combined training in the years ahead. And we're also looking for ways to increasingly utilize the LEMOA, which is our logistics agreement, and so there was a lot of discussion on utilizing that, not just in the exercise space, where historically it's largely been used for stand-alone refuelings, procurement of defense articles, etc.

Information sharing between our militaries has really expanded in the last few years on the back of some key not just foundational agreements but some service-level agreements. We signed the BECA this year, which was very important, and we had a number of discussions around how to expand the use of secure communication networks, and there's a defense trade element to that, but there's also just an operational element to it. Some more time was spent on liaisons and the exchange of military liaison officers. Currently, the Indian Navy has a liaison officer with NAVCENT in the Middle East, we have a Navy liaison officer at the Information Fusion Center for the Indian Ocean Region that India hosts, we soon will have some liaisons to help with counterterrorism cooperation. And then there's a focus here in the years ahead to have some liaisons that cut across some of our geographical combatant commands because there's understandably seam issues, and India sits right in the middle of two of our seams between the combatant commands. So, the liaison officers have proved constructive in improving the coordination between our militaries.

And then, lastly, in the mil-to-mil area, we talked about new domains, particularly around cyberspace and AI. And so, late this last year, we held our first cyber defense dialogue. We plan to have our first space dialogue next year, and I think it's safe to assume that we'll then incorporate an AI dialogue at some point in the future—we had some discussions around that. So, that was on the military-to-military cooperation side.

On the defense trade side, we have a number of large pending FMS cases with the Indians, to include the Indian Navy fighter competition, some unmanned aerial vehicle platforms, and then some other cases. We are certainly encouraged at the direction of our defense trade relationship with India and the direction India is taking its own defense procurement—it's diversifying away from some historical and legacy sources of platforms, which should add and provide resiliency and increase the technological capability to the Indians, and so we're encouraged by the direction of that. In addition, we continue to have discussions with the Indians on thinking strategically about defense procurement, with really a mission- and requirements-based approach, identifying the missions and the requirements, say, ten years forward and then working back from there. What are the capabilities then we collectively need together? Who are the partners we want to work together towards those missions? And then moving back to, what are the platforms that would best provide for the capabilities we both need for the mission sets? And so those discussions continue in multiple fora, both DTTI and the 2+2.

And then, lastly, regional cooperation. We naturally talked about the tensions in the Himalayas as well as some tensions elsewhere across the Indo-Pacific. We have shared interests, naturally, in the preservation of the rules-based order that's provided prosperity and peace for 70 years now. We talked about that, and we also talked about areas where we can start doing more together in a somewhat loosely coordinated way, particularly in the training and exercise space with other South Asia, Southeast Asia partners.

So, that summarizes what we covered in the 2+2, at least in the defense lane. Quickly looking forward here—and again, this will be where we hand the baton off to the Biden administration—they will be handed the baton with a relationship on the upswing, for sure. The momentum is strong right now, and it's encouraging. So, I would expect continuing deepening and expansion of our activities at the service level and particularly at the joint level. Again, the Navy relationship is particularly strong right now, and I would expect further deepening in the Army and Air Force space here in the coming few years. There should be and there will be a focus on further operationalizing some of the foundational agreements, specifically the LEMOA in terms of logistics and then the newly signed BECA for geospatial information sharing. I see us continuing to multilateralize our training and exercises. So, everyone's aware of Malabar—I would expect more combined elements to be included in current bilateral exercises among not just the Quad participants, but other participants across South and Southeast Asia as well. India and

most of maritime South Asia falls within INDOPACOM's area of responsibility. We talked, I just mentioned, about the seam issue, and I expect us to spend more time in the coming few years on increasing cooperation across our geographic combatant commands—CENTCOM, AFRICOM, not just INDOPACOM—and that's an interest of India, but it's an interest of ours, as well. And then I see us having a deepening of the relationship in the diplomatic area. So, we currently don't have defense discussions right now in the Quad, though in the foreign ministry channel, security issues are discussed. But I think it's a matter of time, given our shared security interests—there will start being defense-civilian discussions at some point in the near future. So, I will pause there and certainly look forward to questions.

Ashley J. Tellis:

Thank you. That was a really rich set of set of remarks in terms of the achievements that we've chalked up so far. I want to come back to something that I left off on—and I want to address this to Laura, though Reed, you can also speak to this—the issue of looking at the bilateral relationship as a mechanism for working for and with others. How much priority does the United States place on that issue? So, it's not just bilaterally doing things for each other, but doing things with each other for others. How much of a priority is this likely to be in years to come? And if there are specific areas that can illustrate that cooperation, it would be helpful for our participants to understand.

Laura Stone:

Sure. I think that I would define it slightly. I think that increasingly, the U.S. and India see cooperation outside of our two areas as in our bilateral interest. The role that the United States and India play in the world just can't be ignored, where we're two very large, important countries, and we come at issues from different historical backgrounds, and so I think we increasingly see the value in working together with this shared vision for a rules-based international order that, as Reed said, has been so valuable to the globe over decades. So, I think that that's the issue: it's an understanding that it is in both our interests to work in that space.

So, it's almost impossible—I would have to go through the entire scope of the relationship. There's increasing coordination in international organizations, and I've seen that improved dramatically in the last few years. There is increased cooperation in space, increased cooperation in energy, in green technology, health cooperation. There is an understanding that there are complementarities between the United States and India in terms of COVID response, where India is a huge production base for vaccines and therapeutics, the United States is on the cutting edge of research and can leverage financing and capital... And then once we are past COVID, which will be at some point in our hopefully near future, but we understand that this will go on for quite a while, [there is] talk about health cooperation and research cooperation going forward. I think that

there's enormous potential on education cooperation, and so that's another area that I think that really would encourage that.

And then, also, as we look at regional groupings and regional groupings that make sense, we can look at things like BIMSTEC, which I think is really underutilized—that's an area that we can look at these "mini"-lateralization organizations to, as we just said, cross at the seams. We have this artificial seam between Southeast Asia and South Asia, and those kinds of organizations cross over and have enormous potential that really hasn't been utilized. As we look at things like DFC—so, we have an agreement to establish a regional DFC office in Mumbai. That was done very carefully and thoughtfully because we understood that India is going to be a really important partnership in terms of infrastructure development. And then, as we look at regional challenges, we are very aware of India's strong interest in areas like Afghanistan, in Central Asia, in the Indian Ocean, in Africa—India has very strong and helpful ties in a lot of these areas. And so we look forward to the partnership and cooperation across a range of development areas. So, those are just some that I throw out, but really it would take a long time to codify the entire breadth of our cooperation.

Ashley J. Tellis:

No, the diversity of the partnership is really stunning. I mean, it's hard to keep track of the varied activities across the spectrum. But to my mind, the maturation is really demonstrated by the fact that we are now doing things for others, working with others and for others, and I think that's the mark of two great powers collaborating to build the world that they want. I was wondering, Reed, if you can actually—

Reed Werner:

I'd just add that was the genesis of the Quad, if you'll recall...

Ashley J. Tellis:

Yes, absolutely.

Reed Werner:

... and I think there's a lot that we can do, even on the military side, on humanitarian assistance, disaster relief—and there may be opportunities also in vaccine distribution at some point here in the coming year, year and a half, where amongst at least the Quad partners we can figure out ways to work together to distribute to some of the smaller countries in the region.

Ashley J. Tellis:

What would you think would be a good example of specific activities in the security realm? What could the United States and India do together when we think about the broader

Indo-Pacific space? Particularly, for example, with respect to Southeast Asia, where these are smaller countries, they feel hemmed in by China's growing power, and sometimes even feel alone because all the great powers seem to be geographically and sometimes politically far away. What are the possibilities there?

Reed Werner:

So, I would say certainly on humanitarian assistance, disaster relief—and that's an area where I think our militaries and multilateral, minilateral formats or constructs can start doing more together, certainly amongst the Quad, and then other countries as well. Every country has comparative advantages, whether it be geographic, technological, and so I think that's where the relationship will start going, and loosely coordinating not just in training and exercising but I would say even in security cooperation. India has legacy relationships with some Southeast Asia countries and, frankly, has even some better relationships there, at least on the defense trade space, where we certainly welcome them to play a bigger role. I think the biggest area with the most potential is maritime domain awareness. So, we certainly are encouraged by India's leadership in establishing the Information Fusion Center-IOR. I think it has a lot of potential. It can provide information to other countries in the region on what's going on, whether it be transnational crime or information in times of disaster. So, I would say on the humanitarian assistance, disaster relief area, I would say on security cooperation—particularly in not just Southeast Asia, even South Asia, India, as they start building up their defense industrial base, can start providing platforms to some other South Asia countries. And, naturally, this is where U.S. and Indian interests converge in having shared platforms and some level of interoperability there. And then in maritime domain awareness, clearly that's where we can really work together for the benefit of other countries.

Ashley J. Tellis:

Let me move the discussion to a slightly different issue, which is economics, and it's a question that Teresita, whom all of us know well, has asked. She makes the argument that economics made the U.S.-India partnership possible, but trade is frequently a complication, and the pandemic has forced both countries to become more inward looking. What are the prospects for U.S. Indian economic ties, and how do we best manage the differences that we may have in the economic realm? Laura, if you could sort of offer some thoughts on this.

Laura Stone:

Sure. I think it's a really good and important point that there's still a tremendous amount that we can do in the relationship, that this is not a relationship that has reached its full maturity, and as a result, there are a lot of areas like economics where we really can further develop the relationship. I was struck—I was just looking at the figures yesterday—U.S.-

India economic bilateral trade has increased one hundred and twenty percent in ten years. This is not a relationship that is suffering—it is expanding rapidly, and the investment also is expanding rapidly. As I mentioned before, I was very reassured and impressed by the depths of the economic relationships, particularly on things like the services and the back-office support that India provides. When I went to Hyderabad, over a year ago now—COVID has made my time concept compressed—but the amount of U.S. investment, and the U.S. companies' and private sector's commitment to the services that India can provide them in a complementary way, was just amazing. I mean, it's incredible how it's taking off. And so I think that you're entirely correct, that we need to really lean in on the economic relationship and make sure that we're developing it forward, but doing it in a way that is very conscious and respectful of the need for these two large democracies to really take care of their people and to focus on their prosperity, to focus on helping them ease into a period of instability. And I really do think that, as we're looking at coming out of the other end of a pandemic, there'll be enormous opportunities there.

Ashley J. Tellis:

And is there an analog to the economic relationship on the defense side? So, for example, the DTTI was meant to stimulate collaborative ventures on the part of both countries and certain sort of prototypical efforts. India has also placed a lot of emphasis on U.S. defense investment in India. Where do you see defense economics, as it were, going in the bilateral relationship?

Reed Werner:

Well, this is one area where, I would say, if you want to categorize it under the defense umbrella, it's been slower to mature. DTTI as a forum—I think there were big ambitions this year in using it to advance defense-industrial cooperation. COVID impeded that, and thus far in DTTI, we've really just accomplished putting in place some governing documents, but we're now at the point where we're starting to have real dialogue in the defense-industrial cooperation space. There are some structural challenges, and DTTI is intended to address those, but the structural challenges are such that... Listen—we as a government, as much as we want to, can't direct U.S. companies to either co-produce or produce in India. The incentive structures have to be there. As Secretary Rumsfeld is famous for having said, capital is a coward—it needs transparency and it needs predictability. There needs to be transparency and predictability. And, to date, that's been lacking a little bit, certainly in the defense space. So, U.S. defense companies, if they're going to start to produce in India and conduct maintenance and repair operations, there needs to be confidence and trust that sensitive information technology will be protected. And we're working towards that through, in part, the foundational agreements, operationalizing them. There needs to be sustainable cost advantages that can't just be on inputs—it has to be all-in cost, including overhead distribution and compliance. And then, perhaps most importantly, there just needs to be regulatory clarity there. To date, while

there has been some movement in the last nine months in India that is encouraging on the defense procurement side, there has to be some, I think, more clarity and stability in that area for U.S. companies to start investing significantly. Now, DTTI, again, is intended to help with this issue, and I think coming up in the next few months, there's going to be a virtual summit for each government to share how defense industries are sharing or protecting classified and sensitive information. And so this addresses one of the areas where there needs to be more cooperation. And so, again, DTTI is working—it's just been working, I think, a little more slowly than needed, in part because of COVID, but in part because the regulatory regimes in each country develop on their own timeline, as well, not necessarily at the timeline of the dialogue itself.

Ashley J. Tellis:

While staying on the issues of technology, we have an interesting question from one of our participants who asked whether the United States might shift its interests from India more and more to Europe as U.S.-China competition becomes more about technology. So, is there a risk that the technology-heavy emphasis in U.S.-China competition, which is likely to become more pronounced in the years to come, will push us in the direction of greater attention to advanced industrial powers, with India once again feeling like an orphan in the relationship? Do you do you believe that this is a possibility? Is this something that India should worry about?

Laura Stone:

I think this is up to India. This is an area that, as I said—there's actually a lot of complementary aspects to it between the United States and India in terms of education and research cooperation, there's a lot of enthusiasm in the United States for getting those habits of cooperation with India, with Indian research institutions, with India's companies. India has some of the strongest companies, it has some of the largest markets. It's got incredibly sophisticated services and aspects of technology that, to the extent that there is some ease of doing business and there's an ability for companies to come in, for schools to come in, that's going to be an open door for India that they can just walk through, should they choose to.

Ashley J. Tellis:

Any thoughts on that, Reed?

Reed Werner:

I would agree. I mean, part of this comes back to the regulatory environment in India that will continue to invite foreign capital and development of intellectual property there. But there is already a huge intellectual property base in India. And, frankly, as that—particularly in the tech space—as that matures and grows in India, Europe is clearly a market which will be targeted. And, of course, naturally, that is a good thing. So, yeah, I

think it's largely in the hands of the Indians at this point on how much they want to consider competition, certainly in the tech space, with, say, China and Europe. But I think naturally it will evolve. I mean, as I see it, in the next ten years, India will become a tech power, and so it's not just going to be the United States, Japan, and China—India will be amongst those parties. And Europe is an obvious market that everyone will be competing in.

Ashley J. Tellis:

So, in other words, India actually has to make choices with respect to keeping the rest of the world involved in its own interests with respect to technology. And there are choices that India can make that could push the world away or that could keep the world's attention consistently, but there are certainly decisions for the Indian government in the months and years ahead. Well, as you might imagine, there are several questions that we've received on China. One of our participants has asked whether all the talk about strategic convergence between the United States and India is really a code for sort of recruiting India into a broader anti-China policy. How do we think of our relations with China in the context of our relations with India? What are the enduring issues here that we need to think about?

Laura Stone:

The U.S.-India relationship stands on its own two feet, and a lot of the strategic convergence has to do with just the interests between the United States and India. When we talk about strategic convergence on health, when we talk about strategic convergence on space, research, a lot of these things don't need an external stimulus. But I think it's also impossible to look at the world right now without understanding and without looking carefully at Chinese behavior—especially India, as a front line state with a northern border that has seen tremendous tension this summer. I think that you have to look at China's behavior around the world, particularly in its near-in border. It's not one data point. This isn't just about the Himalayan border. This is India's response and the U.S. response to China's behavior in the Himalayas, in Bhutan, in the South China Sea, in the East China Sea, in international organizations, in coercive development assistance, in naval activities that are increasingly problematic, the list could go on and on. I think when you look at this, it is impossible to ignore China, and it's impossible to ignore China's rule-beating, norm-defying behavior around the world, and I think that there is probably a strategic convergence. I won't speak for India—India is perfectly capable of speaking for itself on what it sees its interests are. But in the conversations the United States has with not just India but all of its partners, China is an important and disruptive element that needs to be addressed.

Ashley J. Tellis:

One of the questioners asked a question that ties to what you just said, Laura, because the impact of China is felt all around the world, sometimes in benign ways, sometimes in malign ways. One of our participants asks whether institutions like NATO and in particular NATO's Partnership for Peace should now be expanded to go outside the Euro-Atlantic area to include countries like India. Would the United States welcome such a development, bringing India into a dialogue with our European partners, who for most of the time seem to be some distance away from China?

Laura Stone:

I was looking at that in the chat box. There are so many interesting ideas right now about ways that we can further integrate India into these other established relationships that we have. I think it's a really valuable idea to look at all of these different established relationships that the United States has, but not just the established United States relationships and not just the defense relationships. I think it's a great idea that people are thinking creatively about all kinds of different ways that India can be a constructive player in a range of international plurilateral and minilateral organizations because I think India has really come into its own and has this ability to play a unique role in those. Reed, did you have anything?

Reed Werner:

No, I think that's right. It's an interesting thought on involving India in certain ways with NATO. What I would say is that participants in NATO, I think, are going to do more in the Indian Ocean region both with India, with Australia, with the United States, with Japan. That's something that we would welcome, whether it be training and exercises or information sharing. So, there are areas, certainly amongst European players that are party to NATO, [for] doing more with India in the Indian Ocean region and even in Southeast Asia. So, that's a trend that's already underway. I expect it to accelerate.

Laura Stone:

And it's not exclusive. These are our friends in the world that I think are really valuable. This gets to back to my habits of cooperation—there should be these habits of cooperation that form webs around the world that really do take advantage of each country's unique position.

Ashley J. Tellis:

One of our participants mentions that the U.S. Indian convergence on issues relating to China, which has become more and more evident in recent years, might be put to the test because, as we make decisions about withdrawal from Afghanistan, as the challenges in Myanmar begin to grow, is there an opportunity for U.S.-India differences on these issues, or can we bridge them to resolve issues in India's neighborhood? And I would broaden

this question to ask—the U.S. is now engaged in developing relations with many of India's neighbors independently, and traditionally that has been a source of anxiety to New Delhi. But India seems to have turned the corner on that. Is that the right reading? What are the risks, opportunities, and challenges in the U.S.-Indian relationship in its immediate neighborhood?

Laura Stone:

India has long and established interests in these deals with these neighbors, and, again, I would not presume, as a U.S. official, to articulate India's interests, but I can say that as the relationship has been on this upward trajectory, and we broaden out the discussion beyond just bilateral, we do find that we can have really useful discussions. Does that mean we agree on everything? Of course not. The United States' and India's interests are not completely coincident. That Venn diagram is not one hundred percent overlap, nor would I expect it to be. India does a very good job of standing up for its own interests, and I have frequent conversations with the Indian government in which they articulate those interests and those concerns well and forcefully, but it's a constructive conversation, and it's a conversation in which we as the United States find that we really want to hear India's perspective because it's very valuable and helps us better understand how we should be proceeding.

Ashley J. Tellis:

Any thoughts on that issue?

Reed Werner:

I would just add—I mean, it was pretty well said—but there's opportunities to separate the politics and policy from military cooperation, as well. We see that around the world where there may be policy differences between administrations, between the U.S. and a certain country, and yet at the military and operational level, there are still opportunities to strengthen cooperation. And so I would say I think your characterization is accurate: that we've seen a welcoming of more U.S. involvement, certainly in the security cooperation space and security assistance space, [by] some of India's immediate neighbors, and I think that's because it's in our mutual interests right now. Naturally, there are areas where we're going to disagree. I think there are probably some disagreements on Iran. We see Iran differently, naturally. But, all that said, I think right now there's such strong overlap in the security space of interests, whether it be defending public commons and lines of communication to counterterrorism to WMD non-proliferation—there's lots of areas where we can work together, even if on certain policy issues there may be disagreement. And so I know that's very much the attitude that the Department of Defense takes, that the Indo-Pacific Command takes. So there may be policy disagreements, but let's continue to find areas where we can work together at the military and security assistance level.

Ashley J. Tellis:

I've always had the view that as long as we are sort of transparent with each other, the fact that we have differences by itself should not become impediments to cooperation. I think the biggest challenge is when we end up surprising the other in unpleasant ways. So, if we can avoid that, that's always a good rule. I want to ask one last question before I bring this session to an end—and, of course, my gratitude to both of you for answering the questions and spending time with us this morning. This is a question that goes to India's anxieties, which in some ways are longstanding. One of our participants has a list of complaints, I guess, where he talks about the U.S. pulling out of the Tarapur nuclear deal, which was signed with India in the 1960s, the COP-21, the JCPOA—the general argument is that the U.S. occasionally unilaterally scraps agreements and the fear is that the same might occur in U.S.-India relations, where at some point in the future, the U.S. might choose to walk out of some understanding that it previously had with India. And our participant asks, "How can India overcome this anxiety? How can it commit to a partnership with the U.S. if the fear of the U.S. walking out is always ever-present?"

Laura Stone:

Agreements have to be in both countries' interests, and I think the agreements are... You know, I have never come across as committed negotiators as my Indian counterparts. They are extremely good at defending India's interests and ensuring that an agreement is very much in India's interest. But they're also very good at identifying how their counterparts' interests are advanced by an agreement. And so to the extent that agreements benefit both sides, then they are strong, coherent and lasting. But that's the point—I mean, you don't enter an agreement where, you know, you're abusing the partner, and you don't enter into an agreement where, you know, you won't be able to live up to the commitments that you're making, in which case the other side would have to pull out. So, I think that it's just the nature of agreements that some of them are stronger than others. But I'm very, very confident that as U.S. and Indian interests increasingly converge, that those are the areas that we will be able to move into and establish lasting partnerships, be they formalized through agreements or a more informal articulation of interests.

Ashley J. Tellis:

Well, I think that's a wonderful note on which to end the session because to my mind, that's really what provides the ultimate reassurance anyway—that it's the convergence of interest and the commitment, the stakes that each of our countries have on the success of the other that really provides the best guarantee for the continued development of the partnership. And if that confidence exists because we have those stakes in each other's success, then all these fears, which are always ever-present in international politics, lose the salience that they might otherwise have. So, let me end on that note by thanking you,

Laura and Reed, for really taking the time off this morning to educate us about the achievements that we've got under our belt and really sort of reinforce the notion that these foundations are strong and that they provide a very good basis on which to build, not only for the next administration that's coming in, but also over a longer time frame in the years to come. So, thank you very much. All the best to you, and I look forward to hosting you in some fashion at some point back again at Carnegie.

Reed Werner:

Thank you.

Laura Stone:

Thanks so much for doing this.