

**Statement of**  
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**Under Secretary of State for Arms Control and International Security**

**September 8, 2005**

**House Committee on International Relations**



**Hearing on**  
**“The U.S. and India: An Emerging Entente?”**

Chairman Hyde, Congressman Lantos, distinguished members of the committee, it is an honor for me to appear before you today to discuss the President’s policy toward India with respect to civil nuclear cooperation. I look forward to working with you over the months ahead to bring this important objective to a timely and successful outcome.

Toward U.S.-India Civil Nuclear Cooperation



As Under Secretary Burns testified, we believe that it is in our national security interest to establish a broad strategic partnership with India that encourages India’s emergence as a positive force on the world scene. In the context of this partnership, and as part of the much larger agenda that has just been described, we reached a landmark agreement with India to work toward full cooperation in the civil application of nuclear energy while strengthening the nuclear nonproliferation regime.

India believes, and our Administration agrees, that it needs nuclear power to sustain dynamic economic growth and address its growing energy requirements in an affordable and environmentally-responsible manner. Our intent -- in the context of the July 18 Joint Statement by the President and Prime Minister -- is to provide India access to the technology it needs to build a safe, modern and efficient infrastructure that will provide clean, peaceful nuclear energy, one of the few proven sources of emissions-free energy that can provide the energy needed for a modern economy.

At the same time, India has agreed to take on key nonproliferation commitments that will bring it for the first time into the mainstream of the international nuclear nonproliferation community. This is a major positive move for India. While more can and will be done, India’s implementation of its agreed commitments will, on balance, enhance our global nonproliferation efforts, and we believe the international nuclear nonproliferation regime will emerge stronger as a result.

Nonproliferation Gains

Through the Joint Statement, India has publicly agreed to a number of important steps to prevent proliferation. It will now:

- Identify and separate civilian and military nuclear facilities and programs and file a declaration with the International Atomic Energy Agency (IAEA) regarding its civilian facilities;
- Place voluntarily its civilian nuclear facilities under IAEA safeguards; 
- Sign and adhere to an Additional Protocol with respect to civilian nuclear facilities;
- Continue its unilateral moratorium on nuclear testing; 
- Work with the U.S. for the conclusion of a multilateral Fissile Material Cut Off Treaty (FMCT) to halt production of fissile material for nuclear weapons;
- Refrain from the transfer of enrichment and reprocessing technologies to states that do not have them and support efforts to limit their spread; and
- Secure nuclear and missile materials and technologies through comprehensive export control legislation and adherence to the Missile Technology Control Regime (MTCR) and Nuclear Suppliers Group (NSG).

Indian officials have long indicated that India wants to aid international efforts to prevent the proliferation of nuclear, missile, chemical, and biological weapons. The Joint Statement makes explicit the specific actions it will undertake. These actions will bring India much closer to international nonproliferation norms and practices.

India's commitment to separate its civil and military facilities and place its civil facilities and activities under IAEA safeguards demonstrates its willingness to assume the responsibilities that other nations with civil nuclear energy programs have assumed. It will also help protect against diversion of nuclear material and technologies either to India's weapons program or to the weapons programs of other countries.

By adopting an Additional Protocol with the IAEA, India will commit to reporting to the IAEA on exports of all Trigger List items. This will help the IAEA track potential proliferation elsewhere.

By committing to adopt strong and effective export controls, including adherence to NSG and MTCR Guidelines, India will help ensure that its companies do not transfer sensitive weapons of mass destruction- (WMD) and missile-related technologies to countries of concern.



India has also agreed to work with the United States toward the conclusion of a multilateral FMCT and to maintain its nuclear testing moratorium.

By committing not to export enrichment and reprocessing technology to states that do not already have them, India will help us achieve the goals laid out by President Bush in February 2004, designed to prevent the further spread of such proliferation sensitive nuclear equipment and technology. This will help close what is widely recognized as the most significant loophole in the Nuclear Nonproliferation Treaty regime -- a loophole that has been cynically manipulated by countries such as North Korea and Iran that have pursued the capability to produce fissile material under the guise of peaceful energy but for purposes of developing nuclear weapons.

Each of these activities will help to strengthen the global regime. Together, they constitute a dramatic change in moving India into closer conformity with international nonproliferation standards and practices.

As befits a major, responsible nation, we hope that India will also take additional actions beyond those outlined in the July 18 Joint Statement in support of nonproliferation in the months and years ahead, and we look forward to working with the Indian Government and the international community to further strengthen nonproliferation efforts globally. Through our ongoing nonproliferation dialogue we have already discussed with India such steps as cooperating with us at the IAEA, endorsing the Proliferation Security Initiative Statement of Principles, and harmonizing its control lists with those of the Australia Group and Wassenaar Arrangement.


### U.S. Commitments Under the Joint Statement

On a reciprocal basis with India's commitments, the United States has agreed to work to achieve full civil nuclear energy cooperation with India. In this context, President Bush told Prime Minister Singh that he would:

- Seek agreement from Congress to adjust U.S. laws and policies;
- Work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India; and
- Consult with partners on India's participation in the fusion energy International Thermonuclear Experimental Reactor (ITER) consortium and the Generation IV International Forum, the work of which relates to advanced nuclear energy systems.

To implement effectively the steps agreed in the Joint Statement, we will need the active support of Congress and that of our international partners. We expect -- and have told the Indian government -- that India's follow-through on its commitments will allow for our collective action. We believe that the Government of India understands this completely and we expect them to begin taking concrete steps in the weeks ahead.

### International Responses to Date

 Mr. Chairman, many of our international partners have recognized the need to treat India differently and some have indicated their outright support. The United Kingdom, for instance, welcomed the initiative and noted its pleasure at India's willingness to take these steps as outlined in the Joint Statement. The Director General of the IAEA has also expressed his support, welcoming India's decision to place its civil nuclear facilities under IAEA safeguards and to sign and implement the Additional Protocol as "concrete and practical steps toward the universal application of IAEA safeguards." Others have told us that they look forward to normalizing their relations with India in the energy and nonproliferation communities.

Some have understandably questioned how this complex initiative comports with the NPT and our efforts to combat proliferation. Others have asked why a cap on India's production of fissile material for weapons was not part of the deal.

Let me clarify. The United States does not and will not support India's nuclear weapons program. Our initiative with India in no way recognizes India as an NPT nuclear weapon state and we will not seek to renegotiate the NPT. We remain cognizant of and will fully uphold all of our obligations under the Nuclear Nonproliferation Treaty. We remain committed to universal NPT adherence.

But we also recognize that India is a special case and see a clear need to come to terms with it. India never became a party to the NPT. In fact, India was very hostile toward the Treaty for many years. With its decision to take the steps announced in the Joint Statement, India will now take on new nonproliferation responsibilities that will strengthen global nonproliferation efforts and serve the fundamental purpose of the NPT.

India has informed us that it has no intention of becoming a party to the NPT as a non-nuclear weapon state at this time. Despite this, it is important to seize this opportunity to assist India in becoming a more constructive partner in our global nonproliferation efforts. Indian commitments to be undertaken in the context of the Joint Statement will align this critical state more closely with the global nonproliferation regime than at any time previously. India has said it wants to be a partner and is willing to take important steps to this end. We should encourage such steps in this case by offering tangible benefits in return.

We remain committed to achieving an Indian cessation of fissile material production for weapons, and we have strongly encouraged a move in this direction. However, achieving the physical separation of civilian and military infrastructure would be a significant step forward. And we jointly agreed to work toward the completion of an effective Fissile Material Cut Off Treaty, even as the United States stands willing to explore other intermediate options that also might serve this objective.

As India completes those nonproliferation actions that it has agreed to undertake in the Joint Statement, I am convinced that the nonproliferation regime will emerge stronger as a result. Separately, we will continue to encourage additional steps, such as India's acceptance of a fissile material production moratorium or cap, but we will not insist on it for the purposes of the civil nuclear cooperation initiative announced by the President and Prime Minister. Even absent such a cap, the initiative represents a substantial net gain for nonproliferation. It is a win for our strategic relationship, a win for energy security, and a win for nonproliferation.

#### Key Challenges and Uncertainties

- *Civil/Military split* – We have indicated that the separation of civil and military facilities must be credible and defensible from a nonproliferation standpoint to us and to our international friends and partners. India has not yet indicated how it intends to proceed on this score, but we will engage with India over the weeks and months ahead to develop a mutually acceptable approach to this key commitment. To strengthen the international nonproliferation regime and to meet our own expectations, the civil/military split must be comprehensive enough to strengthen the nuclear nonproliferation regime and to provide strong assurances to supplier states and the IAEA that materials and equipment provided as part of civil cooperation will not be diverted to the military sphere. Obviously, the number

of facilities and activities that India places under IAEA safeguards, and the speed with which it does so, will directly affect the degree to which we will be able to build support for full civil nuclear cooperation with India in Congress and in the Nuclear Suppliers Group.

- *NSG Strategy* – In the coming weeks we intend to outline to NSG partners a number of approaches that will permit NSG countries to engage in civil nuclear cooperation with India without undermining the effectiveness of the this regime. We will engage at senior and expert levels, with the goal of securing agreement to permit the provision of NSG Trigger List items to India once it has taken the steps outlined in the Joint Statement.
- *Other states* – We view India as an exceptional case, and see civil nuclear cooperation as a mechanism to deepen further India’s commitment to international nonproliferation. Some have asked whether it might be possible to extend such cooperation to Israel and Pakistan – the only two other states that did not join the NPT. India, Israel, and Pakistan are each unique and require different approaches. Neither Pakistan nor Israel has a civil nuclear energy program that approximates that of India. The United States has no plans to seek full civil nuclear cooperation with Israel or Pakistan.

### Legislative Strategy

The President promised that the Administration would seek agreement from Congress to adjust U.S. laws and policies. We recognize that the pace and scope of expanded civil nuclear cooperation requires close consultations between the Executive and Legislative Branches, and we seek your active support. In our own ongoing review, we have identified a number of options for modifying and/or waiving provisions of the Atomic Energy Act that currently prohibit the United States from engaging in such cooperation with India. We are reviewing these options, and the Administration looks forward to working with Congress as we consider the best way forward in the legal area. We welcome your suggestions and advice as we embark on this effort.

### Conclusion

In conclusion, I would note that from the outset of his first term, the President established non- and counterproliferation as top national security priorities. He put in place the first comprehensive strategy at the national level for combating this preeminent threat to our security, and he embarked on changing how we as a nation, and how the international community more broadly, design and expand our collective efforts to defeat this complex and dangerous challenge.

Recognizing that traditional nonproliferation measures were essential but they were no longer sufficient, the President put in place new concepts and new capabilities for countering WMD proliferation by hostile states and terrorists.

- He increased our national resources to prevent proliferation through Nunn-Lugar type nonproliferation assistance programs and, through the G8 Global Partnership, successfully enlarged the contributions from other countries to this essential task.

- He launched the Proliferation Security Initiative to disrupt the trade in proliferation-related materials. This initiative has achieved the support of over sixty other countries who are working together to share information and develop operational capabilities to interdict shipments at sea, in the air, and on land.
- He initiated the effort resulting in the unanimous adoption of UN Security Council Resolution 1540 that requires all states to enact legislation criminalizing proliferation activities under their jurisdiction, as well as requiring effective export controls and the protection of sensitive materials and technologies on their territories.

These efforts in effective multilateralism, coupled with the strengthening of our own counterproliferation capabilities, have produced concrete successes such as the unraveling of the A.Q. Khan network and the decision by Libya to abandon its nuclear, chemical and long range missile programs.

These efforts also demonstrate the need to be creative and adjust our approaches to take into account the conditions that exist, so that we can achieve our nonproliferation objectives. We must recognize that there is today no viable cookie-cutter approach to nonproliferation; we need tailored approaches that solve real-world problems.

The President's initiative with India deepens an emerging strategic partnership between the United States and India, while calling for concrete steps by India that further U.S. nonproliferation goals. The agreement to work toward full civil nuclear cooperation is tailored to India's clear and growing energy needs, but is also a pragmatic and effective response to a long-standing proliferation problem. To the extent it is successfully implemented, it will become a significant nonproliferation success over the months and years ahead.

We have begun consultations with our international partners; conducted a number of introductory discussions with you, your colleagues, and your staff; and look forward to working further with you on the steps necessary to fully realize civil nuclear cooperation with India. We recognize that the pace of this effort and our ability to build NSG consensus relies on the timely implementation of Indian steps. The President and Prime Minister have agreed that they will review progress when the President visits India in early 2006.

Thank you.