



Prime Minister Narendra Modi's June visit to the United States, his fourth since assuming office two years ago, comes against a backdrop of favorable domestic and international circumstances that he can use to advance Indian (and his) interests.

President Barack Obama showed that he cares about India by inviting Modi to a bilateral summit. Modi will receive a strong bipartisan welcome, including at an address to a joint session of Congress, in part because of growing US concerns over China's assertiveness in Asia and in part because in this Presidential election year both the Democrats and Republicans want the support of Indian-American voters (and their substantial campaign contributions).

In a polarized US polity, stronger bilateral relations with India is a rare issue with bipartisan consensus, as demonstrated by the likely approval in both houses of Congress of bipartisan legislation to bring India at par with NATO allies in terms of sale of defense equipment and technology transfer.

In addition, Modi comes to the US in the wake of a very good showing by his Bharatiya Janata Party in local elections, and thus is in a strengthened political position to push his policy agenda.

As this trip is likely to be his last State visit before a new President takes office in January 2017, the Indian prime minister will almost certainly use the opportunity to advance the strategic relationship with the US and to show that this relationship is important to India and is grounded in the shared interests and the shared values of two democracies.

He may also demonstrate India's openness to purchase American products and services (the US has a growing trade deficit with India) by supporting such big-ticket items as an agreement between Westinghouse Electric and the Nuclear Power Corporation of India for the construction of six nuclear reactors.

Like his previous trips, commerce and investment will be a big part of Modi's agenda in the US. A key part of Modi's foreign policy is to attract capital and technology to power India's economic growth. He will meet CEOs of major US companies. There is a perception that the government's economic reform agenda has been adrift after the reversals in the 2015 state elections.

Modi will try to assuage the concerns of US CEOs and update them on the government's economic liberalization plans and to remind them that the World Bank and other international financial institutions have predicted that India's GDP growth rate is likely to remain in the 7 to 8 percent range, the highest among large countries, and that India has become a major destination for foreign direct investment, partly to take advantage of India's massive infrastructure development plans.

On the strategic front, the US position is that a strong India, with or without a strategic military alliance, is in the US interest, and that has been obvious since the 2005-2008 US-Indian negotiations that resulted in a nuclear agreement that lifted sanctions on India without demanding that India abandon its nuclear weapons program.

This approach suits India, which would oppose a formal strategic alliance or anything that looked like an abandonment of its 'strategic autonomy', but the growing Chinese presence in the Indian Ocean gives India a good reason to move incrementally closer to the US.

Perhaps the best example of this gradual movement is India's 'in-principle' agreement, during Secretary of Defense Ashton Carter's April 10-12, 2016 visit to India, to a Logistics Exchange Memorandum Agreement tailored specifically for India (requiring permission) that would allow both militaries to access supplies, spare parts and services of the other.

After several years of Indian vacillation, the LEMOA may be formally signed during the Modi visit. Besides underscoring the importance of the US to India, the signing of the logistics agreement would send a signal to China that India could move even further toward the US if Beijing took steps considered strategically threatening.

A future Indian counter-measure might include signing a Communications and Information Security Memorandum of Agreement with the US, enabling India to get encrypted



Secretary of Defense Ash Carter speaks to Vice Admiral Sunil Lanba, right, who took over as India's naval chief May 31 and Vice Admiral Muralidhar Pawar, left, at the Indian Naval Station Karwar, April 11, 2016. US Ambassador Richard Rahul Verma, cup in hand, listens intently.

SENIOR MASTER SERGEANT ADRIAN CADIZ

Modi can take the strategic relationship further

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communications equipment.

While both the US and India do not want China to emerge as the hegemonic power in Asia, they both have important strategic and economic reasons to maintain a cooperative relationship with it.

The US and India are also likely to give greater specificity to a Maritime Security Dialogue launched during the Carter visit in April, which addressed freedom of navigation and overflight throughout the region, specifically naming the

South China Sea.

They are also likely to address ways to expand cooperation on the provision of high technology to India and give substance to an earlier agreement referred to as the Defense Technology and Trade Initiative. The US and India have already agreed to work on greater cooperation on aircraft carrier design and jet engine technology. This is a process that fits well in Modi's 'Make in India' initiative aimed at increasing India's manufacturing base, and thus generating employment.

The DTTI envisages greater involvement of private sector in the supply of new defense-related technologies. The opening of defense manufacturing to Indian private enterprise is relatively recent, and American companies have not been slow to recognize the advantages of investing in India either on their own or in collaborative arrangements with Indian companies.

India is the world's largest importer of defense equipment and the US has become one of its largest suppliers. On their own, Lockheed Martin is sourcing tail wings for the global C-130 and Boeing is sourcing critical components for the CH-47 Chinook heavy lift helicopter from India.

Senior officials of Boeing and Lockheed Martin have visited India to pitch for the manufacture in India of the F/A-18 and F-16 multi-role fighters, respectively, that fits Modi's 'Make in India' goal. Several large Indian private sector companies have begun investing heavily in defense production and defense research such as Tata, Mahindra, Larsen and Toubro and Anil Ambani's Reliance Group.

Some of these Indian companies have already established contacts with American defense manufacturers and Modi's visit gives them an opportunity to further that collaboration. While government regulations in both countries will continue to impact on the nature and size of this arms production collaboration, the agreements increasingly will be worked out by private contractors and not government bureaucrats.

If Modi's visit to Washington goes well, as is expected, a signal is sent to bureaucrats on both sides that the leadership wants action to advance the relationship. Modi knows that his goal of economic development requires a streamlining of India's presently cumbersome regulatory framework, and this is near the top of his policy agenda.

With his strengthened political position in India, he will almost certainly seek to convey to his American interlocutors that India is a place where they can do business.

Walter Andersen is Director, South Asia Studies Program, School of Advanced International Studies, Johns Hopkins University, Washington, DC.