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to the

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Good morning, Mr. Chairman, and Members of the Committee. Thank you for inviting me to testify on the proposed cooperation between the United States and India in regards to atomic energy. This is obviously a complex subject with different facets stretching from the political to the technical. It is also a subject I have given some thought to and have written about in the past.[*] As requested in your letter, I will focus my oral and written remarks this morning mainly on the strategic logic underlying the President's initiative on civil nuclear cooperation and its importance for the transforming U.S.-Indian relationship. I will be happy, however, to cover those aspects that I have not touched on in my formal testimony during the discussion that follows. I respectfully request that my statement be entered into the record.

The United States and India today are confronted by an incredible opportunity to craft a new global partnership that promises to advance a range of common interests in a way that was simply impossible during the Cold War. These interests encompass a wide variety of issues ranging from the preservation of peace and stability in a resurgent Asia over the long term, through the current exigencies relating to the global war on terror, to promoting complex collective goods such as arresting the spread of weapons of mass destruction, managing climate change, and promoting liberal democracy and an open trading system.

Thanks to the tight bipolarity of the Cold War, U.S.-Indian relations during that entire epoch were characterized by alternation: in almost every decade, troughs of estrangement invariably followed peaks of strong cooperation. Despite the desires of leaders on both sides, the quest for a strong bilateral relationship was repeatedly frustrated, which from an American perspective appeared to be the case for at least three reasons unique to India: first, New Delhi's emphatic determination to pursue a non-aligned foreign policy at a time when liberal states were under threat from global communism; second, India's relative weakness during much of the Cold War caused by its pervasive economic underperformance that, in turn, sealed its strategic irrelevance to the global system; and, third, India's anomalous nuclear status since 1974 when, in becoming "a state with nuclear weapons, but not a nuclear weapon state," New Delhi found itself cast into a netherworld where it soon became the most important target of global anti-proliferation efforts.

By the time the Cold War ended, the first two impediments were on their way to being resolved. The demise of the Soviet Union destroyed the international system that made non-alignment structurally relevant and freed both the United States and India to seek

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[*] My previous reflections on different aspects of the U.S.-Indian nuclear cooperation initiative can be found in Ashley J. Tellis, "South Asian Seesaw: A New U.S. Policy on the Subcontinent," *Policy Brief*, 38 (Washington, D.C.: Carnegie Endowment for International Peace, May 2005); Ashley J. Tellis, *India as a New Global Power: An Action Agenda for the United States* (Washington, D.C.: Carnegie Endowment for International Peace, June 2005); Ashley J. Tellis, Testimony to the House Committee on International Relations, Subcommittee on Asia and the Pacific, on "The United States and South Asia," June 14, 2005**;** Ashley J. Tellis, "Should the US Sell Nuclear Technology to India? – Part II," *YaleGlobal Online*, November 10, 2005; and, Ashley J. Tellis, Prepared Testimony to the House Committee on International Relations on "The U.S.-India 'Global Partnership': How Significant for American Interests?" November 16, 2005.

better relations undistracted by the pressures of Cold War geopolitics. By 1991—and although it was difficult to see this clearly at the time because of New Delhi's financial crisis—the Indian economy was also on its way to becoming a star performer, having left behind the abysmal 3.5% "Hindu rate of growth" that had characterized its productive performance since independence.

To its credit, the Clinton Administration, perceiving both these realities, made an initial effort to construct a new relationship with India. A wide-ranging diplomatic dialogue was instituted in the hope that the two democracies could find common ground, and India was designated a "big emerging market" worthy of special U.S. commercial attention. But, despite its good intentions, the Clinton Administration could not redress the third impediment that had by now come to haunt U.S.-Indian relations, namely India's anomalous nuclear status which made it the single most important target of U.S. anti-proliferation activities worldwide. Confronted by this challenge, the Administration attempted to implement two different policies towards India. It began with an effort to improve ties with New Delhi across the board, while simply quarantining the nuclear issue in the hope of preventing it from contaminating improvements that might be realized in other areas of the bilateral relationship. This approach, however, quickly reached the limits of its success because the U.S.-led anti-proliferation efforts since 1974 had effectively succeeded in institutionalizing a complex global technology denial regime that prevented India from getting access even to important non-strategic technologies because of fears that these might eventually leach into its nuclear programs. India's irregular nuclear status under the Non-Proliferation Treaty had in fact become such an impediment that the Clinton Administration's strategy of quarantining the nuclear issue failed either to resolve the nuclear disagreement or to transform the bilateral relationship.

By the second term, the Clinton Administration emphasized an alternative strategy, driven largely by its efforts to tighten the global nonproliferation regime. While continuing its previous effort to improve relations with India in a variety of areas such as diplomatic engagement and defense cooperation, the Administration focused its energies simultaneously on capping, rolling back, and eventually eliminating India's nuclear weapons program. This shift in emphasis, unfortunately, turned out to be unsuccessful: not only did it exacerbate the already high Indian frustration with the U.S.-led technology denial regime, but it finally provoked New Delhi into a spectacular act of defiance through the nuclear test series of 1998 when India in a deliberate challenge to the international order declared itself to be a "nuclear weapon state."

Although much of this story may sound like ancient history, it is worth remembering for two important reasons that are critical to understanding the strategic wisdom underlying President Bush's decision to initiate civilian nuclear cooperation with India.

First, the transformation of U.S.-Indian relations, as desired by the President and which enjoys bipartisan support in Congress, cannot be consummated without resolving the problems caused by India's anomalous status in the nuclear non-proliferation order. The Clinton Administration spent eight long years trying to improve U.S. relations with India, while at the same time avoiding any effort to alter India's status as an outlier in the global

non-proliferation system. The historical record shows conclusively that well intentioned though it was—and perhaps even necessary—this strategy ultimately failed. An old maxim of military strategy calls on leaders to "reinforce success, abandon failure." President Bush's initiative on civil nuclear cooperation with India is an effort to do just that, given that all other U.S. policies since at least 1974 have by now proven to be less than successful.

Second, the transformation of U.S.-Indian relations, as desired by the President and which enjoys bipartisan support in Congress, cannot be inherently schizophrenic if it is to be successful enough to advance common American and Indian interests in this new century. As our ties with friends and allies in Europe and Asia demonstrate, the United States has a variety of bilateral relationships defined by different degrees of intensity and intimacy. What all these relationships have in common, however, is that in no case is any U.S. partner made the deliberate target of a punitive policy concertedly pursued by Washington. Through his proposal for full civil nuclear cooperation with India, President Bush has in effect conveyed his belief that if India is to become a full strategic partner of the United States in this new century, a comparable courtesy must be extended to New Delhi as well. Stated in a different way, the President has recognized that it is impossible to pursue a policy that simultaneously seeks to transform New Delhi into a strategic partner of the United States on the one hand, even as India remains permanently anchored as Washington's nonproliferation target on the other.

These two reasons combine to underscore the point that Secretary Rice made in her recent testimony to this Committee. Far from being an appendage to growing U.S.-Indian ties, bilateral civilian nuclear cooperation promises to become "the key that will unlock the progress of our expanding relationship." Congressional action to implement this initiative is therefore critical not simply because it will help address India's vast and growing energy needs—though it will certainly do that—or because it will mitigate the burdens of environmental pollution and climate change in South Asia—though those must be counted among its benefits as well—but because it symbolizes, first and foremost, a renewed American commitment to assisting India meet its enormous developmental goals and thereby take its place in the community of nations as a true great power.

Renewed civilian nuclear cooperation thus becomes the vehicle by which the Indian people are reassured that the United States is a true friend and ally responsive to their deepest aspirations. By altering the existing web of legal constraints on civilian nuclear cooperation with India, Congress would also expand simultaneously India's access to a wide range of controlled technologies that are useful for numerous peaceful economic endeavors going beyond merely the production of electricity. The successful implementation of the civilian nuclear cooperation agreement would therefore epitomize—as Prime Minister Manmohan Singh told Under Secretary of State Nicholas Burns in New Delhi in February 2006—"a historic reconciliation between the United States and India and a new concord after many decades of anxiety, distrust, and suspicion in our bilateral relations."

The increasing value of this transforming bilateral relationship with India for the United States will be manifested most clearly in three areas that will be vitally important to American security in this century.

To begin with, a strong American partnership with a democratic India will be essential if we are to be able to construct *a stable geopolitical order in Asia that is conducive to peace and prosperity*. There is little doubt today that the Asian continent is poised to become the new center of gravity in international politics. Most analyses suggest that although national growth rates in several key Asian states—in particular Japan, South Korea, and possibly China—are likely to decline in comparison to the latter half of the Cold War period, the spurt in Indian growth rates, coupled with the relatively high though still marginally declining growth rates in China, will propel Asia's share of the global economy to some 43% by 2025, thus making the continent the largest single locus of economic power worldwide. An Asia that hosts economic power of such magnitude, along with its strong and growing connectivity to the American economy, will become an arena vital to the United States—in much the same way that Europe was the grand prize during the Cold War. In such circumstances, the Administration's policy of developing a new global partnership with India represents a considered effort at "shaping" the emerging Asian environment to suit American interests in the twenty-first century.

This should not be interpreted as some kind of thinly veiled code signifying the polite containment of China, which many argue is in fact the Administration's secret intention. Such claims are, in my judgment, erroneous. A policy of containing China is neither feasible nor necessary for the United States at this point in time. Further, it is not at all obvious that India, currently, has any interest in becoming part of any coalition aimed at containing China. Rather, the objective of strengthening ties with India is part of a larger—and sensible—Administration strategy of developing good relations with *all* the major Asian states. As part of this general effort, it is eminently reasonable for the United States not only to invest additional resources in strengthening the continent's democratic powers but also to deepen the bilateral relationship enjoyed with each of these countries—on the assumption that the proliferation of strong democratic states in Asia represents the best insurance against intra-continental instability as well as threats that may emerge against the United States and its regional presence. Strengthening New Delhi and transforming U.S-Indian ties, therefore, has everything to do with American confidence in Indian democracy and the conviction that its growing strength, tempered by its liberal values, brings only benefits for Asian stability and American security. As Under Secretary of State Nicholas Burns succinctly stated in his testimony before the House International Relations Committee, "By cooperating with India now, we accelerate the arrival of the benefits that India's rise brings to the region and the world."

Further, a strong American partnership with a democratic India will be essential if we are to succeed in preserving *an effective non-proliferation system that stems the diffusion of nuclear materials and technologies required for the creation of nuclear weapons*. The central component of civilian nuclear cooperation is critical in this regard because it formalizes a bargain that gives India access to nuclear fuel, technology, and knowledge on the condition that New Delhi institutionalizes stringent export controls, separates its

civilian from its strategic facilities and places the former under safeguards, and assists the United States in preventing further proliferation. Bringing India into the global non-proliferation regime in this way produces vital benefits both for the United States *and* for all non-nuclear weapons states insofar as it transforms India's hitherto commendable nonproliferation record, which is owed entirely to voluntary sovereign decisions made by successive Indian governments, into a formal and binding adherence through a set of international agreements. Thanks to the President's initiative, India has now agreed to obligations that in fact go beyond those ordinarily required of NPT signatories, such as refraining from transfers of enrichment and reprocessing technologies to states that do not already possess them and supporting efforts to limit their spread; working with the United States to conclude a multilateral Fissile Material Cutoff Treaty; continuing its unilateral moratorium on nuclear testing; and adhering to the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group (NSG) guidelines.

Bringing India into the global nonproliferation regime through a lasting international agreement that defines clearly enforceable benefits and obligations not only strengthens American efforts to stem further proliferation but also enhances U.S. national security. The President's accord with India advances these objectives in a fair and direct way. It recognizes that it is unreasonable to ask India to continue to bear the burdens of contributing towards ensuring the viability of the global nonproliferation regime in perpetuity, while it suffers stiff and encompassing sanctions from that same regime. And so the President has asked the Congress to support his proposal to give India access to nuclear fuel, technology, and knowledge in exchange for New Delhi formally becoming part of the global coalition to defeat the proliferation of weapons of mass destruction. In other words, he offers India the benefits of peaceful nuclear cooperation in exchange for transforming what is currently a unilateral Indian commitment to nonproliferation into a formally verifiable and permanent international responsibility.

The fruits of this initiative are already in evidence, for example, in connection with India's strong support for the U.S.-led efforts to persuade Iran to live up to its freely accepted non-proliferation obligations. This Indian decision has not been easy because of New Delhi's otherwise good relations with Tehran. India and Iran share historical links that go back thousands of years; India and Iran played a pivotal role in ensuring the viability of the Northern Alliance in Afghanistan during the darkest days of Taliban rule; India remains one of Iran's most important customers for oil and natural gas, and it continues discussions with Islamabad and Tehran about the construction of a gas pipeline that would link the three countries and help meet India's large and growing energy needs. Many voices in the American debate on the civilian nuclear initiative have demanded that India curtail its economic and diplomatic links to Iran as the price of securing U.S. cooperation in regards to civilian nuclear energy. Such demands are unreasonable. The negotiations over the Iranian-Pakistani-Indian gas pipeline are unlikely to succeed simply because of economic considerations, but New Delhi is unlikely to concede to any demands that rupture its diplomatic and economic relationship with Tehran if these are seen to have no relationship with the issue of nuclear proliferation. On this score, India is likely to behave in a fashion identical to that of our close allies such as Japan and Italy. It will demand—as it has done thus far—that Tehran live up to its international non-

proliferation commitments and obligations, and it will abide by any decisions made by the international community to enforce these responsibilities, but it is unlikely to unilaterally sacrifice its bilateral relationship with Iran in areas that are not perceived to have any connection with non-proliferation and which do not pose a threat to common security.

Finally, a strong American partnership with a democratic India will be essential if we are to successfully preserve *a global order that protects liberal societies and advances freedom in myriad ways*. This objective encompasses a congeries of diverse goals, including promoting democracy, defeating terrorism and religious extremism, collaborating to protect the energy routes and lines of communication supporting free trade and commerce, expanding the liberal international economic order, and managing climate change—each of which is critical to the well being of the United States. It does not take a great deal of imagination to recognize that for the first time in recent memory Indian and American interests on each of these issues are strongly convergent and that India's contribution ranges from important to indispensable as far as achieving U.S. objectives is concerned.

The President's intention in proposing civilian nuclear cooperation with India is fundamentally driven by his conviction that every impediment to a closer relationship ought to be eliminated, so that both our countries can enjoy the fullest fruits of an ever-tighter partnership in regards to each of the issues above. It is also driven by his desire to assist New Delhi's growth in power on the assumption that a strong democratic India would ultimately advance America's own global interests far better than a weak and failing India would. The key word, which the Administration understands very well in this context, is "partnership." A strengthened bilateral relationship does not imply that India will become a treaty-bound ally of the United States at some point in the future. It also does not imply that India will become a meek, compliant and uncritical collaborator of the United States in all its global endeavors. Rather, India's large size, its proud history, and its great ambitions, ensure that it will always pursue its own interests—just like any other great power.

During his recent visit to the United States in March this year, India's Foreign Secretary Shyam Saran, appealed to his American interlocutors to recognize that "when an open society like India pursues its own interests, this is more likely than not to be of benefit to the United States." If the President's views on India going back to the campaign in 2000 are any indication, George W. Bush had already reached this conclusion at least five years ago. In fact, every initiative involving India, beginning with the Next Steps in Strategic Partnership in the first term and ending up with the proposal on civilian nuclear cooperation in the second, suggest that the President has concluded—correctly—that a strong and independent India represents a strategic asset, even when it remains only a partner and not a formal ally. This judgment is rooted in the belief that there are no intrinsic conflicts of interest between India and the United States. And, consequently, transformed ties that enhance the prospect for consistent "strategic coordination" between Washington and New Delhi on all the issues of global order identified above serve U.S. interests just as well as any recognized alliance.

The question that is sometimes asked in this connection is whether a close U.S.-Indian partnership would be impossible in the absence of civilian nuclear cooperation. The considered answer to this question is "Yes." This is not to say that U.S.-Indian collaboration will evaporate if civilian nuclear cooperation between the two countries cannot be consummated, but merely that such collaboration would be hesitant, troubled, episodic, and unable to realize its full potential without final resolution of the one issue that symbolically, substantively, and materially kept the two sides apart for over thirty years. At a time when U.S.-Indian cooperation promises to become more important than ever, given the threats and uncertainties looming in the international system, the risk of unsatisfactory collaboration is one that both countries ought not to take.

Through the civilian nuclear cooperation initiative, President Bush has embarked on a bold and decisive step to eliminate those long-standing impediments between Washington and New Delhi and to place the evolving U.S-Indian relationship on a firm footing guided by a clear understanding of the geo-strategic challenges likely to confront the United States in the twenty-first century. Recognizing that a new global partnership would require engaging New Delhi not only on issues important to the United States, the Administration has moved rapidly to expand bilateral collaboration on a wide range of subjects, including those of greatest importance to India. The proposal pertaining to extending civilian atomic energy cooperation to India is, thus, part of a larger set of Presidential initiatives involving agriculture, cybersecurity, education, energy, health, science and technology, space, dual-use high technology, advanced military equipment, and trade.

Irrespective of the issues involved in each of these realms, the President has approached them through an entirely new prism, viewing India, in contrast to the past, as part of the solution rather than as part of the problem. He has judged the growth of Indian power to be beneficial to America and its geopolitical interests in Asia and, hence, worthy of strong support. And, he is convinced that the success of Indian democracy, the common interests shared with the United States, and the human ties that bind our two societies together, offer a sufficiently lasting assurance of New Delhi's responsible behavior so as to justify the burdens of requesting Congress to amend the relevant U.S. laws (and the international community, the relevant regimes) pertaining to peaceful nuclear trade. On all these matters, I believe—without any qualification—that the President has made the right judgment with respect to India and its importance to the United States. I hope that Congress will agree.

Thank you, Mr. Chairman, for your attention and consideration.