



HOUSE OF LORDS

International Relations and Defence Committee

Corrected oral evidence: The UK's future relationship with the US

Wednesday 15 October 2025

3 pm

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Members present: Lord De Mauley (The Chair); Lord Alderdice; Baroness Blackstone; Lord Bruce of Bennachie; Baroness Coussins; Baroness Crawley; Baroness Fraser of Cragmaddie; Lord Grocott; Baroness Morris of Bolton.

Evidence Session No. 16

Heard in Public

Questions 172 – 181

Witness

[I](#): Sophia Gaston, Senior Research Fellow, King's College London.

Examination of witness

Sophia Gaston.

Q172 **The Chair:** Thank you for joining us and making yourself available to speak to the committee about the UK-US defence and security relationship. The session will be streamed live on the Parliament website and a transcript will be taken; once available, we will make sure that you get a copy to check for any small corrections, if necessary.

Would you like to kick off by introducing yourself and giving a short presentation on your findings? We will then pile in with some questions, if we may.

Sophia Gaston: Certainly. I am a senior research fellow at the Centre for Statecraft and National Security at King's College London. I also have a part-time strategic advisory role with the Asia Group in Washington. I spend a lot of time focusing on the UK-US bilateral relationship. I have spent an enormous amount of time this year in Washington; I was there just last week and will be back there again next week.

I have also been working on AUKUS for the past four years, partly because of the work that I do on the US and Australian bilaterals but also because AUKUS is an extremely important organising principle through which we will go through some structural transformations, not just in our defence innovation ecosystem but in a whole host of other shifts that need to take place within our institutions.

I am delighted to be here and happy to talk about the US relationship more generally—I am working on both the policy and political sides of that—as well as getting into the weeds on the defence and security partnership.

Q173 **The Chair:** Thank you. If I can start off, how would you assess the overall health and strategic significance of the defence industrial relationship between the UK and the US?

Sophia Gaston: The relationship remains strategically vital to the United Kingdom. I am sure that you will be aware, from conversations within the MoD, that a decision has been made off the back of the strategic defence review that we will continue to invest in not necessarily the primacy of that relationship but its elevated significance to Britain and our defence and security posture.

There has been really meaningful progress over the past few years on dealing with some of the structural enabling functions of the relationship; AUKUS has been a big driver of that. We have had big legislative reforms to the US ITAR exemption framework—the significance of that should not be underplayed—but, at the same time, there are limitations in both the British and US systems in terms of our defence industrial bases. Some issues are common to us both.

There are also compounding barriers in terms of co-operation. The foundational instruments that we need, in order to be able to work together and to integrate our defence industrial bases more, are often simple, practical things such as the mutual recognition of security clearances and classifications. A lot of the decisions on those are going to sit with the US, ultimately, so we cannot downplay the practical barriers that remain.

What I would say to finish is that, although progress has been made on defence integration between the two countries, there has also been a lot of progress on the commercial innovation ecosystem. Defence innovation is a very different beast, of course, but a lot of the structural preconditions can be mutually beneficial and help pave the way from one to the other; it is also important to bring that into the frame.

Q174 The Chair: What do you see as the main challenges or potential vulnerabilities in areas such as technology sharing, joint procurement, industrial capacity and regulatory alignment, which might affect long-term co-operation?

Sophia Gaston: These are extremely sensitive questions because we are dealing with defence and security here; they are going to be political questions as well as geopolitical ones. What we have seen through the AUKUS prism and the work that has been taking place under it is that you really need leadership from the top driving and galvanising the system. There has to be a disclaimer up front that the single biggest enabler of and obstruction to further progress on these areas is going to be political.

There are also cultural factors. With the big reform that we have had around ITAR and reducing the number of technologies on the excluded technologies list, there are huge cultural and institutional factors that come into play. There are legitimate concerns that we might be in an era where those pulls on sovereignty discourage further progress. You can easily see a little scope creep on that; there is a lot of concern in Washington that there could be some backsliding there, so that is something to watch.

Whether we are talking about AUKUS or other programmes, it was very challenging—even under the Biden Administration—to make the progress we needed on the factors I mentioned earlier around the mutual recognition of security clearances and classifications. Again, I am not sure that the political preconditions exist at the moment, or will exist over the next few years, to push on with that.

What is the implication of all of this? Again, if we use AUKUS as the prism for a wider project of defence integration, there was always the primary objective around the specific projects of pillar 1, with the submarine capability uplift, and pillar 2, with advanced technologies. You can have set marquee projects that you agree between the three—there is some work going on behind the scenes on that at the moment—but there was always a secondary intention with AUKUS to build a much more integrated innovation ecosystem that could organically flourish on its own

without requiring direct government fiscal transfers and direct government programmes, so that you could create this whole organic ecosystem.

The risk we are facing at the moment is that this secondary objective might be imperilled by a lack of political will, political direction or strategic drift; that is a really important factor. If we look at the limitations in a couple of areas, specifically on the submarine industrial base, both Britain and the United States have had significant problems with supply chain resilience and monopolistic supply chains, which do not have a lot of redundancies built in. There are issues with the workforce and the infrastructure required to grow it. The defence innovation and defence industrial capacity uplifts must be regarded as a priority national mission in order to have the political leadership that can pull all of the different enabling instruments and galvanise a whole-of-government approach. We need that not only in Britain but in the United States.

Q175 Lord Alderdice: You have mentioned an innovative organic ecosystem—in other words, collaboration, as well as the broadening and deepening of that collaboration—but one of the problems that some of us have found lately is that the massive reduction in spending on the Minerva research projects has meant that some work we have been doing in collaboration with colleagues in the United States has been closed down overnight.

Do you have any thoughts about further problems with that? Decisions seem to have been made by the current Administration, who appear to have a suspicion of scientific research in certain areas—particularly psychological, anthropological, and sociological research—which is adversely affecting collaboration. I wonder whether you have observed anything of this. If so, can you say anything about it?

Sophia Gaston: It is certainly an issue. For example, the Arctic in the high north is an area where there has been a lot of scientific research that also has a strategic and security dimension to it; obviously, taking a blunt instrument to scientific or climate research and other issues can have deleterious knock-on impacts on strategic and security capability. I hope that those early decisions will level out over time, but I would not be optimistic that all programmes will be reinstated. There needs to be a reframing of a lot of these projects to draw attention better to the direct value that they add to the conception of the Trump Administration's foreign policy mission. I do not think that it is impossible to do that.

There certainly will be more room for nuance over time; it is important to say that the strategic framework around the Trump Administration's foreign policy is very much in a state of evolution and is certainly not finalised yet. When they first came in, the Administration had some core priorities for their first six months. We know that there are some core objectives vis-à-vis China and trade, for example. The compelling factor of the mid-term elections next year are going to draw in a lot of attention but, over the next six months in particular, we will start to see a bit more of a fleshing out of the personnel and strategic policy frameworks of the Trump Administration.

It is also important to say that the Trump Administration are not a homogeneous beast. One of the challenges in the Washington policy-making environment at the moment, in terms of how one engages with it, is how highly fragmented and nuanced it is; it is important to recognise that that is by design. President Trump likes to be surrounded by representatives of different factions. He likes them to engage in robust debate, so the friction points and inconsistencies that we might perceive from the outside are seen as a strength. However, this also means that you can see one public statement from an Administration official that might appear to give a certain direction; that does not necessarily mean that the battle has been fought and lost within the Administration itself.

- Q176 **Baroness Coussins:** Thinking of the Arctic, which you just mentioned, how effective and robust would you say the current collaboration and co-operation between the US and the UK is on the question of hybrid threats and cyber in general? Do you think that there is any scope for further improvement, particularly on how to prevent such threats and attacks?

Sophia Gaston: There is certainly a geographical redistribution of America's strategic purviews in the Euro-Atlantic and in NATO towards the north. It has been made quite clear by the US Administration—in terms of their expectations of Britain as a leading actor in NATO—that we will need to strengthen our purview up there as well. That is necessary independently because of the rapidly evolving landscape there.

Of course, as I am sure you well know, the incredible advancement of the melting of the ice caps has created geopolitical and geostrategic opportunities and rivalries, of which Russia is the primary beneficiary. It is also a vital centre of co-operation with China, which is particularly interested in the northern sea route as an alternative shipping lane in order for it to reduce shipping times to Europe dramatically. So this is an area in which Britain can and will have an increased stake; it is another area in which we can really uplift our focus on hybrid tactics through demonstrating that value add, through convening and encouraging, and through drawing on our other alliances such as the GEF. I suppose that there is a greater emphasis on resilience in that area. It is also another way in which we can bind the United States into a much more central role in NATO leadership. So, it is necessary independently, but there is also a strategic opportunity, given our vested interest in keeping the United States as a very engaged and active partner in NATO.

- Q177 **Lord Grocott:** This was to be a question about AUKUS. By both your experience and recent activities, you have answered quite a few of the elements, so can I ask you a more general question?

Is there anything that you would like to develop in terms of the pros and cons of AUKUS and the way in which it has developed so far? Do you see any risks as far as its future development is concerned?

Sophia Gaston: Certainly. With AUKUS, we have to come back to the original intent, which was a mutual capability uplift of the three partners. It was not an accident that these three countries were chosen; they are

the three most highly integrated intelligence-sharing partners, and the British-American defence and security anchor is really at the heart of that. There was an intention, in terms of not just submarine capability uplift but advanced technology capability uplift, to focus on elevating our capacity to compete in both pace and mass towards an adversary who is never explicitly named in AUKUS but is evidently China.

It is interesting to note that, over the past four years since AUKUS's inception, the war in Ukraine and Russia and China's escalating behaviour in our home region have shone a light on the reality that this pact is also about linking or bridging these two security theatres. The SSN-AUKUS nuclear submarines will be patrolling our waters in the Euro-Atlantic as well as in the Indo-Pacific. The advanced technologies that we are seeking to produce under AUKUS's second pillar are vital to Britain's national mission—even more so than to our American and Australian partners—because of the centrality of science, technology, research and development to our economic prosperity strategy. The other two partners also resource agriculture, energy powers and critical minerals but we are a knowledge economy, so, for me, there has always been a clear national direct economic benefit to that second pillar.

The imperative for AUKUS has strengthened, even though it has also diversified. You can continue to see the impact and strategic value of the project in the degree to which China continues to be obsessed with it—China is genuinely concerned about AUKUS—and the fact that many of our other allies are watching intently because they regard AUKUS as a blueprint for future allied co-creation and co-development projects.

On the key risks, I know that there is an intention to talk a little about the Pentagon-led Elbridge Colby review that is being conducted in the Department of Defense at the moment—or should I say, “the Department of War”? That will report shortly. Prime Minister Albanese is travelling to Washington next week to meet Donald Trump—it is actually his first meeting with the President—and we anticipate that there will be some conclusion fairly shortly, which will result in AUKUS enduring.

However, there will be a shift in expectations to place a stronger emphasis on delivery and a more ambitious timeframe to return the project back to its original intent around pace and mass. That is really crucial. It is a reason why I have always been optimistic about where AUKUS could go under a Trump Administration, because it always seemed to me that there was a possibility that the revolutionary zeal and energy of the Trump Administration could be harnessed effectively to get a project that had become quite bogged down with internal bureaucracy focused back on its original strategic prize.

Lord Grocott: That is very interesting; thank you very much.

Q178 Baroness Crawley: Ms Gaston, you have probably mostly answered my question. On the delivery of AUKUS, despite the Colby caution on the lack of workforce in US shipyards and so on—or the lack of capacity of that workforce—are you confident that we will see a new energy behind

AUKUS when this paper comes out in a few weeks' time?

Sophia Gaston: There is certainly every reason to be optimistic about it. Elbridge Colby is absolutely correct that there are problems in the submarine industrial pipeline in the United States, as there are here in Britain; that was very much highlighted in the strategic defence review. In terms of projects overrunning, we have challenges around costs and timeframes. These issues will have to be addressed. There are fundamental problems around productivity, delivery and workforce; it is no light matter. I mentioned before that it has to be seen as a national endeavour, but it is possible to look at the problems and think that it is feasible to come up with solutions that can address them; in fact, if we fail to address them, we are not providing the basic foundations of our defence. Nuclear submarines are a crucial component of Britain's and America's strategic arsenals so, if we are not fixing those and using a project such as AUKUS to do that, we have failed at our mission of achieving vital defence.

For that reason, I have always felt that the question of whether AUKUS will fail is a much more existential question about whether we in the West are prepared, willing and able to defend ourselves and our vital interests. My understanding is that the Pentagon has come to the point of desiring to take an ambitious push at uplifting that capability and ensuring that there will be enough room in the production line to provide the Virginias to Australia as part of the optimal pathway agreement for pillar 1 of AUKUS.

From our perspective in Britain, we have the same challenges to address. We are also somewhat dependent on Australia's capacity to build out its entire nuclear ecosystem from scratch, but I think that pillar 1 will take place and will succeed. More interesting to me in the short term is whether pillar 2, which has been much more amorphously defined, can come into view and get some real teeth to it because the intent was always that pillar 2, with its rapidly advancing and developing technologies, provides the short-term deterrence function. The pillar 1 nuclear submarine pipeline has very long-term projects to get these boats in the water. Pillar 2 is where the first real tests will be for AUKUS in order to be able to fulfil the delivery function that I know will be very important to the Trump Administration.

Q179 **Baroness Fraser of Craigmaddie:** As you say, Ms Gaston, pillar 2 is where the exciting potential is with AUKUS, particularly for the UK. You mentioned that other allies are looking very closely at the AUKUS model. What are the risks and the potential of expanding pillar 2 to include additional, like-minded partners? If you think that there is potential for this, how would it affect the US-UK relationship?

Sophia Gaston: In principle, I am supportive of other partners being involved in pillar 2 on a project-by-project basis. It is really important for AUKUS to have a fixed core of the three partners. That is partly because, as we have all come to learn, the political resilience element of AUKUS was severely underpriced at the beginning. There was an assumption that

the fundamental political settings that drive its geopolitical ambition would remain intact throughout the generational lifespan of the project. Patently, that has not played out. We have had several changes of government in all three of the partners and, after those elections, there always has to be a renewal and buy-in project every single time to keep the show on the road and, in fact, to drive things forward.

This is a political project and always will be so. It is necessary for it to be primarily political, in order to galvanise the system in the way that you have to, because AUKUS is such a disruptive, modern and unusual project. It is creating new precedent. With all of that being clear, you do not want to inject further political resilience challenges by bringing other partners into that core function, but, on a project-by-project basis, that would absolutely make sense over the longer term.

The issue with pillar 2 is that we have not delivered very much over the past four years. We are currently failing at projecting that deterrence function. There will have to be a really focused effort over the next year or so to get those runs on the board with pillar 2, in terms of marquee flagship projects—programmes of record that are properly funded and are given adequate political and institutional attention in order to succeed. Once we have proof of concept that this alliance functions and works at a deep level, crucially, by labelling a project with the AUKUS name, we can accelerate the timelines and the quality of the outcomes.

At the moment, that is still to be determined. So, until we can be absolutely certain, we should tread carefully on bringing other partners in. That said, let us use the enthusiasm and agitation of our other friends and partners—I am thinking about the Japanese in particular here—to join together, as a further driving factor, to galvanise our systems and to make sure that we deliver as a trilateral endeavour first.

Q180 Lord Bruce of Bennachie: In hearing from both you and other witnesses who have spoken to us, we have established that the connection between the UK and the US on defence is closely integrated but also very uneven; by definition, the disparity between the sizes of the economies and capacities makes that so. Going forward, to what extent can we continue to work collaboratively in that spirit, even though the parameters have changed? Should we be focusing more on sovereign capability—on our own unique selling point or unique capability, if we have it—and possibly with different partners? Where we would previously have looked to the United States automatically, maybe we would be more inclined to say, “This time, let’s look elsewhere”. We have done that with the fighter programme between the Japanese, the Italians and ourselves.

Is it possible to do both? We already have to get the British people to understand that we are committing more to defence; I am not sure that the electorate have woken up to why we should be doing that, whether it is real and what it will mean. They need to know that it is necessary, that it gives us capacity and that it enables us, if you like, to grow rather than become more dependent. To what extent should we focus on building our own capacity, either by ourselves or with partners, and perhaps reducing

our co-operation with the United States—or do you think that it is possible to do both?

Sophia Gaston: Actually, we need to do more than both. There are four different domains that we need to focus on: the first is sovereign capability; the second is the US relationship; the third is NATO; and the fourth is what I call minus one, which is, in essence, the Euro-Atlantic and Indo-Pacific allies except for the United States. The real challenge for Britain is to do all of those things simultaneously. At some point, every one of them is going to create a choice or inflection point against the others. So, we will be juggling a lot of plates, but we do not really have an option.

The crucial thing is to start with sovereign capability. I have just written a couple of papers about the British and American innovation ecosystems—on science, research, defence, technology, et cetera—with a view to pursuing opportunities for co-operation. When I think about AUKUS, it is quite clear that the absolutely essential underpinning in all this is that Britain's independent defence and technology innovation ecosystem needs to be as strong as it possibly can be. We need all the right settings and foundations in place, as well as a really thriving commercial marketplace. We need our investment community involved in this. We need government setting the right direction and enabling functions. We need all of that to create strategic leverage with not just the United States but other partners.

We need to be as desirable a co-operation partner as possible. We are extremely good in some areas of the value chain but, physically, we are a small island without a huge amount of natural resources—energy, critical minerals and so on. We will always be reliant on supply chains from our friends and partners, and co-operation with others, to achieve mass and scale. The best way to increase our desirability is getting everything right at home. Also, having a flourishing R&D innovation ecosystem gives us the capacity to convene and lead the processes of mapping and auditing different strengths with our allies so that we can come to common positions around standards and regulations, which are the foundational toolkits in these innovation systems.

It makes sense for us to start at home. There is certainly an enormous amount that we can do in, for example, our higher education sector. Just to focus on that for a brief moment, we are talking here about innovation. We have an outstanding, world-leading higher education sector that is facing profound funding crises at the moment. For a lot of programmes, UKRI covers only 70% to 80% of the costs of projects that are approved for funding; universities are forced to find the rest. Those fees are often cross-subsidised by fees from students, including international students such as those from China. We must fix these basic foundational issues; understand that these instruments in our R&D ecosystem are strategic assets of national sovereign importance; and allow them to flourish.

Earlier, I mentioned the investment community; that is the other crucial piece of the puzzle here. Again, I hope that we can use AUKUS as a

means of starting to integrate these bits of the ecosystem because it is all extremely atomised at the moment. Frankly, the Government do not have the visibility nor the expertise to be able to join them all together and to help them function as effectively as possible.

- Q181 **Lord Bruce of Bennachie:** Can I briefly chase that down a little more? In the past, we have been very good at developing or inventing things but very relaxed about selling them abroad to be developed. Do we need to be a bit more assertive about control? You have hinted at partnership between the public and the private sector, the Government and agencies, and universities. In the last round—what used to be called the “milk round”—of recruitment, we had bans on defence companies even having a stand in a university. Do we need a Government-led, public-private initiative to wake people up to the fact that the world is changing? We have capacity in all the things you said but we are very bad at pulling them all together. Yes, the Government can prime the pump, but other people have to pull in. As a committee, we have to make recommendations. Is there a real scope for something much more dynamic to change that because, right now, it seems to me that everybody is all over the place?

Sophia Gaston: The research commercialisation pipeline could do with a lot of help; that is where government can be extremely effective as an enabler. There are clear market forces that are not necessarily optimising or serving our national sovereign capability. One reason why I have been focusing on universities is because so much of our R&D has gone into the private sector. I have been investigating why it has gone into the private sector and not into universities. If that work is going on in our universities, which are outstanding, it is much easier for the state to negotiate around sovereign ownership and intellectual property in some of these valuable developments. If it goes into the private sector, you end up with negotiations between the market and the state, so it is much more difficult.

There is a whole host of factors that impede universities from leading on this. I should say that some universities are doing outstanding work. Just in the past couple of months, Oxford has spun out two unicorns, which is really impressive, but then you get to this question: should we allow them to be sold to other countries so quickly? We have to make assessments about what it really means to have sovereign capability. Is it just the capacity to produce valuable companies, or is there also a sovereign capability function in terms of their retention? What are the other structural preconditions that make Britain an attractive place for companies to remain and continue to invest in the wider economy?

Over the past six months, I have been encouraged by the Government’s appetite for bringing in external expertise on the tech sector. I hope that we can start to bring further such expertise into the wider innovation and policy-making environment in government; that includes AUKUS. I am thrilled about the new central team that has been established in the Cabinet Office to provide whole-of-government oversight and function. I hope that it will get the Treasury much more involved in understanding

these as investments in a national endeavour and not just expensive defence budget lines. I would love to see people with serious external expertise in the investment community and tech sector, as well as people with serious geopolitical expertise in China, come in and inject a little dynamism and an industry perspective straight into the heart of the policy-making machine. That would be a concrete recommendation.

The Chair: Ms Gaston, thank you very much indeed for giving us the benefit of your advice. As I said earlier, there will be a transcript; we will show you a copy of it. For the moment, I declare this session closed.

Sophia Gaston: Thank you for having me.