



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 01, 2008
(Senate)

STATEMENT OF ADMINISTRATION POLICY
H.R. 7081 – United States-India Nuclear Cooperation Approval and Non-proliferation
Enhancement Act
(Rep. Berman (D) California and 8 cosponsors)

The Administration strongly supports and urges swift passage by the Senate of H.R. 7081, without amendment. The bill, which passed with broad bipartisan support in the House of Representatives, would approve the civil nuclear cooperation agreement between the United States and India and represents a major milestone in the transformation of our Nation's important relationship with India.

The United States-India 123 agreement marks the culmination of a decade-long process of advancing strategic relations with India. Two successive Administrations have sought to improve U.S.-India relations and adapt American policy to India's emergence on the international stage. For the United States, passage of this legislation will clear the way to deepen our strategic relationship with India, open significant opportunities for American firms, help meet India's surging energy requirements in an environmentally friendly manner, and bring India into the global nuclear nonproliferation mainstream.

The Administration strongly opposes the amendment to H.R. 7081 offered by Senators Dorgan and Bingaman. H.R. 7081 would advance the U.S.-India relationship while enhancing worldwide nonproliferation efforts. The proposed amendment would inject rigid and burdensome mandates into a statutory scheme (in the Atomic Energy Act) already equipped to address the unanticipated circumstance of India not adhering to the nuclear testing moratorium that it affirmed to the United States in 2005 and reiterated to the broader international community as recently as September 5, 2008. Accordingly the Administration considers this amendment to be unnecessary and potentially harmful to the success of U.S.-India Civil Nuclear Cooperation Initiative.

The Administration has stated that a decision by India to test a nuclear device would result in serious consequences under the 123 Agreement. Either party has the right to terminate the agreement and seek the return of any transferred materials and technology if it determines that circumstances demand such action. Congress and the Administration have carefully addressed testing concerns in the Hyde Act, the U.S.-India 123 Agreement, and the testimony of Administration officials. We have made clear to the Government of India that sustained commitment to its moratorium on nuclear testing will be important to a strategic partnership with the United States.

In addition, the agreement with India and the Hyde Act already preclude any assistance to the weapons program. Under this initiative, India has submitted a plan to separate its civil and

military nuclear facilities, accepting IAEA safeguards at its civil nuclear facilities, allowing the IAEA to monitor activities and determine that all activities are peaceful in nature. As required by the Hyde Act, the President has determined that India has also made substantial progress toward an Additional Protocol with the IAEA that would give the IAEA expanded rights of access and additional information regarding India's civil nuclear facilities. Finally, our export control laws require licenses for all nuclear shipments and would automatically be subject to review by appropriate U.S. agencies.

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