Backing the U.S. - India Nuclear Deal and Nonproliferation:

What's Required

Testimony By

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Mr. Chairman, members of the committee, I want to thank you for asking me to testify on the nonproliferation impact of the U.S.- India nuclear and space cooperation deals announced July 18, 2005. Unlike the many other mutually favorable deals announced July 18, 2005, these two, if not properly clarified by Congress, are fraught with danger. Congress certainly should be in no rush to get their implementation wrong. My general recommendation to you today is that Congress should authorize implementing these agreements' only after India commits to the limits other responsible, advanced nuclear states have. This should be done in a country-neutral fashion by amending the Atomic Energy Act of 1954 to allow U.S. nuclear cooperation with advanced, responsible nuclear states that are not members of the Nuclear Nonproliferation Treaty (NPT) if they meet certain minimal criteria. In specific, Congress should delay endorsing such cooperation until any such state

1. forswears producing fissile materials for military purposes or, if it has a nuclear arsenal, increasing the net number of nuclear weapons it currently possesses. Such weapons states would also have to pledge eventually to dismantle their nuclear arsenals as have all other NPT weapons states.

2. identifies all reactors supplying electricity to its distribution grid, all research reactors claimed to be for peaceful purposes, all spent fuel these reactors have produced, and all fuel making plants supplying these reactors to be civilian and, therefore, subject to routine, compulsory International Atomic Energy Agency (IAEA) inspections.

3. upholds all previous bilateral nuclear nonproliferation obligations with the US and other countries.

4. publicly adopts the principles of the Proliferation Security Initiative.

5. is free of any US nuclear or nuclear-capable missile proliferation sanctions for at least two years and clears up any outstanding sanctionable actions before US nuclear cooperation is formalized.

To be sure, insisting on these requirements will initially displease those in a hurry to seal the nuclear and space deals with India. Yet, insisting on such conditions in no way movs the goalposts or raises the bar on the agreement reached July 18, 2005. At the time, both the U.S. and India agreed that the U.S. would not regard India as a nuclear weapons state under the NPT. The U.S. insisted on this. As such, IAEA inspections of India's civilian nuclear facilities need not be as loose as the voluntary spot checks of the nuclear facilities in Russia, the U.S., China. France and the UK.

Also, at the time, both U.S. and Indian officials agreed that India would assume all those restraints that "advanced, responsible nuclear states" had assumed. Among the most important of these is forswearing the expansion of one's nuclear arsenal by renouncing the further production of fissile material for military purposes and capping the net number of nuclear weapons one has. Under these conditions, one could possess nuclear weapons, modernize them, or (as the U.S., Russia, UK and France, have done) dismantle them, but that would be it. It should be noted that demanding that these conditions is more than merely desirable. They must be met if, as the deal's backers have claimed repeatedly, the nuclear and space deals are to *enhance* the cause of global nonproliferation and U.S. security. The U.S., after all, has an interest in making India behave as the U.K. and Japan does, not merely as China or Iran.

Unfortunately, India has yet to express interest in meeting these conditions. Nor has the Bush administration pushed very hard to secure them. This all might be acceptable to Congress. If so, Congress need only endorse the loose nuclear inspections arrangements India and the Executive Branch are currently negotiating and approve legislation to relax U.S. Atomic Energy Act and missile technology controls in the sole case of India. But Congress should understand that if it does this, it will put the US in the dubious position of

1. helping India expand its nuclear weapons arsenal by freeing up nuclear fuel making capacity that otherwise would be needed to supply civilian reactors, such as those at Tarapur, with lightly enriched uranium (see the viewgraph submission to the Committee, viewgraph 5).

2. lending technical support to India's intercontinental ballistic missile (ICBM) project, a n incredibly massive, inherently vulnerable, first-strike missile derived directly from its civilian satellite launch system (the Polar Space Launch Vehicle). India already has a medium-range missile, the Agni, which it is upgrading to reach all of China and can be made road and rail-mobile. Indian officials, meanwhile, claim India's ICBM is intended to deter *Europe and the U.S*. (see viewgraphs 6, 7, and 8 and NPEC's newly released study by Dr. Richard Speier).

3. undermining U.S. and international efforts to restrict nuclear and missile technology exports to states such as North Korea and Iran by giving such help to a state that has not yet signed the NPT, capped its nuclear weapons program, rectified proliferation transactions that are sanctionable under U.S. law, endorsed the Proliferation Security Initiative's principles, or placed all of its nuclear activities under compulsory IAEA nuclear inspections as all responsible, advanced nuclear states have (see viewgraph 4).

For most people, avoiding these pitfalls would be worth considerable effort. Yet, more than a few of the deals' backers cynically believe that encouraging these developments is necessary to enhance U.S. security against a hostile China or Iran. This, however, reflects an unwarranted, defeatism that is unworthy of the U.S. More important, it is strategically misguided in regarding India and cooperation with the U.S. on at least three critical counts:

1. India's Foreign Secretary and Prime Ministers are insistent India's July 18th understandings with the U.S. are not "directed against any third country." In fact, India struck a strategic agreement with Iran in January 2003 known as the New Delhi Declaration not only to help develop Iranian oil and gas fields, but to assure continued cooperation with Iran against the Taliban in Afghanistan, many of whom threaten the peace in Kashmir. Indian officials also are insistent that India's vote on Iranian IAEA noncompliance was caveated and cast primarily to help prevent referral to the UN. As for China, the current Indian government sees economic cooperation with Beijing as a key to India's future development.

2. The last thing in anyone's security interest is to help India compete against China with nuclear arms. China has five to ten times the number of deployed nuclear weapons as India and hundreds more advanced, long-range ballistic missiles. Although it no longer makes fissile materials for weapons, it has stockpiled thousands of additional weapons' worth of highly enriched uranium and separated plutonium. It has shied from converting all of this material into bombs for fear of sparking an arms rivalry with the U.S. and Japan, who could go nuclear by bolting the NPT and militarizing its own massive stockpile of separated plutonium. To be sure, the current Indian government is not interested in dramatically ramping up Indian nuclear weapons production. Its main opponents, the BJP, however, clearly are. If they were to return to power and no cap had been placed on India's nuclear weapons efforts, more Indian weapons would likely be built, which, in turn, could provoke China prompting, a nuclear arms rivalry, not

only between it and India (and, consequently, reving up even more nuclear competition between India and Pakistan), but with Japan and the U.S.

3. Every rupee India invests in developing nuclear weapons, ICBMs, and missile defense is one less that will otherwise be available to enhance security cooperation with the U.S. in the imperative areas of anti-terrorism, intelligence sharing, and maritime cooperation in and near the Indian Ocean. India's entire annual military budget of about $20 billion (which supports a military of over 1.3 million active duty soldiers) is roughly what the U.S. spends on its nuclear arsenal and missile defenses alone. Encouraging India to spend in these areas could easily hollow out its conventional military and undermine the very areas most promising for U.S. - Indian cooperation.

This then brings us to the weakest and least credible arguments for pushing nuclear and space cooperation on an urgent basis and that is that India must have substantial U.S. cooperation in these fields immediately to sustain its economic growth. In fact, for the near-term just the reverse is the case. As is detailed in the viewgraph submission to this committee (see viewgraphs 9 though 16), investing in the expansion of nuclear power in India for the next decade is the very least leveraged way to address India's growing need for more and cleaner energy. Instead, at least the next decade, one should focus on increasing efficiencies in India's consumption, distribution, and generation of energy (including but not limited to its electrical sector). This would entail transitioning to cleaner uses of coal and restructuring India's coal industry to meet demand; introducing market mechanisms and curbing massive energy theft and subsidies; and expanding the use of renewable energy, e.g., biomass, small hydro, wind, etc., (both connected and unconnected to the grid). So long as the Indian nuclear sector continues to be preoccupied with extremely complicated thorium-fuel cycle systems and breeder reactors and relies on dysfunctional state secrecy and monopoly style management, investing in this energy sector will be self-defeating. Instead, the U.S. and others should encourage India's nuclear sector to acquire a more reasonable set of goals and open itself up to foreign ownership and management. This will take time.

As for space cooperation in the space launch area, by far the safest, most cost-effective form of cooperation would be to make affordable U.S. launch capabilities more accessible to India. Certainly, the recent announcement that the U.S. intends to include Indian astronauts in upcoming U.S. space shuttle missions is the proper path to take. Transferring satellite integration and space launch technology to India, on the other hand, is a sure-fire way to repeat the frightening development that Loral and Hughes produced in the l990s with China when their satellite launch integrate assistance literally boosted China's ICBM modernization efforts.

For this and all the other reasons noted above, Congress should exercise due diligence in sorting out the specifics of U.S. - Indian nuclear and space cooperation. Both Houses should make it clear to its leadership and the Executive that any enabling legislation to implement U.S.- India space and nuclear cooperation must be referred to the appropriate committees rather than rushed on any legislative spending vehicle. Congress and the appropriate committees also should make their own views known on what legislative conditions they believe the proper implementation of nuclear and space cooperation with India and similar non-NPT states require. In this regard, it would be desirable for Congress to voice its legislative views before the Executive finalizes its negotiations with India. Under no circumstances, should Congress allow itself to be rushed.