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THE Bush White House, eager to establish its legacy, has now become frantic to finalize its offer of nuclear cooperation with India. Meanwhile, the Indian government, embattled by its critics, is begging for more time. In 2005, when President George W. Bush first offered New Delhi forbidden U.S. nuclear technology, it was Prime Minister Manmohan Singh who was pleading to seal the deal and U.S. officials who were reluctantly making concessions. The reversal is stunning.

Now, up is down and the Indian government is showing its independence with a vengeance: Its finance minister last week met with his Iranian counterpart and renewed India's commitment to complete a multibillion dollar gas-running pipeline from Iran through Pakistan to India. Also, to Washington's dismay, India will soon be welcoming delegations from France and Russia to build new reactors independent of the U.S. nuclear deal.

None of this is good. Certainly, if the Bush administration wants to improve relations with New Delhi, promote possible U.S. nuclear exports to India, and uphold the nuclear restraints that the deal was supposed to strengthen, it has its work cut out for it. Simply bullying New Delhi to finalize the nuclear deal won't cut it.

Instead, given the rumblings from Capitol Hill, the White House will be pressed to take at least three additional steps. First, it will have to make sure that the Nuclear Suppliers Group (NSG), of which the U.S., China, Russia, France and the United Kingdom are members, does not allow any country to sell India controlled nuclear goods under conditions less stringent than those U.S. nuclear companies have to meet under U.S. law.

Second, it will have to get India that to back off its energy cooperation with Iran. Finally, it will have to work on other more important forms of energy and trade cooperation with India.

As for the White House's current efforts to push India to complete the deal so Bush might secure full credit, it's a clear non-starter. Earlier last week, Under Secretary of State Nicholas Burns warned that time was running out; that India only had the next few months to complete the deal without risking "damage" to U.S.-Indian relations. Treasury Secretary Henry Paulson, in Bombay, to negotiate improved U.S.-Indian trade ties, was even more blunt. "I can't come here right now without talking about the civilian nuclear deal," he said. "We want the nuclear deal to move as quickly as possible." He talked about reducing U.S. trade barriers in the same breath as he urged India to complete the deal. Predictably, these not-so-veiled threats are backfiring, causing Mr. Singh's nuclear backbenchers to decry Washington's lectures as an "insult". U.S. officials, however, continue to pressure India to take the last step to finalize a nuclear safeguards agreement with the International Atomic Energy Agency (IAEA), which is only feeding suspicions that Mr. Bush needs the deal more than India does.

All of this is making Capitol Hill nervous. Congressmen Howard Berman and Jeff Fortenberry and Congresswoman Ileana Ros-Lehtinen (all members of the House Committee on Foreign Relations who supported the deal) recently warned the administration that unless it is more careful, Russia and France could easily undercut U.S. nuclear sales to India by exporting reactors under far fewer conditions than U.S. law requires of American suppliers. Their strong recommendation, spelled out in a bill they tabled earlier this month, is to insist that NSG members, upholds the key requirements of U.S. nuclear export controls. Before the NSG meets Nov. 14-15, these congressmen have made it clear that the U.S. must press the NSG to require New Delhi to place all of its civilian nuclear facilities under permanent safeguards (whether they use foreign fuel or not). In addition, they want the administration to require the NSG to ban exports of nuclear fuel making equipment or technology to India and to prohibit India from reprocessing imported fuel as required by U.S. law. Finally, and most important, their resolution requires the administration to get the NSG to cut off supplies to India, again, as U.S. law requires, if New Delhi resumes nuclear testing or violates its IAEA safeguards agreements.

These demands are nettlesome. Unfortunately they're also necessary: Earlier this month, senior Indian officials were reported to be scheming to short-circuit the U.S. deal and America's various legal conditions simply by buying nuclear goods from the less finicky Russians and French.

Washington is also perturbed by India's increasing energy ties with Iran. These dealings directly undermine U.S., European, and United Nations Security Council demands that Iran suspend its nuclear-fuel making activities. More important, they fly in the face of the White House's repeated assurances to Congress that U.S. nuclear cooperation would bring India around on Iran. Under the Hyde Act, which authorized the negotiation of nuclear cooperation with India, Congress and the President agreed that a key objective of "strategic partnership" with India was to secure New Delhi's cooperation in isolating Iran for its nuclear misbehavior.

It isn't happening. First, Indian state-run oil companies have been prospecting for energy in Iran. One Indian operation, ONGC Videsh Ltd., just discovered 10 trillion cubic feet of natural gas only 90 kilometers from Iran's Bushehr nuclear reactor site. Second, India is making government-to-government energy deals with Iran. Beyond renewed negotiations to build a massive, multibillion dollar gas pipeline through Pakistan, Gas Authority of India Ltd. (GAIL), a state-owned entity, is reported to have completed a \$22 billion natural gas deal that includes building a gas liquefaction plant that Iran does not yet have. Finally, India is helping to refine much of the gasoline Iran domestically consumes. Lacking sufficient domestic refining capacity, Iran exports much of its oil to get it converted into gasoline. Much of this foreign refining is done in India.

None of this is yet sanctionable under current U.S. laws but Congress is about to change this. Under the Iran Counterproliferation Act of 2007, which the House just passed,

India's continued energy ties will become clear-cut a liability. Pointedly, the act requires the Executive to encourage foreign governments to "direct state and private-owned entities to cease all investment in Iran's energy sector and all exports of refined petroleum products to Iran." The Senate is next to act on this bill and is expected to go even further in proscribing energy investments and refining cooperation with Iran. Finally, another bill in the House, The Iran Sanctions Act of 2007, tabled earlier this year, explicitly calls for sanctions against any state that refines Iran's oil.

The White House has reluctantly conceded these points. Earlier this summer, Under Secretary Burns warned his Indian counterparts that it would be helpful if India "diminished" its ties to Iran. India's response was less than impressive. Now, Congress will urge sanctions be leveled against any country doing business with the U.S. if it fails to suspend significant energy ties with Iran. This means that until and unless Tehran heeds the Security Council's demand that Iran freeze its enrichment activities, India will be asked to stop offering help to Iran's oil and gas business. How New Delhi might respond to these demands is unclear.

On the positive side, the U.S. still has plenty to offer India. The White House has authorized Treasury Secretary Paulson to launch a number of trade initiatives with India. U.S. policies regarding farm and textile protections as well as Indian barriers to U.S. investments in India are easily greater obstacles to improved relations than any stance regarding U.S. nuclear exports. The same can be said of U.S. visa restrictions on Indian businessmen, students and tourists. While Senator Richard Lugar has long championed increased energy cooperation with India to promote the use of clean-coal technologies, he recently urged Congress to implement Title V of the Nuclear Nonproliferation Act, designed to promote nonnuclear, nonfossil alternative energy sources. India would be a prime candidate for such work.

This begs the question of the nuclear deal's fate. It still might yet get completed. But given all of Washington's concerns, India's reluctance to act is not just understandable, it's also prudent. New Delhi, after all, must gauge precisely what the deal will demand of it. So far, the answer seems to be a bit more than it bargained for.

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