

# Austin Goes to India: An Agenda for India–U.S. Defense Consultations

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## KEY TAKEAWAYS

India plays a vital role in America's Indo-Pacific strategy, and the U.S. should cooperate with New Delhi to address new challenges in a turbulent region.

Long characterized by steady but slow progress, U.S.–India defense ties accelerated full throttle during the past four years of the Trump Administration.

Secretary Austin should use his trip to consolidate recent gains in the strategic partnership and chart an ambitious agenda for India–U.S. defense ties.

In his upcoming visit to New Delhi, Secretary of Defense Lloyd Austin will encounter a dramatically transformed defense and strategic relationship with a country that recently jumped several ranks to host the world's third largest military budget. While India–U.S. diplomatic and economic ties are not immune to periodic turbulence, the defense relationship has been thriving.

Long characterized by steady but slow progress, defense ties accelerated full throttle during the four years of the Trump Administration,<sup>1</sup> which advanced an ambitious agenda and found a willing partner in the Modi government. The latter has gradually grown more comfortable with a strategic embrace of the U.S., less wedded to the non-alignment philosophy once fashionable in New Delhi, and more alarmed about the escalating China–India rivalry.

This paper, in its entirety, can be found at <http://report.heritage.org/ib6067>

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As a result, India–U.S. strategic cooperation has reached new heights, buttressed by over \$20 billion in U.S. defense sales to India, a series of increasingly complex military exercises, new high-level dialogues and intelligence-sharing arrangements, and new military interoperability agreements. But there is still room to do more. What follows is a preview of some items that will or should be on Secretary Austin’s agenda.

## Conduct a Comprehensive Review of Defense Ties

The blinding pace of progress in defense ties presents Secretary Austin and Indian Minister of Defense Rajnath Singh with countless new military platforms, consultative forums, and enabling agreements yet to be fully exploited, including the Logistics Exchange Memorandum of Agreement (LEMOA); the Communications Compatibility and Security Agreement (COMCASA); the Basic Exchange Cooperation Agreement (BECA); the Industrial Security Annex (ISA); Helicopter Operations from Ships Other Than Aircraft Carriers (HOSTAC); Strategic Trade Authorization-1 (STA-1) status; the 2+2 defense and foreign ministers dialogue; and the “Quad.” The two officials should conduct a comprehensive review and chart a path for how best to operationalize these accomplishments and realize new synergies.

Not only do India and the U.S. have new capabilities and forums; there are also new requirements. India in particular is reviewing and revising its defense posture. Amid fresh tensions at the disputed China–India border,<sup>2</sup> it is considering shifting an offense strike corps from a Pakistan orientation toward the border with China.<sup>3</sup> In fact, India is improving its infrastructure and reassessing its defense posture all along the Line of Actual Control after an uptick in confrontations with the Chinese military and a crisis last June that resulted in the first casualties from hostilities at the border in over 40 years.

The two sides should also conduct a review of existing bilateral and trilateral military exercises, some of them now several decades old. They should determine whether the existing structures are still the most productive and assess whether to alter or upgrade existing military exercises, add new ones, and identify opportunities to bring in new partners.

## Look to Complete New Defense Deals

In some ways, India and the U.S. are victims of their own success. With \$20 billion in defense deals concluded over the past 15 years, the low-hanging fruit has largely been plucked.<sup>4</sup> All of the foundational defense agreements painstakingly negotiated over the past two decades have been signed.<sup>5</sup>

During the Trump Administration, India made additional purchases of U.S. military hardware, including C-17 transport aircraft, Apache attack helicopters, MH-60R Seahawk multi-mission helicopters, Sig Sauer assault rifles, and M777 ultralight howitzer artillery guns, and there are still more opportunities. India is reportedly considering the purchase of 30 armed MQ-9 reaper drones for \$3 billion, 10 each for the three branches of its military.<sup>6</sup> Last year, the Indian Navy leased two MQ-9B Sea Guardian unarmed drones and was apparently impressed with the platform.<sup>7</sup> India is also likely looking to expand its fleet of the highly capable P-8I maritime surveillance aircraft, with one dozen in operation and reported interest in purchasing a half-dozen more for nearly \$2 billion.<sup>8</sup>

### **Make Australia's Participation in Malabar Permanent**

In 2020, Australia participated in the Malabar naval exercise for the first time since the inaugural Quad (plus Singapore) Malabar exercise in 2007.<sup>9</sup> The collapse of the Quadrilateral Security Dialogue the following year put a freeze on quadrilateral naval exercises. Japan rejoined the Malabar exercises on a periodic basis in subsequent years becoming a permanent participant in 2015.<sup>10</sup>

In the same year, Australian officials began to inquire about rejoining Malabar, finding support in Japan and the U.S. However, India was wary of the proposal, declining requests to include Australia from 2015–2019. In 2020, New Delhi relented, and Australia rejoined the exercise. Secretary Austin should argue that given the upgrading of the Quad to the leader level and substantial improvements in Australia–India ties, Australia's participation in Malabar should be made permanent.

### **Back India on Its Border Dispute with China**

National Security Advisor Jake Sullivan has already spoken about the need to enhance India–U.S. cooperation in view of Chinese “aggression on the border with India.”<sup>11</sup> When a deadly crisis erupted at the China–India border in 2020, the Trump Administration provided India with two advanced surveillance drones on lease<sup>12</sup> and cold-weather gear for Indian soldiers.<sup>13</sup> Secretary Austin should underscore that the U.S. condemns aggressive Chinese activities along the border and is ready to provide India with capabilities and intelligence required to defend its territorial integrity.

Secretary Austin should also reiterate that while the U.S. takes no position on the competing sovereignty claims in the “Western Sector,”

the site of the recent border crisis, it recognizes Indian sovereignty over Arunachal Pradesh in the “Eastern Sector,” where China still claims as much as 90,000 square miles of Indian territory. Although the Western Sector has garnered the most attention in recent years, the dispute over the Eastern Sector is arguably the more intractable, with the more valuable territory under contestation. Before the 2020–2021 border crisis, the last major military escalation along the border took place in the Eastern Sector in 1987–1988.

## Coordinate on the Afghan Peace Process

India and the U.S. share nearly identical goals in Afghanistan: peace, prosperity, democracy, and an end to violence and terrorism. India has long been skeptical of direct negotiations with the Taliban, but it has also supported any process that enjoys buy-in from the Afghan government. Although the U.S. has largely welcomed India’s aid to and support for Afghanistan, it has sought at times to keep India at arm’s length from the Afghan peace process, in part out of deference to Pakistani sensitivities.

In recent weeks, the Biden Administration has unveiled a new plan to convene a meeting of the foreign ministers of China, Russia, Pakistan, Iran, India, and the U.S. to develop a unified approach to peace in Afghanistan.<sup>14</sup> Whether or not that process achieves its goals, India has earned a seat at the table just as Pakistan has ceded the right to exclude regional powers invested in Afghanistan’s success.

## Set an Agenda for the Western Indian Ocean

Indian experts and government officials have long argued that the Western Indian Ocean is an area of neglect in India–U.S. relations, with U.S. attention focused more on the Eastern Indian Ocean and Western Pacific. Looking west, New Delhi sees threats from piracy, a hostile Pakistani navy, and a new Chinese military base in Djibouti on the east coast of Africa. It also has a large diaspora population in the Middle East and is a major importer of energy from the region.

In recent years, the U.S. focus has gradually shifted to the Western Indian Ocean. The Trump Administration expanded its geographic definition of the Indo-Pacific, shifting its western boundary from the west coast of India to the east coast of Africa, encompassing the Western Indian Ocean in the process. It also welcomed an Indian liaison officer now embedded at U.S. Naval Forces Central Command (NAVCENT) in Bahrain.<sup>15</sup>

In a statement previewing his trip to India, Secretary Austin underscored that the two sides would discuss “advancing cooperation between our countries for a free, prosperous and open Indo-Pacific and Western Indian Ocean Region.”<sup>16</sup> Now that the issue is firmly on the U.S. government’s radar, Secretary Austin should ask the Indian government for specific proposals on how to enhance cooperation in the Western Indian Ocean.

## **Operationalize the Defense Technology and Trade Initiative (DTTI)**

The DTTI was established in 2012 as a “joint endeavor that brings sustained leadership focus to the bilateral defense trade relationship, creates opportunities for U.S.–India co-production and co-development, and fosters more sophisticated science and technology cooperation, all while ensuring that bureaucratic processes and procedures do not stand in the way of...progress.”<sup>17</sup> It was envisioned as a way to jump-start the co-production and co-development of defense hardware. Several small-scale projects were identified as pathfinder projects, but none were taken forward to the production phase.<sup>18</sup>

During the Trump Administration, the DTTI was reorganized, with its eight functional working groups pared down to five.<sup>19</sup> In 2019, two sides identified the potential for future cooperation on unmanned aerial vehicles, lightweight small arms, and aircraft support systems.<sup>20</sup> Secretary Austin and Defense Minister Singh should signal to their respective bureaucracies that finding a “win” for the DTTI is among their top priorities.

## **Encourage Indian Engagement on South China Sea Issues**

In recent years, India has become an increasingly vocal advocate for freedom of navigation, especially in the South China Sea. It has declared its support for a 2016 Permanent Court of Arbitration tribunal that deemed several of China’s South China Sea claims, including its ambiguous Nine Dash Line, to be illegal and invalid.<sup>21</sup> Indian firms have ignored Chinese calls to withdraw from energy exploration projects off the coast of Vietnam,<sup>22</sup> and the Indian Navy has become more active in the South China Sea, conducting port calls with friendly countries in the Association of Southeast Asian Nations (ASEAN) and an unprecedented joint sail through the disputed waterway with the U.S., Japan, and the Philippines in 2019.<sup>23</sup>

In a new development, the Quad joint statement issued this month by Prime Minister Modi, President Biden, and the leaders of Japan and

India declared that the Quad would “continue to prioritize the role of international law in the maritime domain, particularly as reflected in the United Nations Convention on the Law of the Sea (UNCLOS), and facilitate collaboration, including in maritime security, to meet challenges to the rules-based maritime order in the East and South China Seas.”<sup>24</sup> Secretary Austin should encourage India to continue to exercise its right to freely navigate the South China Sea, conduct lawful energy exploration activities, and become more vocal in condemning China’s illegal claims and attempts to restrict navigation there.

## Have a Conversation About the Andamans

India’s Andaman and Nicobar Islands are a strategic asset. Located at the mouth of the vital naval chokepoint at the Strait of Malacca, they watch over some of the world’s busiest commercial and military sea lines of communication. Long neglected, India has begun to develop its military capabilities on the islands.<sup>25</sup>

After decades of resistance, the Indian government has also slowly grown more comfortable with a U.S. presence on and around the islands. In October 2020, a U.S. P-8 maritime surveillance aircraft was refueled for the first time at an Indian military base in the Andamans.<sup>26</sup> Secretary Austin should explore what more India is prepared to do on and around the islands, which would make for an ideal location to host a new joint naval exercise.

## Be Prepared to Discuss Russia and CAATSA Sanctions

Before year’s end, the Biden Administration is likely to be forced to make a decision on whether to apply or waive sanctions on India under the 2017 Countering America’s Adversaries Through Sanctions Act (CAATSA).<sup>27</sup> Drafted in the wake of Russian interference in the 2016 elections, CAATSA was designed to sanction foreign entities doing business with Russia’s defense and intelligence sectors. India purchased the S-400 air defense system from Russia in 2016 and is likely to take delivery later this year, triggering CAATSA sanctions unless the Biden Administration waives them.<sup>28</sup>

CAATSA was designed to deter defense trade with Russia. While noble in intentions, this aim was never a viable proposition with India, which has a long record of arms purchases from Russia and a history of resistance to foreign countries infringing on its “strategic autonomy.”<sup>29</sup> Recognizing that CAATSA could prove counterproductive in cases like India’s, Congress expanded the executive branch’s waiver authority in the 2019 National

Defense Authorization Act.<sup>30</sup> The Biden Administration now has a clear path to issuing India a waiver from CAATSA sanctions because India meets the criteria outlined in the expanded waiver authority.

At the same time, the two sides should have a frank conversation about the S-400, the rare case in which the U.S. was not able to offer India a comparable or superior alternative. The U.S. government has already strongly suggested that any country operating the S-400 is ineligible to purchase the F-35 joint strike fighter.<sup>31</sup> While there may be a number of obstacles to such a purchase, including a current lack of expressed interest by India, delivery of the S-400 forecloses the option for future consideration.

Secretary Austin and Minister Singh should review what future avenues of cooperation and platforms might be compromised by the purchase of additional Russian platforms. Secretary Austin should also make every effort to offer India alternative U.S. capabilities where possible.

## Conclusion

Secretary Austin will have no shortage of issues to discuss with his Indian counterparts and multiple avenues to refine a strategic partnership that has made tremendous strides in recent years. Since the turn of the century, observers have often criticized the measured pace of progress in India–U.S. defense ties. In the past few years, the two governments have crossed nearly every item off of their long-standing “to do” list. The Indian and U.S. defense chiefs now have an opportunity to develop a new wish list to meet the changing needs and defense postures of both countries in a turbulent Indo-Pacific.

Secretary Austin should use this opportunity to declare that the Biden Administration is committed to helping India develop and procure the capabilities required to defend itself and act as a net provider of security in the Indian Ocean and Western Pacific. He should also:

- Reaffirm India’s prominent place in America’s Indo-Pacific strategy,
- Underscore the convergence in their complementary visions for a free and open Indo-Pacific,
- Condemn terrorism and its state sponsors in all forms,
- Recognize India’s contribution to peace and stability in Afghanistan and its legitimate role in the peace process,

- Find ways to navigate CAATSA sanctions,
- Set an agenda for the Western Indian Ocean,
- Commit to operationalizing the DTTI,
- Condemn the Chinese military's aggressive maneuvers at the China-India border, and
- Chart an ambitious vision for the Quad that recognizes India's vital role in that organization.

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