



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

July 26, 2006
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5682 - United States and India Nuclear Cooperation Promotion Act of 2006

(Rep. Hyde (R) IL and 35 cosponsors)

The Administration strongly supports House passage of H.R. 5682, the United States and India Nuclear Cooperation Promotion Act of 2006, and appreciates the House International Relations Committee's endorsement of this historic initiative. The legislation will facilitate nuclear energy cooperation between the world's two largest democracies. It is part of a profound transformation in the way the United States and India are partnering to promote energy security, prosperity, democracy, stability, and peace in the region and around the world.

The Administration is pleased that the bill grants the President authorities related to the Atomic Energy Act of 1954, consistent with the Joint Statement of President Bush and Indian Prime Minister Singh in July 2005. An important feature of this legislation is the procedure for a joint resolution of approval that ensures an up-or-down vote without amendment on a proposed nuclear energy cooperation agreement with India.

The Administration has concerns with certain provisions of the bill. Section 4(d), which restricts nuclear transfers to India, would codify political guidelines of the Nuclear Suppliers Group (NSG) for future supply to India, with the result that the U.S. would be the only NSG country legally bound by these requirements. Such a provision will not advance U.S. nonproliferation objectives and could prove counterproductive, in effect limiting the ability of the United States to negotiate with other NSG members and weakening the voluntary, cooperative nature of the NSG regime, which is the foundation of its success.

Section 3, which purports to dictate the foreign policy of the United States with respect to critical national security issues, would infringe upon the President's constitutional authority to conduct the Nation's foreign affairs. Sections 4(c) and (o), which would require the President to disclose the current status of, and future strategy for, diplomatic negotiations regarding nonproliferation issues, would infringe upon the President's constitutional responsibility over the timing and the contents of the disclosure of sensitive diplomatic information.

The Administration urges consolidation of the many reporting requirements found in this legislation and requests that the House place a sunset provision on such reporting requirements.

The Administration would oppose any amendment that would require renegotiation of what was agreed to in the July 18, 2005 Joint Statement, such as, requiring India to cap its production of fissile material before cooperation could occur. The United States should not hold up the significant nonproliferation gains afforded by this Initiative in order to seek a fissile material cap to which India has indicated it cannot agree, absent a similar undertaking by Pakistan and China.

Moreover, the United States and India are engaged in discussions on a multilateral Fissile Material Cutoff Treaty, to be negotiated in the Conference on Disarmament, and the United States is pressing for substantial progress in that context.

The Administration would also oppose any amendment conditioning cooperation with India upon India's policies toward Iran, which would be beyond the scope of our July 2005 commitments. India has agreed to support international efforts to limit the spread of enrichment and reprocessing technologies, including to states such as Iran. As a responsible member of the international community, India has supported our efforts to address Iran's nuclear program, voting twice in the International Atomic Energy Agency (IAEA) Board of Governors to find Iran in noncompliance with IAEA safeguards and to report the issue to the UN Security Council. India has made the decision that it is in its own national security interest to oppose the development of Iran's nuclear weapons program.

The Administration looks forward to working with Congress to address these and other concerns as this significant piece of legislation moves through the legislative process.

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