

Moderator: This is Drew Sample with the Woodrow Wilson Center Media Relations Team. I am here with Ray E. Vickery, a former Assistant Secretary of Commerce and a former Wilson Center public policy scholar as well as Michael Kugelman who is a Senior South Asia Associate here at the Wilson Center. We are here to talk about President Obama's upcoming travel to India and wanted to take your questions about that trip to see what sort of expertise and comments we are able to provide. So Roberta, if you want to go ahead and kick things off and let us know some of your questions.

Roberta: Sure, thanks. I guess I am curious to know, it seems like the trip is obviously rich in symbolic importance but I'm wondering what kinds of concrete things you think could be brought home by President Obama from this trip? And how important it is for the Administration to be seen as getting something concrete from this trip?

Michael Kugelman: Thank you. I would argue that both sides want to achieve something concrete from this trip. But I think that it's very unlikely that we are going to have major milestone achievements. It's been very little time since these two leaders last met. It's only been four months and I think that really has not allowed sufficient lead time for both sides to put something together. I will say and Ray can follow up with more details particularly on the econ side. I do think that we will see some sort of defense related deal, small scale. I think that there will certainly be a few small accords dealing with energy and renewables, and I think that there will also be some agreements dealing with economic related issues. I think that what would be particularly significant, though it's unclear if this will happen, that is there could be a bit of progress on the issue of liability. As you know there was a civil nuclear accord signed between these two countries several years ago. It was seen as a really big deal. But it really hasn't gotten off the ground over disagreements over who was liable for nuclear accidents. India insists that providers of nuclear plants should be liable, whereas the United States wants suppliers to be liable. And I think that there are some talks ongoing right now about coming to some sort of resolution, at least some sort of initial resolution to the problem. Not necessarily something final or major, but I think that both leaders want to be able to say at the end of their meetings in India that they have made some significant progress on resolving this liability issue, which stems from what is seen as a signature achievement in U.S.-India relations over the last few decades and that's this civil nuclear accord.

Ray E. Vickery: Yes, I think that the blockbuster kind of agreement is not really in the cards. But I do think that each side wants to show real deliverables and so I expect that there will be a series of those. Everybody of course has looked at India as the laggard in regards to energy and climate change, particularly after the announcement in Beijing with China. I don't think you're going to get peak year kind of agreement with the Indians that you got with the Chinese, simply because they consume about a fifth of the energy per capita that the Chinese do or about one nineteenth if you will of what the U.S. does and they have very great needs. They have about 50,000 to 100,000 megawatts of stranded power at this time. So they are desperate for power to be able to fuel this "make in India" initiative of Modi. That having been said, I think that there will be deliverables in the energy area and I think that they'll follow along the lines of what was discussed in Washington in September. One, there will probably be something further on solar. We put up about \$3 billion in XM financing. I would expect there to be some further progress in terms of public private financing of solar. You know that Modi has announced that he wants to have 100 thousand megawatts of solar in by 2022 and that is five times what the previous

government wanted to do. And for every 100,000 megawatts you have to have about, for every 1,000 megawatts you have to have about a billion dollars of financing. That means to finance what he says he wants to do in solar, you're going to have to have about a hundred billion dollars, which India doesn't have and has to be mobilized in public private. So I expect some sort of announcement there. I think that there will be further announcement in regard to hydrofluorocarbons. This is a particular type of chemical which has climate change implications; it's been used in refrigeration and in various manufacturing. There are now substitutes for that and I believe that will happen. In regard to energy, the civil nuclear, as Michael has rightly pointed out, has been hanging fire. I spent 3 years of my life working on that and it hasn't gone forward because of liability. I don't think that there is going to be a complete resolution of it but I think that there will be some further announce in regard to the two sites that have been identified for GE and Westinghouse and some further progress on the liability question. The Russians and the French solved their liability concerns by a combination of insurance plus assurances that the price of that insurance would be rolled into the nuclear power plants. And you may remember that Putin when he was there in December announced 10 more nuclear power plants. So I think that will happen. I think in regard to trade there will be some further announcement of cooperation on trade facilitation and that India is not blocking in regard to WTO the way it was. Michael has already said that on the military side there will be some further announcement in regard to I think sales of U.S. military defense equipment and there will probably be something on co-production. The Russians announced something on coproduction in regard to helicopters. I think there will be a further announcement because Modi wants to be able to say "make in India" and this is a big initiative and that would certainly be a part of it. And of course on the question of terrorism, there will be a further announcement. Although India is not about to join any international coalitions against ISIS or anybody else. So I think in those four areas energy/environment, trade, defense sales/coproduction and terrorism/regional security, there will be announcement of deliverables if you will. But there's not going to be any big blockbuster deliverable like the China peak year or a complete resolution of the liability on civil nuclear. That would be my take on it.

Michael Kugelman: And getting to your other question, this is Michael again, your other question on the importance of this trip for the U.S. administration. I think that the Obama administration is taking this visit extremely seriously. Even if it does not yield game changers, which it likely will not. I think that the U.S. government sees a strategic opportunity for this relationship with India to move forward right now. And that's because the withdrawal of most US combat forces from Afghanistan have essentially created strategic space and strategic opportunity for Washington to focus less intensely on Afghanistan, and by extension on Pakistan, and more intensely on India. And I think as well, the fact that the Obama administration seems to be giving more emphasis to this rebalance to Asia that certainly suggests more of a desire to engage India more deeply. Simply because India is regarded as a critical part of this rebalance policy, in the sense that the U.S. views it as a type of counterbalance to China. And to step back for a second to make it clear, the U.S.-India relations I would argue right now are certainly cordial yet they also quite conflicted. I mean this is a relationship that did not really have much relevance to it at all during much of the Cold War era, there were decades of dysfunctional relations, it was really only in the last few decades when things began to improve. But there are still a number of policy divides on many levels from how each country views Russia, how each country view Iran, and even how each

country views Pakistan. And as Ray noted there are also various issues, disagreements dealing with trade and things like that. And also these are two countries that really on many basic, even administrative levels, have difficulty agreeing on how to get things done. Including on how to conduct negotiations and sign agreements. But all that said I do think the Obama administration wants to build on the momentum stemming from Prime Minister Modi's trip to Washington just a few months ago and really try to move things to a better level. To the point where these two countries can finally start talking seriously about getting really substantive things done.

Ray E. Vickery: I would concur on what Michael has said I think the administration is taking this very seriously you had the Secretary of State out there twice in the last six months. Secretary Kerry did not leave a vibrant Gujrat meeting, which Gujrat is of course Modi's homestate, even though the Charlie Hebdo matter was taking place. You've had the Defense Secretary, you've had the Commerce Secretary, all within the past six months. The rebalance to Asia doesn't work without India. We were estranged democracies during the Cold War. Trade and investment has been the driver of overcoming that estrangement. Woodrow Wilson has published one of my books on that in the past years and that book on the driving force of economic relations, I think, still applies. So I think that's going to happen. I think that in regard to energy, that is a key area which can continue economic engagement is a driver between the relations between the U.S. and India.

Angela: In terms of deliverables, the White House has certainly tempered expectations for what we'll see, especially since Modi was just in the U.S. in September. But what sorts of results, agreements, deals might we see come out of this meeting either immediately or in the fairly short term after the visit?

Ray E. Vickery: Well, we did talk about that earlier. I think there is going to be something further in regard to energy, the environment and climate change. It won't be a peak year, a blockbuster agreement, but there will be further funding I believe for what is called the Pace Program which is a technical cooperation on fighting both the emission of greenhouse gases and promoting energy efficiency. Seventy percent of the buildings that will be in place by the middle of this century have yet to be built in India. It gives them a great opportunity for energy efficiency. There will be some further announcement on HFCs, hydroflouorocarbon chemical. There will be some further announcement in regard to trade on the trade facilitation agreement. There will be something about further defense sales and coproduction, and then there will be something in regard to cooperation on terrorism. You recall in September there was a heavy emphasis on that. That will be even more important. As well as probably some follow on in regard to the U.S. India cooperation in freedom of the seas and the resolution of territorial disputes in the South China Sea.

Michael Kugelman: Just to add briefly, everything that Ray said I agree with. The thing is if you want to be looking at deliverables, the most realistic ones, because there are quite a few possibilities. You need to look at areas where the two sides already have explicitly shared interests and where actual commitments and progress, achievements have already been made. And I think that's why you really need to highlight the energy area and particularly renewables. Prime Minister Modi, when he was Chief Minister of Gujrat, he made very clear that renewable energy policies were very important to him he built one of the largest solar power plants in Asia in Gujrat. And since he became Prime Minister, he has

taken a number of measures very concrete measures that suggest that he's really serious about this. And also symbolic measures as well such as renaming one of the energy related ministries or adding the word renewables to one of the energy related ministries. I think the only other thing I would add to what Ray had to say is it is important to look at the joint statement that was issued by Obama and Modi when Modi was here in Washington in September. And one thing that I think is very important on that joint statement which I fear will not really be addressed is that the two sides they would work very closely to combat Pakistan based militant groups including Lashkar-e-Taiba and groups like that. This is a pretty big deal in the sense that in my view one of the reasons, one of the limitations to the U.S. India relationship has been India's concern that the United States does not do enough to address India's fears and anxieties about Pakistan. And I think if these two countries were really to push forward and deepen intelligence cooperation for example, work together in ways that they could start trying to address these types of fears that India has. I think that could work. However, I think that this will not be at the top of the agenda. I think they're going to be focusing more on so called softer issues, or should I say non-security issues, such as energy and environment and econ. As Ray has said there will be progress on defense related announcements but it will probably involve matters of coproduction perhaps an agreement from the part of the U.S. to supply surveillance drone technology, the possibility, but I don't think we're going to be talking on very concrete levels about doing something really big to deal with Pakistan.

Ray E. Vickery: Just to reiterate, in the list of deliverables there will be something said about civil nuclear and the liability issue. Those two sites have already been identified to GE and Westinghouse. Putin announced ten more power plants, and so it seems to me U.S. and India have to announce something further in regard to the development of those sites. They probably won't have resolved completely the liability question but there will be an announcement that will be touted as progress towards actually putting shovels in the ground for those power plants. On India energy the Woodrow Wilson published a monograph of mine called "India Energy: The Struggle for Power" which is available online if you go to the Woodrow Wilson site if you want further background on that. On Lashkar-e-Taiba and the terrorism from Pakistan, there was a condemnation of that when Obama visited in 2010 and the Indians were pressing for that up until the last minute and finally the announcement was made. I agree with Michael, I don't think that there will be any announcement which is really a blockbuster but I believe that there will be a reiteration of a condemnation of terrorism, wherever it originates, and they will name Lashkar-e-Taiba and the continuing cooperation on the people who attacked Mumbai in 2008, the so called 26/11 November the 26, 2008 killed I believe a 173 people there. So and that has never been resolved. In Pakistan they people who were planners. So there will be some announcement on that but it won't be that they are turned over to India or something of that nature.

Roberta: You mentioned the South China Sea issue and how the two leaders had discussed that in September during the visit and I'm just wondering what you think might be sort of an advancement on that issue on this visit. Are you expecting them to say something further or demonstrate in concrete ways that they're working on that part of the rebalance?

Ray E. Vickery: Well, I would expect there would be something said about U.S.- India cooperation in maritime matters. You know, we've had this Operation Malabar, which in the past has been U.S. Navy

India Navy together. And I think that there will probably be something further said about that. Whether they then go the next step and say how they are going to cooperate in regard to resolution of those various claims in the South China Sea, I don't know. But it is very significant in my view that that was brought up in September and I wouldn't be surprised to see some further announcement. Now I don't know, Roberta, whether you would really consider that a deliverable but if you look back at the joint statement from September, that was to me a very significant kind of adding to the agenda of U.S.- India relations and issues. And again to reiterate what Michael said the very best guide for what you're going to get in deliverables is to go back to that joint statement of September 30th and just go down the list and they will talk, you will see, each of the things that I've talked about, that Michael has talked about that are there. And so you see where they are coming from and what they have tried to follow up on to have a deliverable for this meeting. Now whether or not they are going to get them on those, remains to be seen. My judgment is yes there will be something which will go into a further joint statement which will be called a deliverable and then it will be up to you Roberta and the other members of the press to determine, and for us as analysts to put in our two cents as to whether or not those really are deliverables or whether or not it's just more talk.

Roberta: Have there been any tangible, concrete, I mean have people been able to see between September and now any sort of physical cooperation on these maritime matters? Have there been obvious signs that cooperation has been stepped up? Or there was that statement in September and everyone noticed it but that's kind of where it stands?

Ray E. Vickery: Well, the U.S. Navy says that they're upgrading the exercises and they had let those drop in terms of importance and they are upgrading those again. So, yes that much has happened. But in regard to China versus Vietnam versus Japan versus the Philippines in the South China Sea, you don't have anything concrete. But what is significant from an Indian perspective in regard to the South China Sea is that there are two concessions, exploration concessions, for oil and gas in the South China Sea, which Vietnam has given to India. And India had an opportunity to withdraw from those, and refused to do so, and is still counting on being able to explore for oil and gas in the South China Sea. Now I don't think you're going to have the two parties make a further announcement about something that is that much in the weeds. But you can rest assured that that is a part of what is going on in regard to cooperation on the need for the rule of law and internationally accepted norms in deciding those varying maritime claims.

Michael Kugelman: I think the bottom line here is that if the United States is really serious about rebalancing to Asia, it will need to address head on this South China Sea issue because this is one of the most contentious, geopolitical, issues in Asia. And if the U.S. is to address head on this South China Sea issue, it really needs buy in from India given the fact that India's maritime capacities have increased tremendously. It has a tremendous amount to offer. There has been a very longstanding naval modernization program in India over the last two years, which in many ways is driven by a need to catch up quote on quote with China. Even though I don't think that's possible. But the issue here is that the U.S., if it wants to wade into the South China Sea issue, it needs to be careful. In that it really needs to pull off a delicate stance of diplomacy. Because on the one hand it wants to work with India to try to find some way to promote stability in this area and in the context of this dispute, where China plays a

very large role. But, I don't think, India is not necessarily, there's no, it's hard, I don't think one could argue that India is dead set on containing China or pushing back against it. India and China have a very complex relationship and Narendra Modi is someone that has stated his admiration for China on some levels, particularly in terms of its economic models. So I think that the United States needs to be very careful how it would work with India in this context in the sense that India does not want to seem like it's banding together with the United States or with other countries to go against China. And this of course harkens back to the policy of nonalignment that India used to champion during the Cold War Era which essentially emphasized avoiding alliances with countries particularly in the West. And I think that Modi is moving away from that but still its influence is very strong. So I think the bottom line is that the U.S. needs to engage this issue but it needs to be careful about how it views India's role and what India is able to do in the context of this conflict which involves China in a very big way.

Ray E. Vickery: Well I agree with that. I think that if you're thinking in terms of India entering an alliance against China to contain them, that's just not going to happen. And the whole history which Michael has cited is indicative of that. However that having been said there is no question that the BJP and Modi have said that the whole business about non-alignment and third way is in the past. And China claims one whole state of India, Arunachal Pradesh in the northeast. And on Chinese maps, that's a part of China. And early in his administration Modi went to the northeast and made a statement about how Arunachal Pradesh and the line of demarcation there was not negotiable in terms of giving that territory to China. So it is a bit different from the days of nonalignment in Nehru. And that, I think, is part of what's going on and Kerry going over there twice within six months, having Hagel go, having Pritzker go, and really trying to do this. This being bring the U.S. and India into a closer strategic alliance. But that is a very difficult thing to do given the history between the U.S. and India growing out of the Cold War. And if you go back to the Putin visit in December, you will see statements from Modi about how Russia is really the best friend because they have stood up with India when they were being subject to sanctions. And when they're talking about that, they're talking about U.S. sanctions having to do with nuclear relations. Now we think and we had hoped that we had put that behind us with the civil nuclear deal and withdrawal of sanctions and both sides citing each other as natural partners and the President Obama saying that the U.S.-India relationship was one of the defining relationships of the 21st century. But it's very difficult from an Indian domestic policy, political stance as well as the people in the Ministry of External Affairs figuring out where they want Indian policy to go.

Drew Sample: I know that we touched upon international security and national security but what about personal security? I mean has there been much hand wringing about the President bringing his car or not bringing his car? Do we see that being any sort of issue in him attending these Republic day celebrations?

Michael Kugelman: Well I mean India has gone all out and pulled out every single possible thought to essentially put this city on lockdown, Delhi that is, to ensure that everyone is safe. And it is true, it is something to worry about in the sense that there has been a lot of noise coming from Pakistani terrorists over the last few weeks threatening to launch attacks in India when Obama is there. But I think that at the end of the day, India has really done just about everything it can and so has the United States. Obama is going to be accompanied by 1,600 security personnel. Which is a lot of security

personnel. From what I understand from people on the ground, Delhi is going to be impassable and so I think that you hope that there won't be any sort of unperceived tragedy or catastrophe. But I think that both of these capitals, both of these countries are doing everything possible to ensure that this will be not just a productive visit but also be a very safe visit.

Ray E. Vickery: You know in India, Drew, the threat of terrorism is always very real. In fact, India has suffered more terrorist attacks than any country outside of the Middle East. And we have our 9/11, but shortly thereafter on the 13th of December 2001 terrorists tried to blow up the entire Indian parliament and people were killed. As I mentioned in 2008 173 people. But that's just the tip really of the kinds of terrorist attacks which have gone on. So it is a real concern. Another indication is that when the President goes down to Agra to see the Taj Majal, which he hasn't done. Presumably it's on his bucket list, everybody ought to see the Taj. They are taking Air Force One and are going to fly it from New Delhi to Agra with all of the security that goes with that. And that's a change because they were going to do it with a helicopter, Marine One and so forth. But just to make it work and make it more safe and then they're going to take off directly from there, that's what they're doing. And to me that's an indication. Now will he be criticized in India for it? I don't think so. I think that yeah there will be some that say yeah it's over-concern but basically Indians are very concerned about security and I don't think that that will be a criticism about the President. He is going to do you know a public address at the old fort on Tuesday morning which is a public event and that's a huge open air kind of event. So he's not going to be closeted in buildings and protective areas the whole time.

Michael Kugelman: I'll just add one more thing that I think is particularly important for those in the media that are based here in Washington, particularly White House correspondents. I think it's important to emphasize that when you look at the U.S.-India relationship and if you look at this Obama visit to India. I think it's important to keep in mind that many of the things that India wants most from the United States are not things that can be addressed within the narrow confines of this bilateral relationship. The types of asks that New Delhi is making of Washington tend to be linked to very broad protracted political debates in Washington. So for example, for a long time India has been wanting the U.S. government to address perceived restrictions on visas, H-1B visas awarded to U.S. based Indian workers. But this is not something that the U.S. government can just work out with India just like that. This is something that is very much tied to broader immigration reform issues. And then there are also if you look at an issue I think Ray got into a bit, the issue of LNG, liquid natural gas. India is very interested in taking advantage of American LNG exports, but there is some inflexibility, some limitations in terms of how U.S. energy or U.S. gas, natural gas exports can be sent to countries like India with which the United States has no free trade agreement. And so working this type of thing out, loosening these types of restrictions, making this whole thing more flexible, it will require wider policy reforms that go well beyond the confines of the U.S.-India relationship. And I think this gets to the issue that we both were talking about earlier, that we really should keep our expectations realistic and perhaps even low. That there's not going to be any major milestone achievements any time soon in terms of big big deals just because you know a lot of what India wants is something the U.S. cannot deliver on within the specific confines of the bilateral relationship.

Ray E. Vickery: In closing, I'd say yes all that's true. But the good news in Washington is that U.S. policy towards India is one of the few areas of bipartisan agreement between Republicans and Democrats and it's been that way for almost two decades now. So if you're talking about LNG exports particularly, there is a possibility in regard to compromise on that. If you're talking about trade with India, there are possibilities for compromise on it. This is an important relationship for the United States. It is really quite amazing that the United States president would be asked to be the chief guest on National Day so soon after a summit meeting in Washington. It's even more extraordinary that the United States president would accept that sort of off the cuff invitation, send Secretary of State and many other high officials, Frank Kendall from the Department of Defense, trying to do defense deals, in order to make this visit have substance as well as symbolic significance. So I'm going out this afternoon to India. I'll be there for the visit and I'm hoping for the best.

Drew Sample: Well thank you both for your insights and thank you to everyone who called in for your questions.