

'India should get sanctions waiver'

James Mattis

The Secretary of State should be allowed to grant waiver to countries such as India that will otherwise come under American sanctions under a new law that intends to target Russia, Secretary of Defense James Mattis told lawmakers on Thursday.

The Countering America's Adversaries Through Sanctions Act (CAATSA) mandates the U.S. President to impose sanctions on entities that have transactions with Russian defence and intelligence sectors. India being a close defence partner of Russia is a potential target of such sanctions, along with some other key American allies such as Vietnam and Turkey. The law allows the President to issue waivers under national security considerations. Typically, American punitive laws comes with waiver authority vested in the Secretary of State.

Testifying before a Senate panel, Mr. Mattis asked lawmakers to change CAATSA and empower the Secretary of State.

"There are nations in the world which are trying to turn away from formerly Russian-sourced weapons and systems like this. We only need to look at India, Vietnam and some others to recognise that, eventually, we're going to paralyse ourselves," Mr. Mattis said about the law.

"So what we ask for is that the Senate and the House pass a national security waiver in the hand of the Secretary of State — I'm not asking for myself. Foreign policy is driven from Foggy Bottom (where the U.S. State Department is located). So, if he has the waiver authority and I can go to him and show it's in our best interest, then we get an internal management of this process, but it keeps us from being boxed in by the Russians," Mr. Mattis said.

Pressing Mr. Mattis to elaborate further, Senator Tom Cotton asked: "You mentioned two specific countries, India and Vietnam, that have legacy Russian systems. They might face real challenges going cold turkey, so to speak, under CAATSA...So, you're suggesting the national security waiver as a way that this Congress can empower Secretary (Mike) Pompeo to address the concerns that you have with those two countries, is that right?."

"That's correct. And there are other countries. Indonesia, for example is in the same situation, trying to shift to more of our airplanes, our systems. But they've got to do something to keep their legacy military going," Mr. Mattis replied.

Political instrument

"I think that his point regarding the waiver was that a Presidential waiver is inherently a political instrument and that typically the Secretary of State is granted waiver authority to make a judgement on national security grounds, but not in the case of CAATSA," said Benjamin Schwartz, who leads U.S.-India Business Council's Defense and Aerospace programme.

"More broadly, the Secretary of Defence is correctly highlighting the importance of Congress taking action to ensure CAATSA doesn't undermine defence relations with a number of important foreign partners of the U.S., including India," added Mr. Schwartz.

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