



The U.S.-India Civilian Nuclear Agreement

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UNDER SECRETARY BURNS: Dan and Ron, thank you very much. Ladies and gentlemen, good morning. It's a great pleasure to be with all of you. I'm very pleased to address the U.S.-India Business Council.

And like Dan, I want to just thank so many of the senior people with whom I've worked over the last 10 years: Secretary Bill Cohen, who's been a very good friend, someone I respect very much; Ambassador Bob Blackwill, for whom I worked at the National Security Council 16 years ago; and Stanley Roth, our former assistant secretary of State for East Asia; Senator Birch Bayh and so many others; Sig Harrison. Thank you very much. Raminder, thank you for representing the Indian government with such distinction here in Washington, D.C.

Ladies and gentlemen, I had the great pleasure of accompanying President Bush to Afghanistan and India and Pakistan last week, and I want to tell you about his trip. I want to tell you why South Asia in general is important to our national security, and why this strategic opening to India will, I think, be, as people look back at the Bush administration, one of the most significant foreign policy advances of the president's two terms in office. And I'd be happy to answer your questions.

You know, as we look out at the world and look at the pressing national security interests and challenges that face our country, we look, of course, to the objective of peace in the Middle East and of all the challenges we face there with Israel and the Palestinians, with Iraq. We also look to South Asia as a new area of critical national importance to our country, because it's there that we've been trying now since the autumn of 2001 to help stabilize Afghanistan. And the president made his first visit there. He met with President Karzai. He met with our troops. And I think all of us believe that we've done -- we and our NATO allies have done a very good job in helping to provide military protection so that the new government in Afghanistan can not only be stood up, but can begin to assert its authority outside of Kabul, to rebuild the country, and to give hope to the people of Afghanistan.

We also have in Pakistan a very important partner of the United States in the global war on terrorism, because it's in Waziristan and Baluchistan, where there's such a high concentration of militants from the Taliban and al Qaeda, where Pakistan, working with the United States, is trying to stabilize the border between Afghanistan and Pakistan. And President Bush last Saturday in Islamabad I think had an excellent talk with President Musharraf and with the Pakistani leaders and made the point that we'll continue to be a good friend and reliable friend to Pakistan as it prosecutes this war on its own soil against Islamic militants.

It was in India, however, that the president spent the most time in his trip. And it was in India where the president asserted that India shall be a new strategic partner of the United States. And all of us associated with this policy and all of us who support the president believe that in future years we will look upon India as one of the two or three most important strategic global partners for our country. And it's not hard to understand why that should be the case, and why President Bush since his election in 2000 has had a strategic vision to lift up the relations between our two countries. We are the world's oldest and world's largest democracies. And we share that bond which is so important in defining our respective world views. We have an increasing intersection of interests in global stability, certainly in stability in South Asia, where India is so important, in what happens in Bangladesh for stability there, in Nepal, and in Sri Lanka, not to speak of the stability that we want to continue to see in the relationship between Pakistan and India.

Looking further east to East Asia, India is a country that, of course, is not just a regional power, it's a country that has influence politically and economically and militarily in the Asia-Pacific region in general. And we shall count on India to be a close friend of the United States as we seek in the next 50 to 60 years to provide for strategic stability in East Asia, to maintain the peace, to maintain a positive relationship with the great powers of that region.

So in the first order of thinking, India is strategically important to us from a military and political point of view in its own region and in Asia. But speaking more globally, if you look at what the Indian and American governments have to face today, we are partners in promoting democracy. Prime Minister Singh and President Bush were the very first world leaders to contribute to Kofi Annan's new U.N. Fund for Democracy. They inaugurated it together in September in New York. India is a country that, for most of its history, of course, I think has not thought of itself as a global motivator for democratic growth around the world. But it does now. And much of the conversation last week was about the joint mission that our two countries have to stand up for democracy, to promote democratic growth in governments and countries around the world, and to be protectors of democracy on a global basis.

We also have transnational problems such as the pandemic of global HIV/AIDS, where our two governments have committed together to stand together to try to fight the scourge of HIV/AIDS. And if you look at the series of announcements made by both leaders last week in Delhi at the conclusion of their summit meeting, we are constructing not just a global partnership, we're constructing a bilateral relationship that is as deep and as broad as any that I can think of that the United States enjoys in the world today. Last week, the two leaders announced a \$100 million project to launch a second green revolution in agriculture in India. They announced a major concentration of government funds and technology resources on science and technology growth between the two countries. They announced a new cooperation in space research, and we hope very soon to conclude agreements in space launch between the two countries. They announced that we don't want to just rest on our laurels that 85,000 Indian students in the United States is a figure we should be satisfied with. President Bush said he'd like to see an additional number of Indian students live in our country, study with us, before they return to India itself.

The president talked about the strength of our Indian-American community, 2 million strong, and the explosion in private sector growth -- and all of you know about that, the fact that our trade has doubled, the fact that the United States is now the leading investor in India. Rob Portman, our excellent U.S. Trade Representative, said last week he thought trade could double again in the next five years.

And so, we have, on the government-to-government basis as well as in the private sector relations between citizens and among businesses, we have now an explosion of growth in the U.S.-India relationship that I believe is not matched in our relations with any other country in the world. And it tells us that India, because we know what kind of country it's going to be 25 to 30 years from now, a stable, democratic country that has the same global -- roughly, global perspective as we do, that country will be our great strategic partner.

And so, what was meaningful to us, and certainly to President Bush and Secretary Rice last week, is that we've launched the strategic partnership, and it has great, great consequences, positive and beneficial for the strategic position of the United States on a global basis.

Now, you heard -- I've told you a little bit about the bilateral initiatives in all these different areas, and I'll be happy to talk to you about them if you have an interest.

But you heard a lot about this civil nuclear deal that we negotiated. India, as Dan Christman said, is a major importer of energy. India is soon to be the most populous country on earth. India's economy is growing at 8 to 10 percent per year, and the projections are that's going to continue for the foreseeable future. India has 300 million people in its growing middle class. That's equal to the population of our country. It has 650 million people living on the land, trying to make a living in agriculture. And it's

the prime minister's platform and the Indian government's platform that they need to tend to their energy resources, energy needs, in order to power this great economy and provide for the needs both of the people who live on the land as well as the many businesses that are growing to create that great middle class in Indian society.

Now, we want India, of course, to be able to take advantage of diverse energy resources. There are certainly oil and gas links to be made with the Kazakhs and the Turkmen. And there's certainly a lot that India can do to develop indigenous sources of clean energy. But the real answer for them is to be able to make sure there's an expansion of civil nuclear energy power production. Right now it serves 2.5 to 3 percent of their energy needs. Because India for 30 years has lived in isolation. Because of the way that India's nuclear program was begun back in the mid-1970s, just after several years the NPT regime was founded, India never fit into that system. And so American, Russian, French technology, capital investment has been closed to the Indian civil nuclear energy industry for three decades.

About a year ago, when Secretary Rice visited Delhi for the first time, and building on a lot of the good work done by Ambassador Blackwill during his term in office as our American ambassador to India, Secretary Rice had a conversation with Prime Minister Singh where she agreed that we would launch negotiations with India towards a U.S.-Indian initiative on civil energy. And the basic proposition was this, that if India was willing to, for the very first time, bring itself into the nonproliferation system and open itself up to international inspection and oversight and safeguards for the very first time on a large scale, then the United States would be willing -- the United States government -- to go to the Congress and to seek to overturn the prohibitions on civil nuclear energy technology and financial cooperation from our business sector. And furthermore, we'd be willing to go to the multilateral agency that governs international cooperation -- the Nuclear Suppliers Group -- and to seek a change in international practices so that India could be part of the global system on nuclear power production, and India could benefit from the gains in technology made in our country and other countries and benefit from the interest of American and other companies around the world.

That was the proposition. And it took us the better part of eight or nine months to negotiate that deal. These were challenging negotiations. And as President Bush said in his Asia Society speech on February 22nd, it was a difficult negotiation because this is a very big step for the United States of America, frankly, for our president to have the boldness and vision to overturn 30 years of orthodoxy that had not worked, and for the Indian government to accept a dramatic change in its own attitude towards international oversight inspections. And we were very fortunate, under the president's leadership, to finish negotiations last week in New Delhi.

Here's what both governments have offered -- have promised to do.

India has promised to take 14 of its 22 power reactors and place them under IAEA safeguards permanently. India has promised that all future civilian thermal and breeder reactors shall be placed under IAEA safeguards permanently. India has promised that once those nuclear power plants are under IAEA safeguards, they will be permanent safeguards -- the phrase is "in perpetuity." Those are very important commitments of the Indian government.

India has, furthermore, promised that all of the upstream and downstream nuclear research facilities that are so important to the functioning of its nuclear system shall come under safeguards. India has promised to continue its moratorium on nuclear testing. India has an outstanding record of protecting its nuclear energy technologies. It has never proliferated, unlike many other countries in the world. We hope very much that India will also decide to join the Proliferation Security Initiative.

What this deal represents is India opening itself up to the nonproliferation regime, to joining the mainstream of that community after so many years. And that, for us, is a significant gain for proliferation purposes in the world.

But, of course, the deal also represents something even larger. It represents the grounding of this strategic relationship not only on this issue, but on all the other joint initiatives I talked about. It represents the fulfillment of many, many years of promise on this nuclear question. And of course, for all of you in the business community, we hope it will represent, if the Congress is able to decide to change U.S. law, tremendous business opportunities -- jobs for Americans here at home, and an expansion of our own country's private sector influence in the field of nuclear energy and nuclear power production. And as you know, President Bush has talked very much frequently about the need for the United States to continue our own research and to build back up our nuclear power industry. And we hope India, as it goes along with us in this program, will be able to join the cutting-edge research that the United States is planning with Japan and Russia and France and China and the United Kingdom on advanced nuclear energy production.

So we think this deal has enormous promise for our country. We think it's very important to sustain the growth in the strategic relationship between our two countries. And we've begun to make the case this week -- the president and Secretary Rice and myself and others -- to the Congress that this is a deal that the Congress should embrace. This deal is beneficial to us for all the reasons that I cited.

But I'd like to take account of some of the criticisms that all of us have heard in Washington this week and read about in the op ed pages and just take a moment to tell you what we think of some of these major lines of argumentation for those who stand opposite us in this city in arguing against this deal.

There are some who say that somehow by agreeing to a nuclear initiative with India, we make it impossible to have a tough-minded policy with Iran. And frankly, I don't think that argument works in the real world. It might work in the theoretical world of people who sit in think tanks. I don't want to disparage people who sit in think tanks -- I know some of you do. (Laughter.) Of some people who sit in think tanks, the theoretical world of looking at this basic charge that we have a double standard here. But in the real world of diplomacy that I live in and that I work in, it doesn't stand, because let's look at these two countries, India and Iran. India is a democratic country. India is a peaceful country. India has a doctrine of "no first use" of nuclear weapons. India's strategic force is a deterrent force. India is a country that's a friend to us, and is a country that can be trusted. India is a country that's saying to the IAEA, "Please come into our country and inspect on a permanent basis the vast majority of our nuclear industry."

Iran, on the other hand, is a country that's saying to the IAEA, "Get out of our country. We don't want an additional protocol. We don't want IAEA inspectors. We insist on our right to cross all the red lines that the United Nations and the IAEA have set forth in front of Iran."

Iran is not a peaceful country. It's not a friendly country. It's not a trustworthy country.

So believe me, when the U.N. Security Council debate starts next Monday morning and Ambassador Bolton sits around the table with the Chinese and the Russians and the British and the French and the other members of the council, not a single one of those countries is going to say, "We can't be tough on Iran because the Americans have an understanding on civil nuclear energy, peaceful energy with the Indians." It just doesn't stand to reason, and the argument doesn't work.

A second contention is that by allowing the IAEA to come in and putting these reactors under safeguards, India is going to have an opportunity to use its domestic uranium supplies to build more bombs, which will fuel an arms race between India and Pakistan in South Asia. We don't think that argument stands to reason, either.

What are India's motivations here?

India is a country that desperately needs power. It needs electricity. And as I understand -- Raminder, you'll know more than I do -- but as I understand Indian politics and Indian plans for the future, India's plans are to build up the civilian nuclear power structure. We believe that India will have -- will seek, after laws are changed, to purchase eight 1,000-megawatt reactors, all of which would come under safeguards.

And so our belief is -- and the Indian government's figures show -- that eventually within 10 or 15 years, up to 90 percent of India's nuclear capacity shall come under safeguards because the great majority of growth is going to be in civilian nuclear power.

Now of course India, like any country possessing nuclear weapons, has to maintain them and modernize them. And this agreement that we've negotiated does not speak to nuclear weapons. The United States doesn't recognize India as a nuclear weapons state as part of this agreement. None of the assistance from American companies will go to the nuclear weapons industry, only to the nuclear power industry under international safeguards and transparency.

But we believe that the whole motivation of the Indian government is to grow its economy, to increase power production, and that's where they're going to put the great percentage of their funds.

We had a good talk with the Pakistani government about this whole arrangement last week, and we think that it's going to be Pakistan and India's inclination to try to maintain the positive momentum in Indo-Pak relations over the last several years, to maintain a good, composite dialogue, and we don't foresee any kind of competitive arms race in South Asia, and we do think the Indian government's intentions are largely on the civilian side.

Last charge -- that the Bush administration, by negotiating this deal, somehow is no longer interested in nonproliferation, or wants to weaken the NPT regime. I think this is the most difficult charge to understand of all of them, for me, as someone who negotiated this deal.

The major problem with a nonproliferation regime is that the largest country in the world with the greatest need for nuclear power has been outside of that system. And we can argue the merits, as Indians and Americans can do, of what happened over the last 30 years, but that's history, and I think the prime minister and the president are looking forward.

And we believe that by bringing India into this system, we are helping the cause of nonproliferation. I mean, how does it help the cause of nonproliferation to keep India out, and not to let India modernize -- a country that's played by the rules, that has not diverted its nuclear technology -- how does it help the cause of nonproliferation?

So if I look at the three major lines of attack, I find all of them weak. And I think all of us, certainly in our administration -- who are going to fight very hard to convince the Congress that this is the right deal for our national security -- will be making these arguments.

Now, President Bush invited the congressional leadership to the Cabinet Room at the White House on Wednesday. He heard from both Republicans and Democrats, members of the House, members of the Senate, and we are very pleased to have seen so many public statements of support by leading members of the Senate and the House for this agreement. And he plans to be personally involved in the effort to win Senate and House approval for the legislation that we think will be introduced in the next week or two by the leadership of the Senate and leadership of the House.

Secretary Rice went up and had very good meetings with Chairman Lugar and Chairman Hyde this week. And she called nine or 10 members, and when she's back from Australia and Indonesia, where she's traveling today, she's going to be upon Capitol Hill for testimony and for briefings, and she will lead this effort on behalf of the president personally in the halls of Congress.

And you can believe and know that the rest of us involved with this, working for both of them, will be very active in reaching out to every member of Congress to explain the details of this arrangement. We're confident it's the right step for the United States. We're confident it strengthens global proliferation concerns, and we're confident it will cement the strategic relationship between these two great democracies, our two countries.

So I'm very grateful for the opportunity to have this soapbox, to be able to put forward the administration's position.

And I can tell you that as we go forward with this campaign to win congressional approval, we'll certainly be willing and interested to talk to all of you who have an interest in supporting us.

I can tell you as well we've got some friends on our side.

Mohamed ElBaradei, who is the protector of the nonproliferation regime, issued a written statement last Thursday congratulating India and the United States in hailing this as a step forward and a gain for nonproliferation around the world.

Prime Minister Tony Blair issued a statement in support.

President Jacques Chirac.

The Russian government has spoken in support.

And as we go to the Nuclear Suppliers Group to argue that the multilateral regime should also alter its practices, as we believe the United States should do, we're confident that the major members of that group are going to step forward to support this particular initiative.

So I hope you will agree, this is worthy of your support.

I thank you for coming this morning, and I think we have some time, Ron and Dan, for questions, if you're interested, or for discussion. I'd like to hear your ideas for a few minutes.

Thank you very much. (Applause.)

MR. SOMERS: Secretary Burns, thanks very much.

We do have time for questions.

Let me do one administrative announcement, if I could.

Those who have a question, just jot them on the cards, which I think are at your tables. Pass them to the aisles, and we'll collect those and offer the chance for Ambassador Burns to say a few remarks addressed to those questions.

I would like to do one quick thing, though, Nick, if I could. Two individuals here have asked to say very, very brief remarks on behalf of this agreement, and if I could call, first of all, on India's very, very distinguished deputy chief of mission from New Delhi to Washington, Ambassador Jassal, to say a few words to us; followed quickly by former Secretary Bill Cohen.

Ambassador Jassal.

MR. JASSAL: Thank you very much, General. Secretary Burns, dear friends, I was told to be extremely brief and to say what I had to say in a very, very short order of time. I'm India, and it's very difficult for me, but still I'll try. (Scattered laughter.)

I want to also pay tribute to the incredible commitment and energy brought to this process and to be consolidating the India-U.S. strategic relationship. I want to pay tribute to Secretary Burns and for his friendship and for what he has done.

I would also like to pay tribute -- (applause) -- I would also like to pay a tribute to the vision and farsightedness of President Bush, Prime Minister Manmohan Singh, Secretary of State Rice, who have together brought about what that book in front of us calls the -- that the strategic relationship between India and U.S.A. is a landmark on the international stage.

I want to thank Secretary Cohen, Ambassador Blackwill for his incredible contribution in India. I mean, he's one of the most well-known names in India in recent years. Senator Birch Bayh and everyone else who have contributed to this.

Just a brief remark, which is that, you'd think that from what you read in the press that India and U.S.A., you know, thought about this civil nuclear deal and then on this edifice decided to build a strategic partnership. Actually, as that book says and as Secretary Burns very succinctly have put it, it is the India-U.S. strategic partnership out of which the civil nuclear understanding and deal has flowed out of. It's not as if it is, I mean, it's putting the cart before the horse, and it's this larger relationship from which this particular understanding flows.

As Secretary Burns said, the process of negotiation has been long because it has not been easy for the United States or for India, and I think this had been referred to by the president himself. It was not easy because it was changing and altering something like 30-40 years of set habits and real thinking. And for India, particularly, the -- passing the WMD legislation last year, harmonizing the NSG and -- (inaudible) -- lists with our own, these were steps that were not difficult in a sense because they are based upon India's nonproliferation commitments and record, which is well-known to everyone.

But the July 18 understanding about which we are in the process of implementing was something that was not easy because, as I said, it called for changing decades-old way of thinking and habits. But the secretary has outlined the commitments that both sides have undertaken under this. It has not been easy. You've been seeing it in the Indian press. But we do believe that it is good from every which way you see it. It's good for the United States is good for India. It's good for nonproliferation. It's good for the international energy balance. It's good for India's future energy requirements. It's good for business and industry.

So difficult it might be, but overall, I don't see that there is any downside to it. So we be happy to be associated in every -- in the whole process of implementing it further and all the steps that have to be taken.

And once again, I want to thank Secretary Burns and everyone here for this opportunity.

Thank you. (Applause.)

MR. SOMERS: Thank you very much, Ambassador Jassal.

Next, I'd just like to call to the podium former Secretary of Defense Bill Cohen, who I think is one of the most astute commentators on the international scene that we have today.

Secretary Cohen, thrilled to have you back with us. (Applause.)

MR. COHEN: General, thank you very much, and ladies and gentlemen. This is a real task for me as well to call upon a former senator, and Senator Bayh will acknowledge it's very difficult to confine our remarks to just a moment or two.

But let me say just a couple of words. I heard the reference to Nick Burns as being a man who never loses his temper, never gets angry, and it reminded me of Chris Dodd was once asked -- Senator Dodd was asked about Tip O'Neill, to describe Tip O'Neill, and he said, "Tip O'Neill is Irish to the core without the dark side." (Laughter.) And I would say that the same may be said of Nick Burns. He is Irish to the core without the dark side, without any temperament whatsoever, and for those of you who read his biographical information that was -- (that's on the desk ?), he is a lifelong member of the Red Sox nation. (Laughter.) You'd have to be from Massachusetts to understand that.

But Secretary Burns, thank you for outlining in a very powerful and persuasive way where we are today and why we are here today.

I -- one person who has not received sufficient recognition, I think, and that's President Bill Clinton and Stanley Roth, who worked in the Clinton administration -- (applause) -- as did I. I have to give him a good deal of credit for being willing to break through the historic misunderstandings and mistrust that existed for so many years. And that took place back in the year 2000. That relationship has been nurtured and accelerated under President Bush.

But we have a bipartisan approach to this foreign policy relationship and decision, and that should serve us well as this goes forward for consideration by the United States Congress.

But I want to say just a couple of words about the importance of this. President Bush has made it a core of his administration to try and promote the spread of democratic values, promoting democracies wherever we can with the belief that there is a virtuous circle, that if you have a stable country that abides by the rule of law, that is open, that is transparent, that is eager to help lift its citizens up, you will see an inflow of capital into that country. And with the inflow of capital, you'll see the productive capabilities increase. You will see the generation of jobs and prosperity, and that spread of prosperity in turn will simply reinforce those democratic institutions and those democratic values.

This is the classic case where you have two great democracies who are linking together in a strategic relationship that will reinforce those values which will help to promote peace, stability, cooperate in the war against the forces of chaos and anarchy in a way that will make all of us very not only proud, but very safe.

So I am here today to lend my support to a letter that I will sign on behalf of the U.S.-India Business Council to be sure with the hope that there'll be many other people who will follow.

But congratulations, Nick, on a job extraordinarily well done.

Dan Christman and Ron, thank you for inviting me today. (Applause.)

MR. SOMERS: Thank you very much, Secretary Cohen.

We've collected about half a dozen questions here, Nick, and we're sensitive to your schedule. So we'll make sure that you're leaving us here on time. Not surprisingly, most deal with the elements of the civil nuclear arrangement, Nick, and let me ask the first one here.

Why will implementation of this agreement not require an amendment to the NPT?

UNDER SECRETARY BURNS: Thank you very much.

Can you hear me? Good.

What we have to do now, if we are to realize the promises of this arrangement between India and the United States, is to have a change in U.S. law and a change in the multilateral Nuclear Suppliers Group regime.

On the first, we'll be asking Congress to give us India-specific waiver authority pertaining to three provisions of the Atomic Energy Act of 1954. Should Congress elect to provide that waiver authority for India only, then that would allow, then, American companies to invest in civil nuclear energy facilities, production and technology in India and to trade in technology.

We would then go to the Nuclear Suppliers Group, and are very confident that the coalition of countries that is already publicly in support -- Russia, the United States, the United Kingdom, France, Australia, Japan -- that those countries will win the day. That will then open up India to normal trade and normal investment.

India is not a signatory of the Non-Proliferation Treaty, and therefore, India has not violated any of the commitments of the NPT because it doesn't participate in it. Therefore, there will be no reason and no rationale to seek any changes in the NPT regime itself. And it's very important that it be clear that this is a deal that pertains solely to civil nuclear energy, to peaceful nuclear energy. This initiative does not speak to the issue that India continues to be a nuclear weapon state. But that is India's business. And all of the technology transfer, all of the capital investment that would be made available from our country to India would be solely for the civilian power sector, and it will be fully transparent because IAEA safeguards will be in place.

MR. SOMERS: Nick, the next question is on breeder reactors. It's a simple one. How are breeder reactors treated in the agreement?

UNDER SECRETARY BURNS: India now has a very limited capacity in breeder reactors. They have a test reactor -- test breeder reactor and a prototype reactor. India has chosen -- it's a sovereign decision -- to keep both of those reactors, the test and prototype reactor, apart from this deal. But India has made a commitment -- and frankly, it was one of the core commitments made in the negotiations -- that all future breeder reactors, as well as thermal reactors that are going to be built for civilian purposes will be put under safeguards. Frankly, towards the end of the negotiations, this was the most important issue for the United States, and we were very open with the Indian government about this.

A lot of our friends on Capitol Hill -- and we kept Congress well briefed all throughout the negotiations -- said to us: Very important that as there is growth in the nuclear industry in India on the civilian side, that all of it come under safeguards so that there shall be no confusion about what is military and what is civilian. And the Indian government has agreed to that, and the prime minister spoke to parliament about that commitment. It's highly significant.

And what the critics of this deal I think don't yet grasp -- and many of them, of course, if not all of them -- are not aware of the specifics of this arrangement, which we are just now briefing over the last couple of days to Congress -- they don't seem to understand that there is a clean separation between India's military sector and its civilian sector. And this commitment to put all of the civilian breeders and thermal reactors under safeguards is highly significant and it's powerful. And I think it ought to calm some of the critics who have not had a chance to look at the specifics of this deal as they've already written some of their op-ed pieces.

MR. SOMERS: Nick, the next question is a process question on the NSG, and it reads as follows: Please explain what needs to happen with the Nuclear Suppliers Group for this initiative to move forward. Does this group have to be in unanimous agreement on a change in guidelines?

UNDER SECRETARY BURNS: It does. The NSG, the Nuclear Suppliers Group, operates by consensus, and so all 35 members of the NSG will have to agree to lift the international restrictions that currently prohibit international investment and technology trade with India's civil nuclear sector.

I think that the NSG is going to be watching the United States. We are, of course, one of the most important members of that group. It's been our initiative to reach out very boldly to overcome 30 years of conventional orthodoxy and to change it so that we have a more modern way of relating to India. And I think if our Congress agrees to lift American restrictions, we are fully confident that the NSG will agree to that. And as I said before at the end of my remarks, we have a powerful coalition of leaders -- Blair, Chirac, Putin, ElBaradei -- who have already agreed that this is a net gain for proliferation and that we ought to change NSG practice.

MR. SOMERS: The next question, Secretary Burns: The separation agreement contains certain fuel supply commitments by the U.S. Some people have interpreted those provisions as allowing India to withdraw reactors from safeguards if the fuel supply is interrupted. Is that a correct reading of the agreement? If not, what are the quote, "corrective measures," unquote, cited in the agreement?

UNDER SECRETARY BURNS: India is committing to the international community that once it places -- once it allows IAEA safeguards to be placed on a particular reactor, that will be done in perpetuity, meaning permanently, meaning it cannot be changed.

The United States recognized that one of the sensitive issues for the Indian government was if we're going to agree to permanent safeguards, we need to have some assurances of permanent fuel supplies for our nuclear industry, civil nuclear industry. And so President Bush was pleased to agree that India and the United States will approach the IAEA together to form a multilateral fuel assurance regime what will ensure the reliability of fuel supply to India.

The United States has also made a commitment that once our Congress changes U.S. law, if it deems to do so, the United States will supply fuel for the Tarapur reactors, which, for those of you who know the history of these negotiations over 30 years, are a very important symbol of cooperation.

The United States has further agreed to form a Friends of India Fuel Assurance Group -- and I know that many of our allies will join this -- so that if there's ever a situation where fuel supplies might be interrupted, we would band together to provide them.

So we think that in those three instances, these assurances of fuel supply to India ought to give the Indian people and government confidence that the permanent safeguards will not limit the possibility of fuel supply.

MR. SOMERS: Nick, two more questions, if you've got time.

The next one is really a request more than a question, and it reads: All leading national Indian-American organizations have planned for a congressional conference in April. We request Ambassador Burns to attend. (Laughter.)

UNDER SECRETARY BURNS: I'd be very happy to attend.

MR. SOMERS: Nick, going beyond the civil nuclear question, here's one on space: I've seen references to the inclusion of an agreement for India to launch U.S. spacecraft as part of a larger agreement. Could you provide more clarification for this agreement? Does it concern military, civil, commercial applications?

UNDER SECRETARY BURNS: Thank you very much.

One of the issues that Prime Minister Singh and President Bush have talked about a lot is space cooperation between our two countries, as well as broader cooperation in science and technology. Now, that is happening in the private sector. Of course you've seen this huge increase of American investment in India's high-tech sector.

And one of the issues that President Bush took on very squarely, in his Asia Society speech on February 22 here in Washington but also in his speech to the Indian people in New Delhi last Friday night, was that a rising tide lifts all boats. That we Americans have to accept the fact and understand and appreciate the fact that with some of this investment on the part of the United States into India, well, that will -- that has produced the phenomenon of outsourcing, but there are benefits to this, as

well, because the enlargement of India's middle class means that India as a country will be a much larger consumer of a lot of what we produce here in the United States.

And President Bush stood up for that proposition that we ought not to succumb to protectionism and that we ought to allow this relationship between our private sectors to grow, knowing that it's going to benefit the United States. It's going to mean American jobs, an increase in American jobs. When Boeing sells -- wins \$13 billion worth of contracts, it's good for the United States and the American workers here in the United States who work for Boeing, and the same is true for Westinghouse and for GE and all the -- and Bechtel and all the other American corporations that will be active, and all of them represented here today.

So the president laid out that proposition, and I think it had a great deal of resonance in India. And we're convinced it's the proper way to look at the long-term development between our two countries.

Now, we want to extend that to space cooperation, in two respects. We want the space establishments of the two countries to be working more closely together. And we've talked about manned flight cooperation, we've talked about space research cooperation between two great scientific and engineering nations, and we're also negotiating a space launch agreement which we hope to conclude shortly, as well as a companion agreement. And they're linked together. And I know Ambassador Portman is working very hard with his Indian counterpart, with Minister Nath, to achieve both of those in the next few months.

MR. SOMERS: Nick, we'll bring this formal portion of the morning to a close. Let me say two quick things. One, as Winston Churchill says, this is not the end, it's not even the beginning of the end, but it is the end of the beginning. We have launched. We are proceeding ahead.

For those that want to join Secretary Cohen in his letter, please step forward. We have this website here on the screen for those that want to join the coalition. It's a very, very important moment in history.

And Nick, we want to thank you, before you leave, for your vision and for your hard work, for the partnership which you have exhibited with this room, with our friends and allies around the globe to make this history permanent, to move us forward. Thank you for all that you're doing. Good luck to you.

(Applause.)

(END)

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