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**“PARTNERS IN THE 21<sup>ST</sup> CENTURY”**  
**INSTITUTE FOR DEFENSE STUDIES AND ANALYSES**  
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Thank you, Dr. Gupta, for inviting me to the Institute for Defense Studies and Analyses, and for your leadership of this distinguished organization. It's a special honor to have this opportunity on my first visit to India as Secretary of Defense.

This trip has taken me from Pacific Command Headquarters in Hawaii, to the Shangri-La Dialogue in Singapore, to Cam Ranh Bay and Hanoi in Vietnam. It's appropriate that as I have defined our new defense strategy for the 21<sup>st</sup> Century, I am here with a key partner in this important region.

Over the past two days, I held excellent meetings with Prime Minister Singh, Defense Minister Antony, National Security Advisor Menon, and I want to thank them for welcoming me back to this great country.

I also want to thank Ambassador Chandra for convening and moderating today's discussion, and for the contributions he has made to advancing U.S.-India relations during his career in public service.

Ambassador Chandra's first year in Washington as India's Ambassador to the United States overlapped with the end of my tenure as President Clinton's Chief of Staff in the 1990s. It was a time when the legacy of Cold War suspicion still loomed large. Though we shared many values and common interests, our bilateral relationship suffered from such suspicions.

My former boss, President Bill Clinton, got it right at the time, twelve years ago here in New Delhi when he said that “India and America are natural allies, two nations conceived in liberty, each finding strength in its diversity, each seeing in the other a reflection of its own aspiration for a more humane and just world.”

Thanks to the efforts of past presidents, Republican and Democrat, our two nations have finally and irreversibly started a new chapter of our history.

So it was that when I returned to government in 2009 to serve as Director of the CIA, I found a transformed U.S.-India relationship. We had acted together to get past our differences and reestablish better cooperation. It required that we get beyond our outdated notions about one another.

And today, thanks to President Obama and Prime Minister Singh – along with Indian leaders from across this country's political spectrum – our two nations now engage actively and effectively as partners on a host of bilateral, regional, and global issues.

President Obama has said that the United States and India will be one of the defining partnerships of the 21<sup>st</sup> century. I believe that to be true. Today, we have growing economic, social and diplomatic ties that benefit both of our nations. But for this relationship to truly provide security for this region and for the world, we will need to deepen our defense and security cooperation. This is why I have come to India.

America is at a turning point. After a decade of war, we are developing a new defense strategy – a central feature of which is a “rebalancing” toward the Asia-Pacific region. In particular, we will expand our military partnerships and our presence in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia.

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Defense cooperation with India is a linchpin in this strategy. India is one of the largest and most dynamic countries in the region and the world, with one of the most capable militaries. India also shares with the United States a strong commitment to a set of principles that help maintain international security and prosperity.

We share a commitment to open and free commerce; to open access by all to our shared domains of sea, air, space, and cyberspace; and to resolving disputes without coercion or the use of force, in accordance with international law. We share a commitment to abide by international standards and norms – “rules of the road,” if you will, which promote international peace and stability.

One of the ways we will advance these principles is to help develop the capabilities of countries who share these values. India is one of those countries.

Our two nations face many of the same security challenges – from violent extremism and terrorism to piracy on the high seas and from the proliferation of weapons of mass destruction to regional instability. Handling these challenges requires a forward-looking vision for our defense partnership, and a plan for advancing it month-by-month and year-by-year.

We have built a strong foundation, and we will enhance this partnership over time in the spirit of equality, common interest, and mutual respect.

In particular, I believe our relationship can and should become more strategic, more practical, and more collaborative.

Our defense cooperation is strategic in that we consult and share views on all major regional and international security developments. Our defense policy exchanges are now regular, candid, and invaluable.

Our partnership is practical because we take concrete steps through military exercises and exchanges to improve our ability to operate together and with other nations to meet a range of challenges.

And our defense relationship is growing ever more collaborative as we seek to do more advanced research and development, share new technologies, and enter into joint production of defense articles.

I want to share my views on the progress we have made in each of these areas and outline additional steps I think we should take in the coming years.

We have built a strong strategic relationship. In my own experience, including during my visits here as Director of the CIA, my Indian counterparts always offer clear strategic analysis and recommendations. We are transparent and honest in our discussions, something that has come to define the strength of our relationship.

During my two days here, we discussed the new defense strategy that is guiding the United States military’s rebalance to the Asia-Pacific region. We discussed the value of the ASEAN “regional architecture” in promoting international norms and in guaranteeing freedom of navigation.

We discussed Afghanistan, where we have embarked on a transition to Afghan responsibility for security, governance, and economic affairs. India has supported this process through its own significant investments in Afghan reconstruction and has signed a long-term partnership agreement with Afghanistan.

We are making significant progress with transition. The United States now has an enduring partnership agreement with Afghanistan. I urged India’s leaders to continue with additional support to Afghanistan through trade and investment, reconstruction, and help for Afghanistan’s security forces.



We also discussed India's immediate neighborhood. In particular, I welcomed the initial steps India and Pakistan have taken to normalize trade relations, a process that we believe is key to resolving their differences and to helping Pakistan turn around its economy and counter extremism within its borders. Pakistan is a complicated relationship for both of our countries but one that we must work to improve.

Finally, we exchanged views about other key issues like piracy and terrorism, tensions in the South China Sea, our concerns about Iran and North Korea's destabilizing activities, and new challenges like cyber intrusions and cyber warfare.

At a practical level, our defense partnership is coming of age. Expanded military exercises, defense sales, and intelligence sharing are key examples of the relationship's maturation. Last year alone we held more than 50 cooperative defense events.

Some of the most significant include our military exercises, which enhance our ability to prepare for real-world challenges. The annual "MALABAR" naval exercise has grown from a "passing exercise" for our ships into a full-scale engagement across all functional areas of naval warfare. In March, U.S. Army soldiers joined their counterparts in India to rehearse scenarios involving United Nations Peacekeeping and Humanitarian Assistance/Disaster Relief in a post-conflict setting. U.S. soldiers even had the chance to participate in a Holi celebration, which I gather is a very colorful experience.

One month later, the SHATRUJEET exercise took place at Camp Pendleton in California, with amphibious operations and other exercises between U.S. Marines and Indian soldiers.

These engagements and exercises provide opportunities for our militaries to learn from each other. This will sharpen our skills the next time we are called upon to interdict a WMD shipment, break up a terrorist plot, or respond to a future tsunami.

We have also increased our defense sales relationship – from virtually nothing early in the last decade to sales worth over \$8 billion today. Our sales are growing rapidly. For example, India and the US have agreed to sales of maritime surveillance and transport aircraft. India will soon have the second largest fleet of C-17s in the world, expanding the reach and strength of India's forces and their ability to rapidly deploy.

Your C-130J transport aircraft and P8-I maritime surveillance aircraft purchases are also historic. In fact, India and the United States will be the only countries operating the P8-I aircraft.

In providing such world-class capabilities to the Indian armed forces, we also enabled new training and exchange opportunities between our militaries. For example, our sales of transport aircraft included U.S. Air Force training of Indian pilots, loadmasters and maintenance staff.

Finally, in terms of building collaboration, we have some early successes and are poised to embark on technology sharing, co-production and other initiatives that will be a great value to each of our nations. Lockheed Martin, Sikorsky and India's Tata Group are already jointly manufacturing spare parts for transport aircraft in Hyderabad. This project benefits each of our nations by creating jobs in India and America and strengthening our defense industries.

Our shared goal should be to solidify progress and deepen defense engagement and cooperation in all of these areas. So now let me turn to the future.

At a strategic level, we have worked together to counter piracy and terrorism, and now we should join forces to tackle new and ever more complex threats. We can do more to drive the creation of a rules-based order that protects our common interests in new areas like cyber



security and space. We need to develop “rules of the road” in these domains to help confront dangerous activities by states and non-state actors alike.

In terms of regional security, our vision is a peaceful Indian Ocean region supported by growing Indian capabilities. America will do its part through the rotational presence of Marines in Australia, Littoral Combat Ships rotating through Singapore, and other U.S. military deployments in the region.

The United States supports Southeast Asian multilateral forums such as the ASEAN Defense Ministers Meeting – Plus, or “ADMM Plus.” These mechanisms will prevent and manage regional tensions. As I have told my Indian colleagues over the past two days, India’s voice and involvement in these international forums will be critical.

As the United States and India deepen our defense partnership with each other, both of us will also seek to strengthen our relations with China. We recognize that China has a critical role to play advancing security and prosperity in this region. The United States welcomes the rise of a strong, prosperous and a successful China that plays a greater role in global affairs – and respects and enforces the international norms that have governed this region for six decades.

And again with regard to Pakistan, India and the United States will need to continue to engage Pakistan, overcoming our respective – and often deep – differences with Pakistan to make all of South Asia peaceful and prosperous.

To improve our practical cooperation, I believe US-India military exercises which are already strong must continue to be more regular and complex. And we must move beyond a focus on individual arms sales to regular cooperation that increases the quantity and quality of our defense trade.

I want to stress that the United States is firmly committed to providing the best defense technology possible to India. We are both leaders in technology development and we can do incredible work together. Indeed, I think close partnership with America will be key to meeting India’s own stated aims of a modern and effective defense force.

The Obama administration is hard at work on Export Control reform in cooperation with Congress in order to improve our ability to deliver the best technologies even more quickly. Meanwhile, we look to India to modernize its own regulations in areas like defense procurement and nuclear liability legislation.

But to realize the full potential of defense trade relations, we need to cut through the bureaucratic red tape on both sides. For that reason, I have asked my Deputy Secretary Ash Carter to lead an effort at the Pentagon to engage with Indian leaders on a new initiative to streamline our bureaucratic processes and make our defense trade more simple, responsive, and effective.

Believe me, I know this will be hard. But that’s the nature of the democratic systems that we share. Your leaders understand the challenges I face and we understand the obstacles you face. But we both need to persevere to support our defense needs and our strategic interests. Over the long term, I am certain that we will transition our defense trade beyond the “buyer-seller” relationship to substantial co-production and, eventually, high-technology joint research and development.

During my visit to Asia this week, I have sought to bring closure to some of the past chapters of US involvement in this region. The government of Vietnam opened three new areas to search for MIAs for the Vietnam War.

And here in India, I am pleased to announce that the Indian government will allow a team to return to India to continue the search for US service members lost here during World War II.

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This is a humanitarian gesture by a government, with whom we share so many values. The ability to return heroes to their loved ones is something that America deeply, deeply appreciates.

America's involvement in Asia has an important past – but a more important future.

India is at the crossroads of Asia, at the crossroads of the new global economy, and at the crossroads of regional security. We will stand with India at those crossroads.

I began my trip across the Asia-Pacific eight days ago. Along the way, I have laid out how the United States military plans to rebalance towards this region. As I come to the end of my trip, I'm struck by the opportunities for closer cooperation, the strong support throughout this region for the rebalance, and the hope that this cooperation can help forge a brighter future for the region and the world.

The United States and India have built a strong foundation for defense cooperation in this new century. My country is committed to an even greater role in the Asia Pacific, extending all the way to the India Ocean, and our attention and resources will advance partnerships throughout the region, including with India.

Our two nations may not agree on the solution to every challenge facing us, and we both face the challenge of political gridlock at home that sometimes prohibits advancing our broader strategic objectives. But I am sure that we will continue to draw closer together because we share the same values, the same challenges and threats, and the same vision of a just, stable, and peaceful regional order.

Our people, our businesses, our militaries and our governments will all be partners in this effort to serve the dream that guides both of our great democracies – the dream of building a better, more prosperous future for our children. Together as partners, we will help one another realize that dream in the 21<sup>st</sup> century.

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