

## **U.S. Proposal for Changes to Nuclear Suppliers Group Guidelines Circulated March 2006**

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Note for Reporters by [Daryl G. Kimball](#)

March 27, 2006

As part of the proposal for full civil nuclear cooperation with India as outlined by President Bush and Prime Minister Singh in their July 18, 2005 Joint Statement, Bush pledged to seek India-specific exceptions to NSG guidelines adopted at the United States' urging in 1992 that restrict trade with non-nuclear-weapon states (including India) that do not accept full-scope IAEA safeguards.

In the days before a March 22-23 consultative group meeting of the Nuclear Suppliers Group in Vienna, the United States circulated a draft text for possible adoption by the 45-member group, which operates by consensus.

According to sources, the meeting included a general discussion of the U.S.-India nuclear cooperation proposal, but apparently no specific discussion on the proposed U.S. text that would create a loophole in NSG trade restrictions. Thirty delegations spoke. As expected, France, Russia, and the United Kingdom expressed general support for the proposal, but the rest, including Japan and China, asked numerous questions, many of which were very critical.

The skeptical reaction of the majority of NSG members represents a setback for the Bush administration. There was no agreement to put the U.S. proposal on the formal agenda of the NSG Plenary meeting May 29-June 2 in Brazil. This situation could theoretically change, but even if the United States works quickly to revise its proposed changes to NSG guidelines to make a country-specific exemption for India, it is highly unlikely that the NSG states will agree to act on the initiative at the upcoming meeting.

### **Brief Analysis**

India-specific exemptions from NSG guidelines would erode the credibility of the NSG's effort to restrict legitimate peaceful nuclear trade only to those states that meet global nuclear nonproliferation and disarmament standards. The U.S. proposal could invite other nuclear supplier states to seek exemptions for their preferred nuclear trading partners that don't yet meet the NSG's standards and/or prompt nuclear supplier states to simply ignore the NSG's voluntary guidelines, as Russia has already done by re-supplying India's two Tarapur light-water reactors this month. (Russia had announced in December 2004 that it would not re-supply the Tarapur reactors but changed its position sometime after Bush and Singh announced their proposal for civil nuclear cooperation.)

One of the most notable and troublesome features of the U.S. proposal is the weak and very ambiguous language in section 2, which is ostensibly meant to outline what India must do in order to qualify for transfers of NSG trigger list items. In addition, section 4 would allow individual NSG members to decide whether India is meeting these weak standards before they sell nuclear technology and materials (possibly including technologies the United States would not be willing to sell) to India.

Section 4 says in part: Participating Governments may transfer trigger list items and/or related technology to the safeguarded civil nuclear facilities in India (a State not party, and never having been a party, to the NPT) as long as the participating Government intending to make the transfer is

satisfied that India continues to fully meet all of the aforementioned nonproliferation and safeguards commitments, and all other requirements of the NSG Guidelines.

In essence, the Bush administration is proposing an NSG rule-change that would not only erode rules-based efforts to curb the spread of nuclear weapons, but it would also allow other states to interpret the India-specific rule as they see fit and undermine how U.S. policymakers would like to see such a rule applied.

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[U.S. Government Circulated] Draft  
Pre-Decisional

#### Statement on Civil Nuclear Cooperation with India

1. At the [blank] Plenary meeting on [blank] the Participating Governments of the Nuclear Suppliers Group agreed that they:
  - Desire to contribute to an effective non-proliferation regime, and to the widest possible implementation of the objectives of the Treaty on the Non-proliferation of Nuclear Weapons;
  - Seek to limit the further spread of nuclear weapons;
  - Wish to pursue mechanisms to affect positively the conduct of those outside the Treaty;
  - Seek to promote international cooperation in the research, development and safe use of nuclear energy for peaceful purposes, and e. Recognize the promise of nuclear power in India as a clean source of energy for sustained economic growth and prosperity.

In this respect, Participating Governments have taken note of steps that India has taken as a contributing partner in the nonproliferation regime and they welcome India's efforts with respect to the following commitments and actions:

- Having publicly designated peaceful civil nuclear facilities which will be submitted to IAEA safeguards in perpetuity;
- Having committed to continue its moratorium on nuclear testing, and to work with others towards achievement of a Fissile Material Cutoff Treaty;
- Having committed to accept an Additional Protocol covering designated civil nuclear facilities;
- Having committed to support international efforts to restrain the spread of sensitive nuclear technologies;
- Having adopted a national export control system capable of effectively controlling transfers of multilaterally controlled nuclear and nuclear related material, equipment, and technology;
- Having agreed to adhere formally to the Nuclear Suppliers Group Guidelines.

For these reasons, Participating Governments have therefore adopted the following policy on civil nuclear cooperation by Participating Governments with the peaceful safeguarded Indian civil nuclear power program.

Notwithstanding paragraphs 4(a), 4(b), and 4(c), of INFCIRC/254/Part 1 as revised, Participating Governments may transfer trigger list items and/or related technology to the safeguarded civil nuclear facilities in India (a State not party, and never having been a party, to the NPT) as long as the participating Government intending to make the transfer is satisfied that India continues to fully meet all of the aforementioned nonproliferation and safeguards commitments, and all other requirements of the NSG Guidelines.

Participating Governments, in accordance with Paragraph 4(d), will continue to strive for the earliest possible implementation of the policy referred to in paragraph 4(a).

The NSG Point of Contact is requested to submit this Statement to the IAEA DG with a request that he circulate it to all Member States.

- [India](#)
- [United States](#)

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