

**Assistant Secretary of State R. Clarke Cooper
Political-Military Affairs**

**Defense Writers Group
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DWG: Good afternoon, everyone. Welcome to this conversation today between the members of the Defense Writers Group and Assistant Secretary of State, the Honorable R. Clarke Cooper. Mr. Cooper's responsibilities are in the Political-Military area, and he's the primary contact or one of the main contacts between the State Department and the Pentagon that so many of our members cover regularly and intensively. So we're very grateful to you, Mr. Cooper, for finding time again for us to talk about what's going on.

I'll start with a question or two and then I'm going to go to other members and go down the list of people roughly in the order that they signed up and ask whether or not they have a question.

By way of introduction, I understand you've just been traveling and you came back from Cyprus, Greece and Bulgaria recently, and that you're actually in quarantine because one of the Bulgarian officials with whom you met subsequently turned out to test positive for Coronavirus. Is that right? I just want to confirm that.

A/S Cooper: Yeah, that's right, David. There's open source reporting. Prime Minister Borisov tested positive. I've tested negative and so has my travel party but out of a preponderance of precaution and following medical protocol I'm in self-quarantine, able to conduct my work here at my residence. No different than any other official in similar capacities.

As everyone knows when going about their business, mask up as much as you can, create that distance. If anything, not to get overly confident, but looking backwards at how we traveled and how we engaged with colleagues in not only Bulgaria but Greece and Cyprus. So we took great care on both sides to make sure that we could meet with each other but not [inaudible]. It's the conditions that we're all working with today.

DWG: There are so many interesting topics that we can raise and

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luckily we've got the journalists to raise them. I know people are going to want to ask about China and Taiwan and Russia, Turkey. But if I may, why don't I get the ball rolling by asking you about the UAE and the sale of F-35s and other equipment to them. What's the status of that? How many are they requesting? How do you plan to proceed on that? Where does that stand at this point, sir?

A/S Cooper: I'll go broad. We don't preview any sales that we've not yet notified Congress of. There certainly has been a lot of conversation in open source, open fora about their pursuit of a particular capability. Certainly working, of course, with our counterparts in Abu Dhabi to meet those requirements for them, and anything, of course, that is in that frame we're looking at it in a regional context. This brings up the issue and the statutory requirement that we have to maintain and meet Israel's needs. That of course always factors not just with our partners in UAE but of course regionally.

But again, unable to preview anything that we've yet to bring before the Congress. But it's safe to say, of course, if one looks at the broader dialogue and looks at the region, the Abraham Accords are very transformative accords not just between Israel and the Emirates but also Israel and Bahrain and now most recently Sudan, have provided a platform for looking very closely at where there are further opportunities for security cooperation not just between the United States and those states but also security cooperation and normalization between those states and Israel.

DWG: And Israel has said it does not object, correct?

A/S Cooper: That is correct. And you're referring to the recent reporting coming out of Tel Aviv and Jerusalem where there's been communications from the Israeli government, not just the Office of the Prime Minister but also the administrative side.

DWG: Let me go now and ask Sean Naylor of Yahoo News. Sean, do you have a question?

DWG: No questions right now. Thank you.

DWG: How about Caitlin Kenney of Stars and Stripes? Are you on and would you like to ask a question?

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DWG: Hi. I was just wondering if you can give us an update on the Iran sanctions there were I think a month ago implemented. Anything with the Iranian military and impacts of that?

A/S Cooper: We can go back and look at the provocative behavior and actions of Iran. Of course it is why the United States has sought to continue sanctions on them and this is something that we of course reached out not only in multilateral form at the UN Security Council, this was pursued bilaterally with like-minded member states. Of course it is of shared interests. We talk about burden sharing. There are also the shared security challenges when one looks at the bad actions coming from Tehran.

This does lead back to the earlier question that was raised at the top of the conversation about partners with Israel and the Abraham Accords. If we're looking at the threat posture coming from Iran not just through proxy forces in places like Syria or Yemen, from a state aspect, this is where Gulf partners are the lining. And this is where there's a shared interest between Gulf partners and Israel.

As far we're talking about the sanctions, that is something of course that is still in pursuit. We certainly do not want to see states like the PRC or Russia be able to provide arms, arms transfers and technology to Tehran to further their provocative and dangerous actions, not just directly but as I mentioned through the proxy elements and through their facilitation of terrorist entities.

DWG: Paul McCleary of Breaking Defense. I see you're on, do you have a question?

DWG: I do, yes. Thank you.

Your recent trip to Greece and Bulgaria and that region. I wonder if you could tell us a little bit about some of the discussions with the Greeks about the F-35 maybe in Bulgaria, just security in the Black Sea region. I know that's become increasingly an area of concern for the U.S. and NATO.

A/S Cooper: I'll start with the NATO alliance and those two member states. Certainly have from a bilateral standpoint been working very closely with the United States to not only bolster their capabilities from a sovereign perspective but also bolstering their capabilities as a member state and strengthening

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their roles. You mentioned the Black Sea, with Greece, we're also talking about from an Eastern Mediterranean standpoint. Both of those states have worked mightily to actually not only seek to meet current commitments, both Athens and Sofia have worked aggressively to actually meet their NATO commitments. I'm talking about their GDP percentage from the Wales agreement and reaching that in a way that comports with their need to modernize not only their equipment but also their readiness, to be interoperable not just for the United States but also interoperable with NATO states.

One other corollary there, you didn't ask but I'll mention it, that was of interest and on the tip of the tongue of our NATO allies in Bulgaria and Greece of course is working with a fellow allied state and one that has been provocative as of late in the Black Sea and in the Eastern Mediterranean and that is Turkey. We certainly are working to make sure that Turkey remains in the West. This is something that's important not only to the United States but to the overall alliance. We have encouraged our counterparts in Greece and Bulgaria to work with our Turkish allies in making sure that we do not allow any kind of misbehavior or disinformation or disruptive actions coming from Moscow to cleave us apart from each other. So again, there's some shared efforts there in keeping alive states communicating with each other. Also deescalating any tensions that might have arisen in those two regional areas that you mentioned at the top, Black Sea and the Med.

But it's safe to say looking forward, you have two NATO states with increasing capabilities and capacities that are quite welcoming to taking a greater role in the NATO alliance and quite welcoming for having further U.S. presence be it in the training exercise capacity or a rotational basis.

DWG: It's interesting that you didn't go to Turkey on this visit. In many past visits someone in your role would have. I know the F-35 program is in difficulty now with Turkey. Are there other changes in terms of the arms flow that might occur because of this problem over the Russian radars?

A/S Cooper: Thanks for asking me about what's in train or what's not, David. We'll start with the F-35. It's not so much that it's in trouble, it's non-existent right now because Turkey sought to pursue procurement of the Russian S400 last year, we sought to actually avoid having to remove Turkey from the Joint

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Strike Fighter program, the F-35 program, and encouraged them to not procure the S400, but they did and it did force our hand not only from a U.S. standpoint but again from an alliance and joint [inaudible] point to remove them from the program.

That said, we're also still communicating with Ankara to not operationalize the S400. That brings a further risk to what they have available to them either from the United States or from NATO allied states as well. This is where you get into the discussion and consideration about the potential for sanctions. There are some Turkey watchers including maybe some Turkish officials who thought that they were out of the woods in the sense that they were removed from the F-35 but nothing else would yet occur. That is not the case. We've made it very clear to Ankara that testing the S400 was absolutely unacceptable. It's something that is not what a NATO state should bring into or integrate into their systems and it's certainly something that we would not want them to integrate into the NATO alliance.

Again, looking from where we were in 2019 to where are today, the conversations are still ongoing with Ankara and we've made it very clear for them not to operationalize the S400.

DWG: Marcus Weisberger, Defense One. Are you on and do you have a question?

DWG: I am and I do. Thank you.

Just to follow up on the Greece question with the F-35, there is a report out there saying that a deal was brokered for 20 F-35s for Greece, six of which would have been Turkey. Are you able to confirm or deny that?

A/S Cooper: I'm not going to preview any states that have not yet been notified with Congress. What I will say is that our ongoing work with Athens of course is in their modernization of their capabilities. That is something that they have leaned forward on. And one of the things I would note, not only with Greece, but we're talking about the region and I would include Bulgaria in this. They have looked past the pandemic, so to speak, as to why they need to stay focused on their readiness for their sovereign defense as well as their role in NATO.

DWG: Can you give us a sense of what the FMS demand has been like since COVID began? Have you noticed any type of change in

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the types and the value level of requests coming in?

A/S Cooper: I'll start outside of FMS and open up the aperture to include not only government to government foreign military sales but also to include direct commercial sales. We've been, of course, following markets as well as the defense industrial base has been following, and we've also been following economies and budgets.

Interestingly enough, we have seen where many states have looked to maybe adjust their budgets but if their GDP is adjusted, for example, if their GDP has gone down we may have a number of NATO states who will be accelerating toward meeting their Wales Agreement even if it was not yet previously identified. That's just an interesting factoid, but I share that because what it does mean is that if a state has remained status quo on their defense budgets, then in some ways they've accelerated in certain categories.

On large items that would take a long train or trail in contracting and production, have we seen a change there? No. If anything, the work toward getting significant procurement for let's say F-16 or a Patriot missile battery, those things have not abated. Where we probably are going to see some fluctuation may be on payments, payment schedules, differing states based on their national budgets might seek some sort of dependable undertaking. That's something that the vehicles available to states, some states might seek foreign military financing or grant assistance. Overall, if we're looking at long term modernization plans across the board we are seeing what I would say is a steady state in that place. But bizarrely, we may have some states where their numbers look like they've had an increase because they've had a drop in GDP.

DWG: Rebecca Kheel of The Hill, are you on and do you have a question? No.

Joel Gerhke of Washington Examiner, same question.

Steve Trimble, Aviation Week, how about you?

DWG: Yes. Thank you.

You mentioned earlier with Turkey that testing was unacceptable. So why hasn't the State Department imposed sanctions on Turkey as

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authorized under CAATSA?

A/S Cooper: The first immediate action that was taken was the F-35 because it was such a tangible impact to this ally and because they had a role and still could have a role in the program.

As far as sanctions, the intent a year ago was to get Turkey to walk away from the risk of sanctions. So that brings us forward to today. That risk is very real because they continue to pursue the S400 and of course with the testing of it. Sanctions is very much something that is on the table. I would reaffirm that it didn't go away. What Turkey squandered over the last year is an opportunity reconcile and get back into a good space and a good path with the United States and NATO.

DWG: Is there a red line for Turkey? Something that they can't do with the S400 that would trigger the sanctions?

A/S Cooper: Well, this goes back to what we've been saying with counterparts in Ankara for the past year, is to not operationalize the S400.

DWG: I hate to do this, but can you just define what that means? Operationalize?

A/S Cooper: I don't want to go any further on an open fora but what I can say is the consistent conversation that we've had with Turkish counterparts is that the S400 is not only interoperable with U.S. platforms, it is not interoperable with NATO and operationalizing such an asset or system includes further risk of sanctions and further risk of restrictions. That has not changed from a year ago.

So what have we seen? We've certainly seen an escalation of provocation that has gotten to the point where we are today. It is worth noting that not just Turkey but other states that we have a security cooperation relationship with and are working to modernize and get them interoperable with U.S. platforms as well as other partners and allied states, the same applies.

So what we have here is efforts to get Turkey to walk back from operationalizing S400. Get it to do whatever with it, put it away, decommission it, just do not integrate it and make it operable.

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DWG: Phil Stewart of Reuters, do you have a question?

DWG: Just a follow-up on Turkey, I just want to make sure. You said that sanctions were a possibility. Are there any other sales or projects that involve the United States or NATO that could be halted before CAATSA sanctions are imposed?

And then on the sanctions themselves, a lot of other countries the United States wants to partner with are also looking at the S400 and I want to know how the lack of CAATSA sanctions has impacted your discussions with them. Thanks.

A/S Cooper: I think probably the most impactful observation, you mentioned other states, for states that are not in the F-35 program, in some ways it might be considered [scary] but it is very tangible to see where there's such a desirous next generation platform, having them removed from that has been a very tangible understanding as to there are and were consequences on their pursuit of the S400.

As to CAATSA sanctions, yes. The risk of triggering those has never gone away. What we have seen thus far play out between last year and this year is the increasing risk. I think for some of the states that are watching and watching closely they are hedging to see what those would be. Remember, if one looks at the CAATSA statute, there is a tremendous amount of flexibility that can be applied there so there's not a one size fits all on sanctions. It's not limited in scope. And I would say that anything that may occur in that space is certainly going to be watched by a number of partners who are either currently modernizing and procuring with the United States or currently flirting with potentially acquiring some Russian materiel. That would be certainly detrimental to their modernization efforts.

DWG: Sylvie Lanteaume of Agence France-Presse. I see you're on. Do you have a question?

A/S Cooper: Yes, I do. I have a short question about Turkey again. And then I have another question.

About Turkey I wanted to know if you still consider Turkey as a reliable NATO ally?

And also the Department of State has approved a lot of arms sales

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to Taiwan recently and I was wondering how you assess the risk of China setting sanctions on U.S. companies.

A/S Cooper: I'll work backwards with Taiwan and we'll finish with Turkey.

When we look at the abiding relationship that we've had between the United States and Taiwan, that interest has been rooted for over four decades with the Taiwan Relations Act. That's the U.S. statute that we have that allows for us to help support Taiwan's defense. It is also something we're looking at the region, the security of Taiwan. Taiwan's security is central to stability in the Indo-Pacific region and in when we look at the Taiwan Strait. If anything, any of the transfers, the sales, between the United States and Taiwan, they're well within the frame of what has been understood and established not only between the U.S. and Taiwan but also the United States and the People's Republic of China. If anything, the provocations that are coming from Beijing, the bullying behavior as one may assess, that is where the provocateurs lie, not with Taiwan maintaining its own self-defense. If anything, we're making sure that Taiwan is not bullied or overcome by Beijing. So we're looking at this from not just a self defense aspect but also a stability and essentiality of open and a free region for all states. That is inclusive, of course, of the PRC. It's not exclusive of them. But any kind of poor behavior or coercive behavior by the PRC certainly should not preclude states from working cooperatively. It should not preclude states from actually pursuing their own self-defense.

On Turkey, it's incumbent upon all NATO states to keep Turkey in the West. There certainly has been a challenge. We've talked a little bit today about some of the behavior, the provocative behavior in the Eastern Mediterranean and in the Black Sea when talking about naval exploration, ships and their rotation, and also just within the NATO framework.

That said, it's to the alliance's detriment to not have Turkey inside the alliance. There are significant roles that they still maintain with us on state to state aspects. They certainly play a role in the greater security of Europe and in the region and we want to make sure they remain a responsible member. Again, it's best for us to continue to keep them in the alliance versus not.

DWG: And what about the sanctions against U.S. companies?

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A/S Cooper: Going back to Taiwan. It's not the first time that Beijing has threatened sanctions upon U.S. companies and/or non-U.S. companies that have contributed to defense materiel for Taiwan's self-defense. It is something that is certainly, like I said, it's not new. It is a threat that has been cast in the past. And it's also been targeted not only toward the defense industry in the past, it's also been targeted toward civil aviation as well. But it's not new.

DWG: Joe Gould of Defense News. Do you have a question?

DWG: I sure do. Thank you so much.

Sir, senior Trump administration officials are said to have been discussing whether to end the decades-old congressional review process for arms sales. Can you provide some color? What's the rationale for ending that process? Or is the administration committed to adhering to that process?

A/S Cooper: This is for everybody else on the call. I know what you're talking about. Joe's asking about what's called Tier Review, it's an informal review process. The reason why it's called tier is because there are different tiers based on alliance status, partner states in the region. There is a requirement for congressional notification in the Arms Export Control Act and that statute. That's the statutory requirement on notifying Congress. What Joe's asking me about is prior to congressional notification there's been a practice in place, a good faith protocol between the Department of State and our committees of jurisdiction so that of course would be the Senate Foreign Relations Committee and the House Foreign Affairs committee.

As far as informal review, to your question, Joe, we continue to do that. It has been stress tested. One of the things I'm happy to talk about here that has been very candidly discussed amongst our committees and the department is the need for discipline in the process. There have been situations where there are cases that have languished, not for any reasons of answering informational requests or even policy reasons, and then at the same time there's also been in some situations cases sitting ad infinitum without any resolution.

But to your question about consultation with Congress, definitely

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it's something that we're committed to. It is something that we continue to do [inaudible].

DWG: As a follow-up to that, particularly as we look to the potential for F-35 sales to the Mideast and that process, is there any sort of emergency that exists maybe with regard to Iran that would potentially accelerate U.S. arms sales in the Mideast?

A/S Cooper: Are you asking specifically about the emergency declaration from last year? I would say if you're looking at from there to now, the threat is still of one concern not only to the United States, but of course to our Gulf partners and Israel. This goes back to talking about the Abraham Accords as a potential not just for economic opportunity and growth and normalization between states and Israel, but it's also an opportunity for states to work together to actually mitigate the threats.

There's definitely been if one wants to call it an awakening or appreciation from Gulf states to be more overtly supportive of Israel's self-defense. So if your question is are there still threats from Iran that impact U.S. interests as well as Gulf partners and Israel, yes, of course there are. And they're not just from a state on state aspect. They're also through proxy elements as discussed earlier, be it Hezbollah, et cetera.

As far as Gulf partners' capabilities, this is where there certainly has been an appreciation for meeting the threats that are directed not only to their populous but again on shared interests.

In one way, if we look at Gulf states, their capabilities, their defense requirements as well as Israel, what we do have is an interesting nexus of that sort of type of applicable burden-sharing, and that burden-sharing meaning meeting threat emanating from Tehran.

DWG: Alex Ward of Fox, are you on and do you have a question?

DWG: I am but I'm good, thanks.

DWG: Okay. Jeff Seldin, Voice of America, do you have a question?

DWG: Yes I do. Thanks very much for doing this.

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You mentioned earlier a couple of times about the need to keep Turkey as part of the West. How is that effort going? Is it being successful? Or with the testing of the S400 are you seeing signs that maybe that's not going to happen?

And as a second question, I know things have been affected by COVID, but how would you describe the playing field as far as U.S. military sales and the competition that's been ongoing in terms of competing against Chinese military sales and Russian military sales? Thanks.

A/S Cooper: I'll work backward on the sales posture and then back to Turkey.

One thing that's been fascinating to see on the pandemic, the fact that we're not sitting together over at George Washington University is a small example of that, but when we're looking at production and development and coordination that's required for any kind of transfer be it a sale or a grant, that has impacted across the board. What I can share in open source and open fora is that we of course have been looking as an inter-agency, not just the Department of State, how that has been impacted or measured not only by partners but also of course by our competitors.

It's safe to say everybody's had to adjust to the pandemic posture as far as meeting production timelines, being able to deliver. That said, what hasn't changed? Well, quality, transparency, accountability. I go back to the broader aspects as to why the United States is the preferred partner or as some like to say, partner of choice. We've talked a little bit today about the requirements for being interoperable particularly in partnerships or alliances, and being able to shoot, move and communicate with each other. But our product is better. And the total package approach hasn't changed. If anything, what we have seen from competitors like China, like Russia, has been a little bit of a change in tact on some aggressive behaviors. I wouldn't go as far as to say fire sale, but too good to be true financings that are quite risky. And certainly a little bit of, the flip shot of this, about delivery. Knowing full well that it might answer an immediate requirement. It won't fulfill a requirement.

So the space is still competitive. That's not new. What we've been able to do and what's been impressive for the U.S.

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industrial base, and this goes to the expediency and the depthness that the State Department, the Department of Defense, our industry partners worked very quickly to make sure that regardless of where an element was in the supply chain or the production chain, that it was not caught up in early days of the pandemic. What I mean is there's good all-hands effort to ensure that there are exemptions in place towards the defense industrial base so that we collectively can still keep pursuing maybe timelines. That is going to be a difference that is already palpable, tangible, for a number of partners.

So regardless of our total package approach and what we offer, we have also been able to adapt and overcome to pandemic posture so that we can also still deliver as we identified pre-pandemic. Especially with cases that were current.

Now as far as future cases, that also applies. But competitive space for sure hasn't gone away, but from an interagency commercial standpoint we did very well to make sure that lines remain warm or hot and that we were not putting ourselves in a place where we were behind the curve.

DWG: Lauren Williams of FCW, are you on?

DWG: Can we get an answer about keeping Turkey in the West?

A/S Cooper: I'm sorry. Thank you.

This goes back to the question that was asked earlier. The only beneficiary of Turkey leaving the West or being cleaved away from Europe would be Moscow. And that also would be, there would be a diminishing return even for Turkey as well. There are deeply-rooted commitments between Turkey and their neighbors and member states. There's still a significant amount of work that is being done in the alliance with Turkey. But as far as working to deescalate any of the tensions that have arisen, we certainly have been encouraging the states to work in that space that has been opened up of course through Brussels. But again, having Turkey pushed out completely is to no one's advantage except for Russia.

DWG: Lauren Williams are you on? Do you have a question? No.

Dmitry Kirsanov, TASS?

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DWG: Thank you very much for doing this, Mr. Secretary.

Is the United States considering cutting, suspending or freezing, however you want to call it, [limiting] aid to Azerbaijan and maybe even to Turkey to get a real ceasefire in Nagorno-Karabakh? That's question number one.

Secondly, on Turkey again. I'm sorry for beating the dead horse. The Turks are persistent in saying that the S400 would be a stand-alone system. They do not plan to integrate it with the NATO system. And they suggest that they and the United States discuss issues over this in technical format, creating a working rules or something like that. Is this a way to resolve the differences?

A/S Cooper: Thank you. I'll start with Turkey and then we'll go back to Azerbaijan and Armenia.

We've had those conversations. Dmitry, you raise actually, you put it in the way-back machine to a year ago when those conversations were taking place, and we did not get resolution with them. There were several opportunities and options put before Turkey to meet their requirements that they had articulated from an air defense perspective. Nobody in the United States or in the NATO alliance is going to deny the need to meet air defense requirements. What was not met, of course again, was the not turning on or operating the S400.

The procurement of that is what pushed us to the point collectively to remove Turkey from the F-35 program. For them to get to a space where we can reconcile, they still need to take proactive measures which is to not operationalized the S400.

On Azerbaijan and Armenia, you mentioned the ceasefire. It's not just the ceasefire. We of course are seeking to and calling for the stopping of activity or targeting of the civilian areas. This of course is through the Organization for Security Cooperation in Europe, the Minsk Group. The United States happens to be the co-chair of that right now and this is where we've been through the Minsk Group working to help Azerbaijan and Armenia get to that point where there can be a settlement of the conflict.

There are two areas that are being focused on at this time via the Minsk Group. The one you first mentioned which is a

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ceasefire; and the other one is not having kinetic action or stopping the targeting in civilian areas.

DWG: But what about military aid as a way to put pressure on the parties to this conflict, to make them stop?

A/S Cooper: At this time, Dmitry, I'm not going to get ahead or outside of where we are in our work with the Minsk Group, but the two points of criticality, and you identified one, is not just the ceasefire, it's also getting out of the civilian [inaudible].

DWG: John Harper of National Defense Magazine? Are you on and do you have a question?

DWG: Yes, thank you.

Mr. Secretary, looking ahead, do you anticipate that we'll see a decline in FMS and direct commercial military sales in 2021 due to the economic fallout from COVID? And is the Trump administration considering any new policy changes to try to boost or facilitate arms sales beyond what you've done already?

A/S Cooper: I'll start with what has been done. There have been some immediate measures that were done at a more operational level, at my level and the Secretary's level, to allow for some extensions on licensing to allow some flexibility for work to be done remotely, for telework. So there's certainly been a significant amount of creativity in the defense trade control space as far as the ability to apply for a license, seek procurement to contracts. So I would say there's definitely a healthy appetite not just in defense trade, there's definitely a healthy appetite across the commercial spectrum on what can be done to better enable our industry partners to be able to continue to do their work. Regardless if they are on the work site and do they need assistance in those places. So there's certainly going to be, continue that there. It's not a policy change. If anything, it's a reflection of what we've put out with President Trump's conventional arms transfer policy back in 2018. And in there was a mandate to enable and engender the defense industrial base to be able to be proactive, move quicker in a competitive space. If anything, the pandemic has certainly amplified all of that.

As to projection on sales. You know, we don't have a crystal ball, but as I mentioned earlier, on big ticket modernization

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while some states, and not speaking on behalf of foreign governments of course. While some states may have looked to reframe or push right to a later date particular procurements, we've not seen dramatic changes in their planning.

What it may mean is how they sequence certain procurement and then as I said earlier, an interesting just back [inaudible] of the economy and with some states a reduction in revenue is where if there's a continuum on their defense budget without a decrease or a rise, but there's a change in their GDP, we find that their defense spending shows to be at a higher rate.

Economies that have particular dependency or are not as diverse, may be at risk. These are things that are certainly being monitored across the board. But I would say sitting here in October, some of the analysis that was done inside government as well as industry, some of the concerns that have been initially identified in April have not come to fruition in part because there's been economic recoveries in areas maybe that have not been assessed at times, A. B, we've also seen where there's been a recommitment by states who at one point understandably could have put on park or pause their modernization plans.

If you look at FY19, we're talking about there's a figure of \$170 billion in arms transfers that year alone, and I would also offer in July of this year, interestingly enough, the State Department, the United States government processed the second highest largest amount of [case] work in the history of the department, and that's July of '20.

So what we're currently remaining on a trajectory of where we were in FY19 going into '21. Again, not a crystal ball but just looking at recommitments to modernization plans and where there's been market improvements. We've not seen a shift otherwise.

DWG: Richard Abott of Defense Daily, do you have a question by any chance?

DWG: I'm good right now. Thank you.

DWG: How about [Relta Day] of Jiji Press? Do you have question?

DWG: Thank you for doing this. I have two questions regarding the host nation support.

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The U.S. and Japan are negotiating to renew the host nation support right now, and since this is an election year in the United States, do you think it is reasonable for both sides to extend the current agreement for one year? Or do you think the two governments should negotiate harder and come up with the five year extension plan? What is your thought on the negotiation?

A/S Cooper: Actually earlier this month our senior negotiation, Donna Wilson, actually had started consultations with her counterpart in Tokyo. The intent is to move into formal negotiations before the end of this calendar year. If we're looking at the expire date for the host nation support agreement we're talking like March of 2021. So the consultations have already started. This is making sure that we are in a space where we can move forward. Not just from a burden-sharing aspect but also where we identify mutual interests. Most of this is going through what was already in place and I anticipate we will again go into formal negotiations before we end 2020.

DWG: And what do you think about the current Japanese payment level for the host nation support? Do you think it is satisfactory or do you think Japan should increase their host nation support payment more?

A/S Cooper: I don't want to get ahead of our conversations. Again, we've not gone into formal negotiations yet, but if you look at the overall intent of the host nation support agreement and our mutual interests, certainly it has been put out not only in our National Security Strategy but the whole intent of our bilateral agreement with allies and partners is not only identifying shared interests but also that burden-sharing and meeting the challenges to our states.

So it's definitely part of the conversation. It's something that is existent in the current host nation support agreement. And what Japan has done not only in the self-defense things but what they've also done as a partner in the region. One of the things I would highlight, earlier we were talking about the Indo-Pacific region and the responsibility of states to keep that free and open and navigable for all states. Japan plays a significant role in the Indo-Pacific and that certainly will factor in conversations regarding host nation support.

DWG: Connor O'Brien of Politico, do you have a question?

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DWG: I don't at the moment. Thank you.

DWG: At this point let me say, some of you are on phone lines instead of on the Zoom system so I can't see your names. Does anyone on a phone line have a question they'd like to ask now?

DWG: Hi, this is Tony Capaccio. I have a question.

DWG: Go ahead.

DWG: Mr. Cooper, I have a three-part question for you.

One on China sanctions. You've said that nothing, the recent threats are not new. Have they ever imposed sanctions on U.S. companies over the last three or four years for Taiwan sales?

A/S Cooper: There have been threats and there's been provocations about that, but as far as, I don't have in front of me details as far as imposition or application.

DWG: Two, on Taiwan. How quickly do you think that Taiwan will actually consummate the SLAM-ER, HIGH MARS and Harpoon sales with letters of offer and acceptance? You recall the F-16 sale was notified in August of 2019. It was just LOA'd in August. So how soon do you think these will actually be put on contract?

A/S Cooper: I'm not going to speak to the timelines of the contracting. Part of it is also Taipei's processes as well as ours. It's both sides of this. But I'm not going to gander as to the timeline.

What I would say is that there are those cases that you just enumerated as well as others that have certainly been identified as prioritization for Taipei. And their ability to sign also ties with the ability to actually get us to produce. Not unique to Taiwan, of course. They are not the first or last partner where we've had to move on getting signatures before production. But it's safe to say there are requirements that we are certainly encouraging that they need. Not only in the conventional space, but requirements that they need in the asymmetric space.

DWG: You mean like AI and better offensive cyber?

A/S Cooper: I won't go into detail as to particular platforms, but I would say if we're looking at their capability of self-

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defense we'd certainly encourage beyond the large conventional platforms, we've encouraged and supported through training asymmetric capabilities.

DWG: One final question on the UAE. I know you don't want to talk content, but timing. Will there be an informal notification like Joe Gould mentioned? Or will this just be a Form 36B to the Hill?

A/S Cooper: I'm not going to preview our notifications, but Joe asked a question about the overall process. Again, we have a statutory requirement, or requirements plural, with the Arms Export Control Act as you just cited there, and we also have consultation space. But those, in all cases, aren't mutually exclusive and don't necessarily have to happen in a particular sequence of timelines. So I don't want to get outside of that consultative space or preview notifications.

DWG: One final thing. December 2nd is, is the December 2nd date to get these things signed in time for the United Arab Emirates National Day, is that a driver on this case? A December 2nd deadline?

A/S Cooper: There are no dates associated with the work that's being done.

DWG: Others on phone lines who would like to ask a question at this stage? We just have a couple of minute left.

Okay. Well, does anybody have any follow-ups?

DWG: I do have one quick follow-up. National Security Advisor O'Brien recently mentioned that the administrations looking at the two percent goal in NATO for kind of expanding that to allies around the world and asking allies to spend a little bit more of their GDP on defense. I wonder if you could speak to that and what kind of discussions you're having with Non-NATO allies about their defense spending. And the two percent goal, is this something that you're looking at?

A/S Cooper: We'll start with non-NATO allies. There are a number of states, of course, that thought not in the alliance they may either be identified as a NATO partner or in some cases they may actually just be coordinating through either exercises or joint training with a NATO state or NATO states.

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Broader, just looking at it from a sovereignty perspective, a self defense perspective, this goes to an element of the United States National Security Strategy. We build broader security relationships and security cooperation with states not only for our shared security interests from a U.S. perspective, but also to bolster their capabilities.

So when we look at a state regardless if they're NATO or not, we certainly want to make sure from a readiness and capability standpoint that they're able to be guarantors of their own sovereignty.

Not a new challenge if one looks at the entire history across administrations of building capacities and building security cooperation amongst U.S. partners, U.S. allies. What this is is an emphasis on the investment in their sovereign space so that they can be a better security cooperation partner. Regardless of who the state may be.

DWG: Terrific I think we should bring this to a close. Mr. Secretary, thank you very, very much for taking time to answer our questions today, and I hope you come out of confinement in good health. Stay that way. It's the second time we've spoken to you and it's always a pleasure.

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