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U.S.-INDIA RELATIONS: A CONVERSATION WITH U.S. AMBASSADOR TO INDIA RICHARD VERMA

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P R O C E E D I N G S

MR. JONES: Good morning, everybody. My names is Bruce Jones; I'm the Director of the Foreign Policy Program here at Brookings and it's my pleasure to welcome Ambassador Richard Verma to Brookings. Confirmed in September 2014 Ambassador Verma is the 25th U.S. Ambassador to India and has had a rich and diverse career that led him to this point. He served as in the U.S. Air Force as a Judge Advocate General, his legal experience in the private sector, he spent a stint at the National Democratic Institute focused on Eastern Europe, and had positions in Congress, both with Congressman Jack Murtha on the Defense Appropriations Committee and with Senate Majority Leader Harry Reid as his Senior National Security Advisor, and later put his knowledge of Capitol Hill to use as Assistant Secretary of State for the Legislative Affairs Under Secretary Hillary Clinton. And today, as Ambassador to Delhi, Richard draws on all these experiences to manage the multi faceted and always dynamic U.S.-India relationship.

It seems to me we find ourselves at a moment of rising geopolitical tensions and collapsing order in the Middle East. The U.S.-India partnership is a bright spot on otherwise somewhat bleak global landscape. And as we confront an era of foreign policy infused with tense partisanship U.S.-India relations stand apart as one of the few instances of genuinely bipartisan support, both in Congress and in the administration, across administrations. In this period of history the Indian-American relationship is a critical component of U.S. strategy in Asia and on international order. That's not to say that the relationship is not without challenges, and I suspect we'll hear about some of them, but I think we can say without hesitation that the challenges are outweighed by the partnership and the promise of that partnership, built on shared values and our shared interests, both on security and on the economic agenda. And I will say I think that we're very fortunate to have somebody like Rich serving in this position to help build up and build outwards the U.S.-India partnership.

So please join me in welcoming Rich Verma to Brookings and to the stage. Thanks for being here, Rich. (Applause)

MR. VERMA: Well, thank you very much. It's great to be here at Brookings and see so many friends and former colleagues. Let me thank a few people before we get started. Tanvi, thank you for organizing and facilitating this and all of your scholarship on India. We read it, we wait for it to come

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out, we read your Tweets, and they're very insightful and sometimes provocative too. Let me thank Martin and Bruce and Strobe. Especially Strobe's book on India, Engaging India, is a must read for any diplomat that goes out to South Asia, and he's been a path breaker not only in diplomacy but in, as I said, in that part of the world, and thank you for everything that you've done to set the table for us in 2015. It's really meant a lot.

Let me go ahead and get started. And like I said I'm very excited to be here and look forward to your questions. In 1969 following his second tour as the U.S. Ambassador to India the great American statesman, Chester Bowles, told an interviewer that India was destined to have a "big impact on the world stage." Well, those words may seem prescient now, Bowles went on to lament that despite India's enormous economic potential he could never persuade the White House or State Department to give the country the attention it deserved during his time as Ambassador. Now to understand how much things have changed since Bowles was Ambassador, and how consequential the U.S.-India relationships has become, one only need look back at this past week. An Indian minister of defense travelled to Pacific Command the first time ever to meet with our U.S. Combatant Commander and his team to discuss maritime security in the Asia Pacific. That was on Monday. On Tuesday President Obama and Prime Minister Modi spoke for nearly an hour on their newly established secure line. Their second use of the secure line in the past two months, and their second engagement in the past eight days as a global climate agreement reaches a historic conclusion.

Back here in Washington on Wednesday and Thursday, Secretary of Defense Carter and Minister Parrikar engaged in detailed discussions on deepening our security partnership, and they even flew together on a V22 Osprey to the deck of the USS Eisenhower to discuss and assess advanced carrier cooperation between our countries. And over the past several days, Secretary Kerry has met numerous times with the Indian delegation at the Paris climate talks. It's Friday and I've only given you a brief snapshot into all that's taken place between our two countries just this week. It's enough to make one, including Ambassador to India, particularly tired, but it's also, I would say, exceptionally gratifying to see the intensity and regularity of our cooperation across multiple domains. This is the new normal in our relationship.

Now this kind of collaboration does not occur overnight. What we are witnessing in the

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U.S.-India partnership is the culmination of years of effort -- actually, decades of hard work that has yielded important results for both nations. This past year in particular was especially transformative, and this is as good an opportunity as we'll find to recap the year to date and give you a sense of where we are going together.

2015 I'd like to say was a year of consequence in our relationship. Following the President's January visit as the chief guest of Republic Day we were determined to ensure that we followed through on the commitments that were made. Both of our governments set up joint cells to monitor our progress and report back to the President and Prime Minister on the progress achieved. We established secure lines between our national security advisors and heads of government, we launched the first ever strategic and commercial dialogue, bringing a whole of government approach to our annual engagement, and we continue to push forward on the 30+ working groups and government to government dialogues that have been established on everything from space cooperation to cyber security, global health security, and civil aviation.

With our expanding health cooperation, joint U.S.-India research helped to launch the world's cheapest vaccine against rotavirus, potentially savings millions of lives. We've launched new efforts this year to combat TB, engage in joint cancer research, and to battle acute encephalitis. And across the African continent our development experts are partnering with their Indian colleges to increase agricultural productivity, boost farmer incomes, and reduce malnutrition.

On the public diplomacy front we set out to ensure we were telling our story, but perhaps more importantly that we were listening to our Indian friends. We set an ambitious travel schedule. I've taken some 35 trips across the country in one year to meet with business officials, students, civil society, and community leaders, to learn about their issues and to hear what's on their minds. We've given a lot of speeches, enough to publish a whole book, on everything from women's empowerment to counter terrorism to smart cities, and we've greatly broadened our social media presence, reaching hundreds of thousands of new friends and followers. I have learned there is a big difference between a friend and a follower (laughter), and using all kinds of new methods to communicate and to tap into the pulse of a mobile, connected, and informed Indian society. And here I have to make the requisite plug to follow us on social media so you can keep current on the U.S.-India relationship and how we are engaging with

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India in so many new ways.

This past fall during the strategic and commercial dialogue I recall a moment when Secretary Kerry took a pause from the deliberations and he looked up and he said, "We may do more with India on a government to government basis than with any other nation." We hosted an extensive set of high level visitors in 2015, six cabinet secretaries, two combatant commanders, a number of governors, mayors, senators, and members of the House, in addition to countless CEOs, scholars, and expert exchanges. The fact is our cooperation became more regular, I would say even routine, which had the affect not only of building a certain durability and resilience in our relationship that is critical to moving to the next level, but also in resolving disputes. As you might imagine, we don't always agree on every issue. We are not the same countries and we don't aspire to be. So there will be differences in approach and sometimes differences on policy. Increasingly we have put in place the structures to tackle those issues that not only unite us, but we can engage on those issues that might divide us as well. And this is the hallmark of a mature and lasting friendship. One only need to consider the progress that's been made on civil nuclear cooperation, on intellectual property, and market access for example, as areas where we've had our differences but through dialogue and working together we've been able to make real progress finding common ground to benefit both our nations.

So you might ask, how are we doing in our efforts that I just described. Now let me answer by diving a bit more deeply into three areas of cooperation. First, our defense and strategic ties, second, climate and clean energy, and third, economics and trade. Let me start with strategic cooperation and defense ties.

2015 was a year of many firsts in our security partnership with India. And let me name just a few notable milestones. We launched the defense technology and trade initiative, DTTI. Moving from a buyer/seller relationship for defense trade to equal partners, further integrating our defense industries and creating a boost for the make in India initiative. In fact, the DTTI joint working group on jet engine technology held its inaugural meeting just this week, and the aircraft carrier working group met a few months ago in Virginia. We are proud to be collaborating on systems and technologies to help bolster Indian maritime and aerospace capabilities. We signed on to a common vision for the security of the Asia Pacific, and over the course of this year have been working on a road map for further

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cooperation across the Indo-Pacific Region to uphold the rules based order that our nations rely on.

Secretary Carter over the summer was the first U.S. Defense Secretary to visit an Indian operational military command when he visited the Eastern Naval Command in Visak back in June. And this week, as I noted, Minister Parrikar returned the favor as he became the first Indian defense minister to visit Pacific Command as well as the first to go aboard a U.S. aircraft carrier with his visit yesterday to the iconic and historic USS Eisenhower.

While all these visits held important symbolism they were indicative of our deepening partnership, particularly in the maritime domain. The complexity and intensity of our military exercises also continued to grow. During Secretary Carter's meeting with Minister Parrikar the Secretary welcomed India's participation in next year's Rim of the Pacific multilateral naval exercise, as well as participation by the Indian Air Force in our signature Air Force exercise, Red Flag, this spring. Minister Parrikar welcomed the announcement of U.S. participation in the International Fleet Review of the Indian Navy in February. And for the first time since 2012 our bilateral special operations forces exercise will resume again next month. These announcements build on a large number of joint exercises already conducted by our militaries. In October Japan participated alongside the United States and India in the Malabar Naval Exercise in the Indian Ocean. This was the most complex Naval exercise we've ever executed together, mobilizing over 8000 personnel and including participation from a U.S. carrier strike group, USS and Indian submarines, P8 maritime surveillance aircraft, and a Japanese destroyer. The fact is our forces and systems are becoming interoperable. That's why we engage in these exercises, so we can understand how each of our militaries employs force and how we might even operate jointly in a future mission, such as in a humanitarian and disaster response.

Bilateral defense trade this past year has reached nearly 14 billion with billions more in the pipeline. In September India finalized the \$3.3 billion deal with Boeing for Apache and Chinook helicopters. The deal will enhance the Indian Air Force's capability, support over 15,000 American jobs, and also have an important Indian manufacturing role with plans to make parts of the Apache in India. And this past year India continued to demonstrate its expanding global leadership, an important role as a net security provider in the region. It played a key role in civilian evacuations from Yemen, including the evacuation of many Americans for which we remain grateful. We view our historic relief collaboration

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after this spring's Nepal earthquake as a springboard for increased joint humanitarian assistance and disaster relief operations in the region and beyond. Yesterday Secretary Carter summed it up very well when he referred to the U.S.-India partnership as "an anchor of global security." He went on to say, "as we work towards a common future between the United States and India, this is a relationship that will be critical in strengthening the Indo-Asia Pacific security architecture so that everyone there can rise and prosper.

Now I've been saying over the course of the year that if we had a strategic partnership with India over the past 10 years we now have something higher, something bigger, and something stronger. We've called it strategic plus to denote cooperation in more areas of common interest and in more geographic areas of the world. So that's the strategic and defense bucket.

Let me turn to economics, trade, and innovation briefly. The fact is India and the United States need each other economically. We both need each other to help power global economic growth, we rely on the collaborative science exploration and innovation that will bring new discoveries for people, and we both need to create economic opportunities and jobs for our people. So how are we doing on these critical set of issues? We need only go back a decade to demonstrate the dramatic progress we've made. The fact is over the past 10 years in virtually every category of cooperation we track and measure, the statistics are compelling. In 2005 our two-way trade numbers were around \$30 billion, today they stand at \$104 billion and we are aiming to get that number up to \$500 billion in the near future. In just the last three months bilateral trade increased by well over \$5 billion with the conclusion of the Boeing Apache/Chinook deal and the \$2.6 billion GE agreement to provide India's vast railway network with next generation locomotives, many of which will be made and assembled in India. Ten years ago there were around 30,000 Indian students studying in the U.S. This year the number of Indian students in the U.S. increased by almost 30 percent over last year to more than 132,000. The growth in Indian students was greater than from any other country, and India is second only to China in the number of students currently in the U.S. The same goes for visitors. In 2005 we had close to 400,000 Indians visiting the United States. This past year was the highest on record. Our mission across India processed over one million Visa applications. Our mission in India processes more H and L employment Visas than anywhere in the world. Last year Indians received 69 percent of H and 30 percent of L Visas issued worldwide.

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Cumulative Indian foreign direct investment in the U.S. totaled \$7.8 billion in 2014 and U.S. FDI in India was \$28 billion. An increasing number of Indian owned firms contribute to U.S. jobs, exports, and growth. Ongoing government actions to facilitate trade in both directions and open new sectors to private investment will continue to accelerate not only economic growth and development, but also increased prosperity of the citizens of both of our countries. While we've achieved a strong and solid record of performance, our leaders believe we can do more and I know we can do much more. That's why we are redoubling our efforts to increase two-way trade, taking on the ease of doing business factors that tend to deter U.S. companies and investors, such as tax and legal certainty, and easing the regulatory burden. To accelerate progress on these issues we included these commercial topics at our strategic and commercial dialogue this past fall. We also eagerly await India's updated draft of its bilateral investment treatment text and its new intellectual property policy, both of which would help spur increased investment trade and technology transfer.

On the science and innovation front, which is really particularly exciting, the Prime Minister's recent visit to Silicon Valley highlighted the great promise to improve people's lives and solve pressing development challenges. Today engineers in Bangalore are collaborating with engineers in Silicon Valley to create a portable ventilator that can work on power supply as well as batteries, in the process reducing the cost and size of the ventilator, allowing hospitals and clinics in rural areas to deploy them. We are working together to change lives through the JaipurKnee Project. Again design engineers from Silicon Valley have collaborated with the famous Jaipur foot organization to design, test, and refine an affordable, robust artificial knee for above the knee amputees. Watching young men and women once again walk on two legs is a moving experience for this simple device allows them to reclaim their dignity and live richer, fuller lives.

Note as well that these are not one off or two off projects. In fact, back in 2009 before innovation and start ups became the buzzwords they are today, our leaders came together to set up the U.S.-India Science and Technology Endowment Fund, seeded with a \$10 million endowment at the U.S. Embassy. The annual interest earnings from this endowment are matched by the Indian government's Department of Science and Technology to help fund Indian and American innovators with impactful ideas to collaborate and commercialize their solutions. Each year there's a call for proposals, and thus far

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we've funded 18 such ideas with more in the pipeline.

We've covered the gamut of solutions that our innovators are currently pursuing. Simple technologies to remove toxic arsenic from groundwater in Bengal and Bihar, a low cost portable auto refractor to help people prescribe corrective eyeglasses without eye doctors, a simple device to resuscitate newborn babies who can't breathe, a solar electric tractor, novel biological seed treatments to confer abiotic stress tolerance in crops, seaweed based biostimulants for increased crop productivity, affordable, robust, modular roof panels, and many, many more. These collaborations are a testament to the innovative spirit of our two great nations, combining both commercial ambition and remarkable altruism.

Finally, let me just say a word about clean energy and climate change. No global challenge will have a more profound impact on future generations than the issue of climate change. There is no doubt that this issue is one of the most consequential threats to the global commons that we will address together. How the United States and India jointly confront this grave matter will impact the future viability of human economic activity. President Obama and Prime Minister Modi share an appreciation that without U.S.-India leadership on this issue no proposed solution to climate change can succeed. And both leaders believe it is the obligation of our governments to find common ground.

President Obama and Prime Minister Modi held a constructive meeting at the opening of the Paris climate conference, and as I noted have been in touch since to discuss the negotiations. And our teams have held daily, senior level discussions to identify a path forward. There is not greater measure of a mature and functional partnership than persevering in our consultations despite concerns on both side because of a shared sense of duty to future generations. And let us remember that what happens after Paris is just as important as what happens in the Paris negotiations themselves. That's why president Obama and Prime Minister Modi announced last week that the United States, India, and 18 other nations are seeking to double our investment in clean energy research and development over five years. This initiative, called Mission Innovation, seeks to ensure continued improvements in energy technology decades down the road. And at the same time Bill Gates and 27 other billionaires launched a private sector component of Mission Innovation to invest substantial private capital in early stage technology development in Mission Innovation countries. These clean energy efforts build on the already

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substantial work effort at the Mission to strongly support India's move to a renewable future and help reach its 175 gigawatt target for renewables, the words highest such target.

So in conclusion, you know, in Ambassador Bowles' area, New Delhi charted a course of strategic autonomy and inward looking economic policies. Today, Indian leaders speak of their country becoming a leading power of the 21st century, something we heartily welcome. These days politicians and strategists in both capitols describe Washington and Delhi as natural allies dedicated to upholding the rules based international system that has served us well for the past 70 years. Today our leaders discuss how to tackle the most pressing global challenges of our time on a dedicated hotline. And Prime Minister Modi counsels us to think beyond what the United states and India can do for each other and look at what we can do together to advance global peace and prosperity. It wasn't long ago that the United States was racing the Soviet Union to the moon. In our time, NASA collaborates closely with the Indian Space Research Organization on joint endeavors to explore the red planet. That's how much times have changed. And if our governments get bogged down as they engage in so many new areas, as they might at times, I do know that our people to people ties will continue to flourish and deepen as they have for decades.

And I can speak from some personal experience here. Two of the 30 plus trips I've taken around India were back to Punjab to visit the house where my grandmother and mother settled following partition and to see the village where my dad grew up as the eldest of 11 children and the first one in his family to be formally educated. I know well the stories of migration, starting over with nothing in a new country, and the great support that our family received from the people and institutions of India and the United States. This story thankfully has been repeated time and again by countless numbers of our citizens, forging deep and lasting ties between our countries, ties that are bound by so many shared values. You can be sure that as we go about our work on the government to government level, we will continue to do everything we can to hasten these people to people connections and help ensure that ordinary people are given a chance to pursue their dreams and live up to their full potential. That's a guaranteed way to ensure this new era in U.S.-India relations continues to remain strong and remains one of the most critical relationships in the 21st century.

Thank you very much. (Applause)

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MS. MADAN: Thank you, Ambassador Verma. One of the things you mentioned was how much time you'd spent outside Delhi's Beltway, or the Ring Road so to speak. What is on people's minds outside of Delhi and is it different from what you hear in Delhi?

MR. VERMA: Yeah. Thank you for asking that question because, you know, one of the maybe insights I gained from living in Washington for 20 years is that there is life outside of our Beltway, and that can be a very different set of perspectives and ideas than what you might hear in this particular echo chamber. So one of the things we wanted to do when we went out there last January was to make sure we got around the country and to hear from people. One, I would say there's a lot of excitement about the kind of renewed sense of the U.S.-India partnership. Now they may not follow the nuances of our foreign policy debate on a day to day basis, but I think they are generally excited about what they see and the coming together of our two countries. What's interesting is that they also have the same concerns that our people have. You hear about educational opportunity for their children, about economic opportunities, the cost of higher education, whether their kids will get into school. But you do sense that the younger population in particular, and I guess 60 percent of the population is under the age of 35, which is really a dramatic statistic when you think about it and a very powerful one. You do feel a sense of hope and excitement among people that they know that India is on the cusp of something great in this century, that India will have a new role to play, and they think they will have a role to play in shaping that function that India play in this 21st century. So I find it inspiring and empowering when I go around, especially talking to the high school kids and the college students, and even just the young innovators who are out there who, as they say, for the first time are allowed to pursue the kinds of opportunities they want to pursue and are not bound by their parents telling them that they have to study a particular discipline. So all in all I think a lot of excitement, but also some of the same concerns that you would hear from our people as well.

MS. MADAN: You mentioned economic opportunity and hope as well. There was much hope when Prime Minister Modi about 18 months ago whereat that point came to power, especially in the part of business abroad, U.S. business, but even Indian business, 18 months on how does the administration but also U.S. business that you engage with, how are they seeing the Indian economy in particular today?

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MR. VERMA: Look, part of the reason I went through those statistics is so that people understood that the trend lines are moving in a good direction, in fact a very strong direction. Now we could go further and we could go faster and that's what we try to do. We're both democratic systems and so there will be certain limitations to how fast the institutions want to move and how fast the people want to move, and we understand that. But we've seen some really interesting trends. First we see that in the states, in the Indian states, they have been big magnates and big innovators in terms of trying to attract inbound investment. And when I go around and meet with the different chief ministers, they will be prepared to present their plan as why their state is the best state to invest in. It's not a hands off approach, it is very hands on and they go through all of those indicators on the ease of doing business, legal certainty, tax certainty, transparency and decision making, a single window for regulatory clearances, infrastructure, power. And there is this cooperative or I would say even competitive federalism now where the states are competing against each other, and I think the central government has done a good job in letting people know which states really are doing better.

Now that leaves the question of still whether big reforms from the central government are possible. And again in a democratic system, divided parliament, we know from our own experience here that it's not often easy to get through big ticket items. But what I've said to people is that if you look at the progress made in any other foreign capital -- let's take an 18 month period and pick London or Washington or Ottawa, and you look at the progress that's been made, it's been considerable. Again we feel like there's still a lot we can do and I've noted some of those issues that are important for us to work on, but we're going to keep working on it.

The other thing that we can do is make sure that we are seeing the world through the lens on the ground there of the people that live there. Too often I think what happens is we just come in as fast and as hard as we can trying to bang down the door and they see, you know, they see the business side, they don't see as often the human side and how we can actually do a lot for people in both of our countries to improve opportunities and livelihoods. In other words, you can be pro growth, pro development, and connected to the international trading system at the same time. And I think we have to do a better job making that argument.

MS. MADAN: You mentioned the international trading system -- India is of course not

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part of the TPP. And one of the things people have talked about is that while -- especially when related to the Asia Pacific as you mentioned, the historic joint strategic mission document that was signed on the Asia Pacific and Indian Ocean region, but on the strategic issues there's quite a bit of convergence on looking East, but on the economic side it's another story. Can strategic and economic -- the relationships towards the East be kept separate, how can India be brought in to that system, to the economic system?

MR. VERMA: Again I go back to I think we have to make sure we know what the facts are so that we don't suggest an unnecessarily negative picture of what's actually occurring. That doesn't mean to say that doing business in India is very easy or very routine and I understand the hardships that companies go through. The decision on how fast and how integrated India wants to be with international trading system is one obviously for India to make at its discretion. Again I think through our continued engagement and showing for example that TPP actually results in high standards across the board -- and the biggest beneficiaries in TPP are going to be people at the bottom of the economic pyramid and those countries that maybe felt isolated from the global trading system.

And so I think once those kinds of arguments are clear I think the natural inclination will be for India to become more integrated. Again, this is a decision for them to make, but I think it's somewhat unstoppable given that's the modern world we live in and the modern economy we live in. I think the overall trend is towards greater integration.

MS. MADAN: One of the other things that has kind of been in the news a lot recently has been, you know, a number of Indian analysts and officials who talk about the disconnect between the convergence and commonality of interests and approach towards India's East, but somewhat of a disconnect on the U.S.-India set of issues on the West, particularly to do with Afghanistan and Pakistan. How do you see that?

MR. VERMA: So we have ramped up our kind of consultations with India on Afghanistan and obviously both of our countries want to see a stable, secure Afghanistan, a democratic Afghanistan, and that's what we're working towards. And General Campbell, for example, our commander from Afghanistan, was in Delhi just a couple of months ago to ensure that our Indian counterparts were up to speed, at least on the military strategy.

You know, obviously the regional tensions are something that are challenging for the

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parties in the region. You know, we look at the talks that occurred over the past weekend in Bangkok and were encouraged by those discussions. And, you know, the best thing we can do is continue to stay lashed up on our policy in both Afghanistan and Pakistan, but also to make sure that it's clear that our policy with India also stands on its own. And that, you know, again just to quote Secretary Kerry, as we look around the world it would be hard to find a country where we are cooperating on a government to government level as much as we are today. And that we have this kind of natural inclination towards each other that our job in government is to hasten that kind of destiny, and that we are on this strong trajectory towards each other. So I think it's also important that we make sure people understand how much we think of India on its own in terms of its own relationship with the United States.

MS. MADAN: And further West towards the Middle East, obviously there is a big priority here, ISIL. How does Delhi see this situation, the challenge, and are the U.S. and India working together in any way on that challenge?

MR. VERMA: Well, I think the Defense Minister commented on this yesterday, that they're not a formal member of the coalition, but that we do share a high degree of information on intelligence channels and continue to stay connected. As I think the President said clearly, it's a serious threat and the intensification of our strategy is required. And again, staying lashed up with Delhi on what our strategy is is very important. Where we have worked together, and I think where we will continue to work together is for example on efforts to combat extremism. We had a very important engagement and conference that we put on with our Indian counterparts on countering on line violence extremism and recruitment efforts. And those are issues that we can work on together and will in the future.

MS. MADAN: One of the things that becomes very clear just kind of looking as I often do joint statements, also visits, and just the sheer number.

MR. VERMA: I'm glad you read joint statements.

MS. MADAN: I actually do and I compare them to the last ones, but also just the sheer number of dialogues. You mentioned that both you and the foreign secretary track where a number of these dialogues are going, but one of the questions that comes up, especially given that this is not a relationship in crisis, it's not necessarily -- and there are many other priorities -- do both governments have both the capacity and the bandwidths to keep the momentum going over the next year?

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MR. VERMA: Yes. And the dialogues have been enormously helpful. I've had people tell me, look, if you have 30 dialogues then you have none because you must not be achieving anything. But I actually can go dialogue by dialogue and I could tell you not only the joint statements or the kind of scripts that were produced out of them, but the issues, concerns, and problems that were raised. Again, last fall after the Prime Minister came here in the fall of '14, in September of '14, a number of new dialogues were established. So the Civil Nuclear Contact Group. That was the first time we actually had teams of experts on our side sit down with teams of experts from the Indian side to understand where the gaps were on liability. And we actually came to reach a solution. On food security we had a fight last year with the Indians. We'll see if it emerges again this year. I'm glad we have the working group. But we were able to resolve the food stockpiling issue that India had. On HFCs and the Montreal Protocol, we were able to work through a solution last year. IPR protection, we were able to weigh in on the new policy and engage at a very high level on IPR Defense Trade and Technology Initiative. I could go on and on that these kinds of engagements are essential.

Let me tell you what happens if you don't have them. If you don't have them the small issues start to become bigger and people, as humans naturally do, start to get annoyed, they start to grow distant, they will start to say, well that country is not a serious partner or may not be interested. And the small things start to percolate into the other aspects of the relationship. What I've seen is that we are containing even big and serious issues to the groups of people and experts that can actually solve them. That's why I'm so encouraged by these working groups and dialogues.

MS. MADAN: We're going to turn to audience question and answers in just a second. I want to ask you, are there things that we should look to in the next year, particular points that we should keep an eye out on?

MR. VERMA: Sure. I think -- look, we have so many areas of cooperation, but I do think the clean energy and climate areas will continue to be a significant area of cooperation for us, a big pathway of cooperation for the future, including in the nuclear side. I would look to increase strategic defense and security cooperation across all domains, maritime, aviation, space, cyber. I think that continues to be an exciting area. And I think you'll continue to see a lot in areas that may not be on the front page above the fold, but are continuing linkages in health and science and innovation space,

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education. All of those areas are really moving along quite well.

MS. MADAN: We'll take questions. If you could please identify yourselves and, Greg, we'll start from right here.

MR. ROTH: Hi, Stanley Roth, Boeing Company. Not surprisingly, I want to go back to the discussion on defense and security. First, I'd be seriously remiss if I didn't thank you for your help and many of your colleague in the U.S. government for getting the sales done that you described on Apaches and Chinooks; greatly appreciate it. Second, like many others in this room we've had a lot of meetings with the delegations in town this week, CII, FICCI, as well as the Defense Minister and his team, and what I took away from that was both an opportunity and a bit of a warning. Opportunity being want to cooperate, want to make an India working, want it done quickly, see next year as a critical year, not something to be studied for a long period of time, and see a lot of impediments from the U.S. side on technology transfer which need to be worked out. And the warning is, you know, you're the only country that has these types of controls since, you know, it wasn't beyond that, it wasn't a threat, but just sort of flagging it. Do you see a way that we can align our own processes, laws, procedures, to both expedite the timeline, you know, consistent with our own, you know, laws, but not to be left out of the game moving forward with make in India.

MR. VERMA: Sure. And I think whole process of export control reform started several years ago, and with regard to India in particular has been underway for quite some time. And I think you probably know the statistics, which I don't have at my fingertips, but the vast, vast majority of the kind of exports to India do not require a license. Those that do from the commerce side, I think 98 percent are approved. Where you're talking about is still in some of the most sensitive technologies on the defense side and I know we have to continue to work to look at those to determine whether those controls still make sense given the current reality. If we move to more make in India in joint production, in joint development do we have an export control system that actually matches those aspirations. I just want to assure you that you have people in the U.S. government that are thinking as much about those questions as maybe people in the Indian government as well who might be concerned about them. But a lot of those controls again are part of our system, are quite necessary, are part of our leadership role in curbing different aspects of proliferation and technology transfer around the world. But I would agree with you,

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India is in a different category and so we do have to continue to look at it and we are.

MS. MADAN: Bruce.

MR. JONES: Thank you. I wanted to ask you a couple of questions about the international order issues that you raised. And you talked about the two countries working together on international order. Two places where I see irritants, one is when (inaudible) encounters Indian strategists or diplomats saying in effect what we want out of the international order is what you have, veto rights and the ability to avoid the rules sometimes. And that's a challenge it seems to me, and it's sort of how we navigate India's claims in the international order.

Second irritant, potentially Russia. One thing to think about a continued defense relationship, that's up to India, but I think a lot of people were taken aback by India's unwillingness to be vocal on things like Russian annexation of Crimea.

And I just wonder if you could comment on those issues.

MR. VERMA: Look, first I would say that this post World War II system that we have defended and upheld throughout the world is one that we hold dear and increasingly that the Indians understand is essential for them as well. And we talk a lot about shared values, but when you actually go down to the kind of mechanics of what that means, you know, both of our constitutions start with the same three words, "we the people", both are federal systems, both are pluralistic, both are bicameral, democratic systems. And so we actually have so much in common. And so when we look around the world today and we see the threats to this order -- and you open up the paper, turn on the TV on any given day and you'll see those threats -- we see in India a natural partner that wants to uphold that order with us. When you look back to the January visit of the President and the Joint Strategic Vision, that wasn't just a piece of paper, that was a commitment to stand up for the rules based international order to resolve disputes peacefully, to stand up for the rule of law in the world. And that's a big deal. And so we need to make sure that in order to make that a reality that we don't only talk about it, but that we try to effectuate it. So what does that mean? That means in international institutions the world has changed a lot since 1945 and that countries like India should have more of a say and more of a role in international institutions. And that's why, you know, some five years ago the President came forward to support India's bid on a reformed UN Security Council, India playing a more active role in the G20. We've been quite

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supportive of that and India's own aspirations to be a leading power which we've strongly supported and gotten behind.

Now having said that, we are both independent democratic countries that pursue our national interests with different histories. And India obviously has a different relationship with Russia than we do. And we've made our concerns about Russia and Russian behavior known to the Indians and we will continue to do so. That is I think one of the very positive things about our relationship. In fact, what I left out of my kind of weak retrospective of this past week is that Monday in Delhi our Deputy Secretary of State was there to cover exactly these sets of global issues with the foreign secretary, which was an excellent, excellent discussion. And so as I said we may not always agree, but we are engaged strongly on the big questions of the day. Upholding this rules based order we're aligned.

MS. MADAN: We were delighted to have the Deputy Security at our Brookings India Center.

MR. VERMA: Yeah, it's be a big week for Brookings, yes.

MS. MADAN: It has indeed. Ray Vickery.

MR. VICKERY: Ray Vickery, Albright Stoneridge, Woodrow Wilson Center. I want to thank you, Mr. Ambassador, for that excellent statement and resume of what's happened over the past year. I note that those terrific achievements have coincided with your becoming the Ambassador (laughter) and I know you won't take credit for it at all, but I can't see that as a complete coincidence.

My question is what might be done further from this side, unilaterally from the United States, and particularly in regard to the Congress, in order to make this most important relationship of the U.S. and India stronger and more vibrant than it is. Stanley has mentioned export controls, Bruce has talked about UN Council, but there's a whole agenda of things, totalization agreements, Visas, local content. What can we do?

And connected with that, last January of course with the President's visit there was an announcement on civil nuclear. And you've pointed out that we've had a contact group. And I'm wondering if there is anything from the U.S. side that can be done to actually make implementation of that civil nuclear agreement a reality?

MR. VERMA: Sure. First, thanks for the kind words, but really as I look around the room,

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including your own government service and others, the experts, the strategic thinkers, the number of people that have worked on this relationship for not just one or two or three years, but decades, and contributed to the scholarship and the literature and working to pull us together has been really instrumental. So I am really just kind of standing on the shoulders of a lot of other people who have come before me.

Secondly, to take your second question first, on civil nuclear cooperation, I actually think in the first six months of 2016 you'll see a lot of activity. And the contact group has actually continued to meet, just met the week of Thanksgiving here in Washington, and we've had really positive discussions with the nuclear kind of arm of the Indian government, really over the last two months. I was just in Mumbai myself to have those discussions. We're working very hard at implementation. It's not enough just to say we've reached an understanding on liability, the implementation is key.

On the role of the Congress, I was there in the Senate working in 2005 when the civil nuclear agreement went through and I saw how important it was to engage this big independent branch of government in this foreign policy issue. Now obviously they had a legal role to play, they had to amend certain laws to make the deal possible, but what it brought out was engagement across party lines, engagement from different constituencies across the country into the House and into the Senate. And when we talk about transformative moments in our relationship, that is one, not because it was just civil nuclear cooperation, but it drove both of our governments, executive branch and legislative branch, to actually think about what we want in this relationship. And it really forced people to say well, geez, U.S.-India, it's always been so -- it's great, aren't things good. And oh, actually we can do this in civil nuclear and all these benefits will flow from it. I think you're right to suggest maybe it's time for another kind of exercise like that, whether it's small or big. One thing I also learned about working there is not to interfere in what they're contemplating, but I know that there are a number of interesting ideas, and you mentioned several of them. I also know that we've welcomed a number of members of Congress. We've had a number of Indian Parliamentarians come to Washington. And I think the more that our two legislative branches are synced up and the more that they're actually thinking about kind of positive and proactive steps, whether on the export control set of issues or otherwise, we would welcome and support that and look forward to working with them.

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MS. MADAN: Thank you so much, Ambassador Verma.

MR. VERMA: Thank you.

MS. MADAN: You are welcome back any time.

MR. VERMA: Thank you.

MS. MADAN: And we hope that we'll see you in Delhi very soon.

MR. VERMA: Thank you.

MS. MADAN: Thank you.

MR. VERMA: Let me just say thank you for organizing this, thanks to everyone for coming out, and again, the work that you've all done here, and your experts, is really terrific and we're grateful for it. So thank you.

MS. MADAN: And thank you all for coming as well. Thank you. (Applause)

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