



**U.S.-India Relations:  
The Best is Yet to Come**

Satu P. Limaye  
Institute for Defense Analyses\*

Measured by criteria such as the number of high-level visits, new dialogue mechanisms, initiatives, and major agreements, U.S.-India relations during 2005 could certainly be characterized, in the words of Ambassador David Mulford, as at “an all-time high.” But a careful review of the year confirms that while the tone and atmospherics of the bilateral relationship have undergone a profound, positive change, there is significant work to be done in transforming visits, mechanisms, initiatives, and agreements into sustainable progress in the relationship. This sense of there being more to do is perhaps what Prime Minister Manmohan Singh alluded to when, in an interview on the *Charlie Rose Show*, he said of his discussions with President George W. Bush that “we both agreed that the best is yet to come.”

The year just completed, 2005, saw the signing of a new framework agreement for defense cooperation, a major initiative to pursue civilian nuclear cooperation and a state visit by Prime Minister Singh to the U.S. at the invitation of President Bush. It remains to be seen how the processes launched on the defense and nuclear fronts will be implemented and whether a visit by President Bush to India in 2006 (as is widely expected) will continue the momentum in bilateral relations. Meanwhile, U.S. and Indian trade and investment ties, though growing swiftly, remain far below their potential and the U.S. and India continue to search for the same “wavelength” on a range of regional and international issues. One issue that did not interfere significantly with U.S.-India relations during the year, as it had during the first Bush administration, was the India-Pakistan dispute.

**A nuclear deal?**

The most dramatic and controversial development in U.S.-India relations during 2005 was the agreement to pursue civilian nuclear energy cooperation. At the close of the year, however, many uncertainties about the implementation of the agreement remain. As previous articles have discussed (see for example, “U.S.-India Relations: Stuck in a Nuclear Narrative,” *Comparative Connections*, Vol. 3, No. 1 and “U.S.-India Relations:

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\* The views expressed in this chapter are those of the author and do not necessarily reflect the views of any organizations with which the author is affiliated.

Visible to the Naked Eye,” *Comparative Connections*, Vol. 3, No. 4 and “U.S.-India and India-Southeast Asia Relations: Delhi’s Two-Front Diplomacy,” *Comparative Connections*, Vol. 5, No. 4), India’s nuclear weapons development has long cast a pall over the entire bilateral relationship. The Bush administration took office in 2001 determined to address this constraint to the relationship. In its first term, the administration was able to waive (but not repeal) sanctions in the wake of Sept. 11. Since then, ongoing discussions about India’s nuclear status and the possibility of civilian nuclear cooperation have taken place without reaching any clear, workable formulation.

The agreement contained in the July 18, 2005 U.S.-India Joint Statement, issued during Prime Minister Singh’s state visit to Washington, D.C., offers one such formulation. According to the statement, the United States is to take several actions. First, “...President [Bush] would...seek agreement from Congress to adjust U.S. laws and policies...” to make cooperation with India possible. Congressionally mandated restrictions currently preclude civilian nuclear cooperation with India. Second, President Bush agreed that the “United States will work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India, including but not limited to expeditious consideration of fuel supplies for safeguarded nuclear reactors at Tarapur.” Third, in response to India’s expressed interest in participating in the International Thermonuclear Experimental Reactor (ITER) project, the U.S. agreed to “consult with its partners considering India’s participation.” And finally, the “United States will consult with the other participants in the Generation IV International Forum with a view toward India’s inclusion.” By the end of 2005, only the third item, India’s participation in ITER, was fully implemented, though considerable efforts were underway on the other milestones.

For its part, India signed on to several “responsibilities and practices” in exchange for full civilian nuclear cooperation with the U.S. – and potentially other countries. According to the statement, “...India would reciprocally agree that it would be ready to assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology, such as the U.S. These responsibilities and practices consist of identifying and separating civilian and military nuclear facilities and programs in a phased manner and filing a declaration regarding its civilian facilities with the International Atomic Energy Agency (IAEA); taking a decision to place voluntarily its civilian nuclear facilities under IAEA safeguards; signing and adhering to an Additional Protocol with respect to civilian nuclear facilities; continuing India’s unilateral moratorium on nuclear testing; working with the U.S. for the conclusion of a multilateral Fissile Material Cut Off Treaty; refraining from transfer of enrichment and reprocessing technologies to states that do not have them and supporting international efforts to limit their spread; and ensuring that the necessary steps have been taken to secure nuclear materials and technology through comprehensive export control legislation and through harmonization and adherence to Missile Technology Control Regime (MTCR) and Nuclear Suppliers Group (NSG) guidelines.”

This framework agreement has been the subject of intense negotiations between the two countries and within the two polities since the July 18 announcement. The proposal has also attracted considerable international attention, including at meetings of the Nuclear Suppliers Group (NSG). Understanding the immediate lead up to the July 18 statement is important because it provides insights into the approach taken by the two countries and the obstacles that remain.

By spring 2005, there were already public indications that the U.S. and India had made progress in their discussions about possible civilian nuclear cooperation. At an April 14 joint press conference held by Secretary of State Condoleezza Rice and External Affairs Minister Natwar Singh during the latter's visit to Washington, Singh noted that "my colleague, Dr. Montek Singh Ahluwalia [Deputy Chairman of the Planning Commission], is staying back to have discussions on economic matters and *matters related to the peaceful uses, civil uses of nuclear energy* [emphasis added], and also other scientific matters...*I am particularly happy to compliment our American friends for the fresh approach they have brought to bear on a subject that is of such vital importance for us* [emphasis added]." And, following a meeting between External Affairs Minister Singh with President Bush, Indian Foreign Secretary Shyam Saran briefed the press that "[President Bush] said India and the U.S. need to work in this particular area [the issue of energy] which would include the area of civil nuclear cooperation."

Soon after, the outlines of India's dual-track but overlapping strategy became evident. The first track involved taking steps to assure the Bush administration of India's commitment to the protection of technology and materials that it might receive under a nuclear deal. The steps that India took on this front would in turn facilitate the Bush administration's ability to make the case for civilian nuclear cooperation with India to the U.S. Congress as well as its international allies and partners. To this end, on May 13, both houses of India's Parliament passed the *Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Bill 2005*. An Indian Ministry of External Affairs spokesperson explained that while India has several pieces of legislation that relate to WMD, "the objective of introducing this legislation was to provide an integrated and overarching legislation which provides for prohibiting a range of unlawful activities in relation to WMD and their delivery system and WMD usable goods and technologies." This is quite significant in light of the fact that since India's May 1998 nuclear tests and its self-declaration as a nuclear weapons state, the U.S.-India dialogue has encompassed the need for an Indian legal framework for nonproliferation.

Three other elements of the Indian legislation are notable. First, in making the announcement, the spokesman asserts that "[t]his does not indicate any change in our nuclear policy. It does not in any manner constrain any nuclear programs, civilian or strategic." Throughout the year, as negotiations with Washington on possible civilian nuclear cooperation move forward, the Indian government sought to simultaneously allay criticism at home that it is "caving in" to U.S. demands. Second, the legislation is justified on the grounds that "updated controls over the export of WMD usable goods and technologies and prohibitions related to non-state actors will fulfill our mandatory obligations under the UN Security Council Resolution 1540 which was adopted on April

28, 2004.” No mention is made of any possible relationship between this step and a nuclear cooperation agreement with the U.S. or other countries. Third, a direct link is made between the possibility of international nuclear energy cooperation and the legislation. In a seemingly choreographed exchange between an unnamed press person and the MEA spokesmen, when asked whether “this legislation makes it easier for India to fulfill its civilian nuclear energy requirements from abroad...” the spokesman replies “The fact that India has taken all the steps necessary to show that India is a responsible nuclear state is naturally a major statement to the world.”

The outlines of the emerging U.S.-India accord and the Indian position in the negotiations became clearer in the course of an important speech by India’s Prime Minister Manmohan Singh to the Defense Research and Development Organization (DRDO) May 17. In the speech, and referring to the legislation discussed above, Singh laid out India’s commitment to the nonproliferation of sensitive technologies, the logic for international suppliers to cooperate with India, and hints at India’s willingness to sign on to certain elements of the international nonproliferation regime so long as these elements do not constrain India’s “legitimate interests” regarding its “strategic programs,” i.e., its nuclear weapons capabilities. The prime minister’s text on this point is worth citing in full:

“The strict regulation of external transfers and tight control to prevent internal leakages [contained in the *Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Bill 2005*] should give confidence to the international suppliers of high technology items that their supplies will remain fully secure with us. We see no reason for nonproliferation concerns to be a barrier to high technology trade and commerce with our country. Our message to the international community is, therefore, is [sic] loud and clear – India is willing to shoulder its share of international obligation as partner against proliferation provided our legitimate interests are safeguarded. In the defense field and the nuclear field, our strategic programs are indigenous and not dependent on external sources of support. Nor can they be the subject of externally imposed constraints. Within these parameters, *India is prepared for the broadest possible engagement with the International nonproliferation regime* [emphasis added].”

Within two weeks of this speech, on June 3, the government of India announced that the prime minister accepted an invitation from President Bush to travel to Washington. On the same day, Prime Minister Singh said it was “imperative” that India “embark on a major expansion of nuclear energy,” in part through international collaboration. He also said, “Artificial barriers and [nuclear] technology denial regimes are an anachronism in the age of globalization and must be progressively dismantled.” On July 18, the U.S.-India Joint Statement, including the possibility of civilian nuclear cooperation, was issued.

With the proposed nuclear agreement now public, both Washington and New Delhi sought to address critics at home and abroad. The Bush administration's lead negotiator for the deal, Under Secretary of State Nicholas Burns, emphasized that India's commitments under the proposed deal "will actually strengthen the nonproliferation regime" and represents "a benefit to the United States." He stated that "especially when Congress comes back from summer recess, we will want to put in front of the Congress a specific program that would allow the United States to proceed to commit itself to this program of [nuclear] cooperation" with India. But critics could not wait and some members of the U.S. Congress and nongovernment specialists expressed misgivings about the possible deal. In any case, the administration was unable to provide Congress any "specific program" on the deal because India had yet to take some of the key nonproliferation steps it promised – the most important being a credible, transparent plan for the separation of its military and civilian nuclear facilities.

Meanwhile, Indian officials were responding to critics at home, too. Leftist members of Prime Minister Singh's United Progressive Alliance (UPA) coalition government criticized the deal as overly conciliatory to the U.S. And former Prime Minister Vajpayee wrote a letter to Prime Minister Singh expressing concern that the proposed agreement makes unreasonable demands on India while the U.S. "has merely made promises" in return. No doubt to allay accusations of a surrender to Washington's demands, shortly after the deal was announced India's Defense Minister Pranab Mukherjee reiterated that India will not sign the Nuclear Nonproliferation Treaty, calling it "discriminatory and flawed." And on his return to India, Prime Minister Singh reassured Parliament that nuclear cooperation with the U.S. would not limit or lead to any outside interference in India's military nuclear program. On Aug. 15, India's Independence Day, Prime Minister Singh's address to the nation called his recent U.S. visit a "major step toward promoting friendship" with the U.S. that will help accelerate the development of India. But it was left to Indian National Security Advisor Narayanan to tell the press that India's strategic nuclear program was "left untouched" by the recent agreement and that India "will have enough fissile material available to meet our current and future needs."

In the fall, attention to the agreement shifted to the U.S. Congress, with both the Senate and House holding hearings on the proposed agreement. While Congress generally welcomes improved U.S.-India relations, considerable concern remains about the nuclear agreement. As matters stand at the end of the year, the onus appears to be on India to provide a plan for the separation of its civilian from its weapons-related facilities. Earlier expectations that this process could be achieved relatively quickly and without further negotiations now appear over-optimistic. Additional talks were held between the two countries in December without reaching an agreement and further talks are scheduled for January 2006. Even if the Indian government and the Bush administration reach an agreement on implementing the agreement, it will still require negotiations between the administration and Congress before it can take effect. Given congressional attitudes, there is no guarantee that the deal will be consummated – and perhaps not as currently formulated. It is worth noting that India's Foreign Secretary Saran, during his December talks on the issue in Washington, made a call on Sen. Richard Lugar, chairman of the

Senate Foreign Relations Committee. Saran opined that “It was an extremely positive meeting, and from my point of view a very encouraging meeting. I have every reason to believe that there is in fact a very encouraging environment for seeing this agreement through.”

### **Defense relations: frameworked**

A notable area of progress in U.S.-India relations in the five years since the Bush administration has taken office has been of defense cooperation. For example, more joint military exercises were held between the two countries in the period 2001-2005 than in the preceding 40 years. 2005 proved to be another year of robust defense exchanges.

During a four-day official visit to the U.S. beginning on June 28, India’s Defense Minister Pranab Mukherjee and Secretary of Defense Donald Rumsfeld signed a document entitled, *New Framework for the U.S.-India Defense Relationship* that is intended to guide the work of the Defense Policy Group and its various components. According to the document, the U.S. and India will undertake a range of 13 different activities ranging from conducting joint and combined exercises to concluding defense transactions. By itself, the *New Framework* broke no new ground. However, it was a restatement of the commitment to expanded defense and military ties.

Given the considerable criticism within India about ties to the U.S., Indian government officials sought to play down the agreement. In a briefing to the Indian press on the eve of Prime Minister Singh’s state visit to the U.S., Foreign Secretary Saran described the defense agreement thus: “I think there is a certain misunderstanding about the framework agreement signed between India and the U.S. This is precisely what it is, it is a framework agreement. It is not as if it is an agreement for establishing a military alliance between India and the U.S. What it sets out is parameters within which India and the United States of America can potentially cooperate with one another if it is in their interest to do so.” On Aug. 2, Defense Minister Mukherjee told Parliament that a new U.S.-India defense pact “signal[ed] the U.S. willingness to enhance defense cooperation with India and strengthen our defense capabilities,” but that India will “not confuse U.S. interests with ours or subordinate our interests to U.S. interests.”

Nor did Indian officials and spokesmen fail to mention some continuing concerns on the part of India about the reliability of the U.S. as a defense partner. In February, before his trip to the U.S., Defense Minister Mukherjee said that the possibility of sanctions reduces U.S. credibility as a reliable supplier of defense equipment. The U.S. sought to allay some of these concerns. According to an Indian briefer from the Ministry of External Affairs, in her March 2005 meeting with Prime Minister Singh, Secretary Rice reportedly “expressed United States’ keen interest to emerge as a reliable partner and source for defense hardware and technology.”

The U.S. and India also continued discussions about missile defense. In February, a U.S. delegation led by the Defense Security Cooperation Agency’s (DSCA) regional director visited New Delhi to brief Indian officials on the Patriot missile defense system, which

some reports say the Indian government will consider purchasing. In March, a meeting of the India-U.S. Defense Policy Group held in Hyderabad ended with an agreement to hold joint workshops on missile defense issues. However, in July India's defense minister stated that India had no intention of "accepting a missile shield from anyone." In September, the head of the Defense Security Cooperation Agency arrived in New Delhi for talks on possible sales to India of U.S.-made combat aircraft and *PAC-3* anti-missile systems.

There were also several reports during 2005 about possible arms sales to India – though no major sales were actually announced. In February, India's air force chief reportedly stated that U.S.-built *F-16* warplanes were among four types of multi-role fighters that India will consider purchasing. Meanwhile, U.S. defense companies evinced interest in the possibility of greater business with India as the country continued to import arms at a significant pace. An August Congressional Research Service (CRS) report indicated that India was the developing world's top weapons buyer in 2004, when it ordered \$5.7 billion worth of arms, as well as during the period 1997-2004, when it ordered \$15.7 billion worth of arms. An earlier Stockholm International Peace Research Institute (SIPRI) study claimed that India imported \$8.5 billion worth of weapons systems from 2000 to 2004, placing it second only to China. Press reports claimed that Lockheed Martin, for example, would consider a special license to share with India sensitive technology related to its *P-3C Orion* maritime patrol aircraft should the Indian Navy choose to purchase them.

There were several important military exchanges and joint exercises between U.S. and Indian forces. In April, Adm. William Fallon, commander of the U.S. Pacific Command, arrived in New Delhi to meet senior Indian military and civilian officials. In addition to meetings with India's top civilian and military officials, Adm. Fallon observed Indian armored forces maneuvers in the Thar Desert and toured Western Naval Command warships off Mumbai. Regarding joint naval exercises, Fallon said "earlier joint exercises were limited to basics, but henceforth, we may advance to complexities and exchange of information." Adm. Fallon also raised the prospect of having the "presence of an Indian liaison officer round the clock [to] help us better understand the intricacies in the Indian Ocean and the problems of the region." India reportedly did not make a reciprocal offer. Ultimately, India turned down the suggestion to have Indian military liaison officers at the U.S. Central and Pacific Commands. In September, the *Malabar* joint U.S.-India naval exercise was conducted in the Arabian Sea. In November, the U.S. and Indian Air Forces conducted a joint exercise – *Cope India '06* in West Bengal. India's leftist parties protested, but the Indian government insisted on continuing with the exercise.

### **Economics and trade: getting there**

Several new initiatives designed to build on growing trade and investment ties were launched in 2005. In mid-January, Transportation Secretary Norman Mineta and his Indian counterpart announced a U.S.-India "Open Skies" agreement that would remove restrictions and lower fares on airline service between the two countries. Expanded travel to India is expected to promote commerce. Later in the year, Mineta also said that the

U.S. is committed to helping India fully develop its transportation infrastructure. In June, President Bush issued a proclamation determining “that India has made progress in providing adequate and effective protection of intellectual property rights.” He therefore terminated “the suspension of India’s duty-free treatment for certain articles under the GSP [Generalized System of Preferences].” Almost a decade earlier, the U.S. had suspended certain GSP benefits to India due to concerns about the protection of intellectual property. The U.S. move, in response to India’s strengthening of intellectual property protections, is expected to increase bilateral trade and investment.

In early November, Secretary of Treasury John Snow traveled to India where he met with the Indian finance minister, Central Bank governor, and other senior government and business leaders for a dialogue on financial, investment, and trade issues. Snow sought additional liberalization of the Indian banking, insurance, pension, and fund management sectors. In mid-November, U.S. Trade Representative Rob Portman visited New Delhi for meetings with top Indian officials, where he inaugurated the U.S.-India Trade Policy Forum and urged “ambitious” cuts in India’s trade-distorting agricultural subsidies. The U.S. and India also established a forum to promote teaching, research, and commercial linkages in agriculture.

Though overall trade and investment figures remain extraordinarily small – especially compared to U.S. trade with China or Japan – the pace at which these ties are growing suggests an untapped potential. According to India’s Embassy in Washington, “[i]n the first eight months of 2005 trade grew at 23.44 percent, with U.S. exports exhibiting strong growth of 37.43 percent.” The total trade volume has nearly doubled in the past three years from \$13.49 billion in 2001 to \$ 21.68 billion in 2004. And the U.S. remains, overwhelmingly, India’s largest investment partner – both through foreign direct and portfolio investments. The U.S. is also the chief destination of Indian investment abroad. During Prime Minister Singh’s visit to Washington in July, he and President Bush also announced the launch of a CEO’s forum whose purpose is to have top business leaders from each country develop suggestions of how to increase business links between the two countries. The CEO forum is yet another, albeit nongovernmental element of the bilateral institutional framework for economic relations. A Financial and Economic Forum, a Commercial Dialogue, a Working Group on Trade and the newly launched Information and Communications Technology Working Group comprise other parts of this approach. While these efforts appear to be helping push the economic aspects of the relationship forward, ultimately it is India’s economic and related conditions that will “pull” commerce with the U.S. faster and further. On this front 2005 gave mixed messages.

### **Foreign policy: a similar wavelength**

Notwithstanding Indian External Affairs Minister Singh’s assertion to Secretary Rice that “we were on the same wavelength,” U.S.-India relations on a range of foreign policy matters remained mixed. For example, the U.S. and India do not see eye to eye on the issue of a permanent seat on the United Nations Security Council for India. The July 18 Joint Statement between President Bush and Prime Minister Singh noted their agreement that “international institutions must fully reflect changes in the global scenario that have



taken place since 1945.” President Bush “reiterated his view that international institutions are going to have to adapt to reflect India’s central and growing role.” In the meantime, the two leaders expect that “India and the United States will strengthen their cooperation in global forums.” Interestingly, Indian officials, despite several opportunities during the course of the year to criticize the U.S. unwillingness to explicitly support a permanent seat for India, declined to do so.

One of the most debated phrases of the bilateral U.S.-India relationship during the year emanated from an unnamed senior State Department official who reportedly stated March 25 that the Bush administration’s “goal is to help India become a major world power in the 21<sup>st</sup> century. We understand fully the implications, including the military implications, of that statement.” The statement in turn occasioned much discussion in India – with reactions ranging from dismissive to expectant. Indian officials suggested dissatisfaction with the phrase. Foreign Minister Singh, in his April 15 press conference in Washington, stated “Well, I think there has been an enormous change in the terminology. It was earlier said that the Americans would help India to become a global power. I think the message got through that this could have been better phrased, and [Secretary Rice] phrased it very well today.” Dr. Rice said: “The first point that I would make is that India is becoming a global power not because the United States is making it one but because India is a democracy that is emerging to take on global responsibilities. It has the population, the reach, the increasing economic clout to do that. But the United States wants to be supportive of what we see as a positive trend in India's global role because India is a democracy and that matters to us in the global role that it is beginning to play.”

One of the most contentious issues of the U.S.-India relationship during the year was Iran. With Washington increasingly worried by Iran’s nuclear ambitions and New Delhi seeking energy and political cooperation with Tehran, it looked as if the twain would not meet. Indeed, India’s position on Iran’s nuclear program became increasingly intertwined, especially in the view of some members of the U.S. Congress, with the proposed U.S.-India nuclear deal. In March, during her visit to New Delhi, Secretary Rice expressed apprehensions about a gas pipeline running from Iran through Pakistan into India. But something of a denouement was reached Sept. 24 when India voted to support a European-sponsored resolution at the International Atomic Energy Agency (IAEA) demanding that Teheran abide by its nuclear obligations. There has been considerable speculation that India’s vote was motivated by a desire not to antagonize the U.S. Congress, which must ultimately approve implementation of the proposed civil nuclear cooperation agreement. Indian opposition parties, and members of the governing coalition severely criticized the government’s stance, with the leader of the coalition-supporting Communist Party of India (Marxist) calling New Delhi’s IAEA vote on Iran the “final act of surrender” to the U.S. Foreign Secretary Saran defended his government’s vote in the interests of “allowing time for further negotiations” and being in India’s national interest. It is probable that India’s handling of its position that Iran must comply with its nuclear commitments will continue to shape attitudes in Congress toward approval of the U.S.-India nuclear deal.

Two bright spots in terms of cooperation, or at least not dissonance, related to India's neighborhood. The U.S. and India both expressed their support for democracy in Nepal. In a joint press conference during Rice's March 15-16 visit to New Delhi, Minister Natwar Singh stated that "we [the U.S. and India] agreed that recent events have been a setback in these goals. Democratic freedoms must be restored and reconciliation with political parties must lead to return to multi-party democracy in Nepal." Secretary Rice echoed these sentiments saying that on Nepal "[the U.S. and India] have had outstanding cooperation between our Ambassadors to try and help that country to get back on a democratic path. That simply must happen and we are in complete agreement that it needs to happen very, very soon." And following a subsequent meeting with Prime Minister Singh, an official briefer characterized Rice's comments on Nepal this way: "Dr. Rice welcomed the fact that the two countries had been in close touch on the Nepal situation and the two sides agreed that they needed to coordinate their approach to ensure an early return to democracy in Nepal."

India-Pakistan relations also developed in a manner that did not complicate U.S.-India relations. Throughout the year, the U.S. stated its support for the Composite Dialogue and offered to assist when called upon. India meanwhile insisted on its desire to continue with the dialogue but with the caveat that it was linked to the issue of cross-border terrorism. In March, External Affairs Minister Singh noted that "There should be no doubt about our commitment to achieving peace with Pakistan but it is critical that Pakistan implements fully its solemn commitment to cease all cross-border terrorism against India." Meanwhile, the U.S. decision to sell *F-16s* to Pakistan elicited predictable responses from India. Prime Minister Singh expressed "great disappointment" at the U.S. decision, saying the move "could have negative consequences for India's security environment." And Defense Minister Mukherjee said *F-16* aircraft "are not required for fighting terrorism." He added that "[g]iven Pakistan's track record, we fear such weapons will be directed toward India."

## **Conclusions**

The tone and atmosphere surrounding U.S.-India relations has become so positive and full of expectations that to question the real and sustainable progress in critical areas of the relationship appears almost curmudgeonly. But the reality of U.S.-India relations is not yet up to the heights achieved in mutual rhetoric, though slow and steady progress is being made to give substance to the relationship.

The improvement in U.S.-India relations is occurring in parallel with India's improved relations with the wider Asia-Pacific region. The connection between the two is becoming increasingly important because a key element of the Bush administration's agenda with India is to improve cooperation with New Delhi in the wider Asian context. In 2005 alone India signed on to the Association of Southeast Asian Nations (ASEAN) Treaty of Amity and Cooperation (TAC), joined the East Asia Summit as one of the initial members, became an observer at the Shanghai Cooperation Organization, and improved bilateral ties with Japan, China, Russia, and individual countries in Southeast Asia. These developments raise questions about what role the U.S. sees for India in the

Asia-Pacific region and the effect of India's objectives with East Asia on its relationship with Washington. On the one hand, there are a number of benefits for the U.S. of India's expanded ties with the Asia-Pacific region (see "Delhi's Two-Front Diplomacy," *Comparative Connections*, Vol. 5, No. 4). But on the other, there are many potential challenges too. India certainly sees relations with countries such as China and Russia as partially designed to offset over-reliance on the U.S. Above all, India seeks a multipolar international order that will afford it more room for maneuver and increase its options. India's ties with specific countries like Myanmar run counter to U.S. policy. As U.S.-India relations move forward and India's ties with the Asia-Pacific region expand, there will likely be a combination of complications and opportunities for U.S.-India relations.

### **Chronology of U.S.-India Relations January-December 2005**

**Jan. 3, 2005:** During President and Mrs. Bush's visit to India's Embassy in Washington, DC to sign a condolence book for the victims of the December 2004 tsunami disaster, President Bush thanks India for its "especially strong" efforts as part of an initial core group of countries responding to the disaster.

**Jan. 13, 2005:** India's Minister of State for Civil Aviation Praful Patel meets Secretary of Transportation Norman Mineta in Washington to discuss an updated Air Services Agreement between the two countries. The existing Air Services Agreement is about 50 years old.

**Feb. 7-11, 2005:** U.S. Nuclear Regulatory Commission delegation led by Commissioner Jeffrey S. Merrifield meets with the Atomic Energy Regulatory Board of India for technical discussions regarding nuclear safety and visits to selected nuclear power and research facilities. This is the first visit to India by a member of the NRC since the U.S. and Indian government announced the Next Steps in the Strategic Partnership (NSSP) in January 2004.

**Feb. 9, 2005:** A joint delegation of representatives from the U.S. Department of Energy and the International Atomic Energy Agency (IAEA) visits India for the first India-U.S.-IAEA trilateral meeting on the Regional Radiological Security Partnership (RRSP) program designed to enhance the security of dangerous radioactive sources.

**March 3-4, 2005:** U.S. and Indian officials meet in Hyderabad to discuss missile defense. Agreement was reached to continue the dialogue and hold future workshops.

**March 4, 2005:** India's Parliament passes an amended Patents Bill 2005 that applies to food, chemicals and pharmaceuticals. The move is welcomed by the U.S. and will lead to the removal of some restrictions on Indian exports.

**March 15-16, 2005:** Secretary of State Condoleezza Rice becomes the first Cabinet-level official to visit India in the second Bush administration. It is Rice's first visit to India. In addition to discussing bilateral, regional, and global issues, a Joint Working Group on Civil Space Cooperation is launched.

**March 18, 2005:** U.S. Embassy in New Delhi rejects granting a visa to the chief minister of Gujarat state, Narendra Modi, to attend a conference in the U.S. India issues a demarche for reconsideration, but the U.S. government decision stands.

**March 19-28, 2005:** Adm. Arun Prakash, chief of Naval Staff, Indian Navy, and chairman Chiefs of Staff Committee makes an official visit to the U.S. to discuss ways to further U.S.-India naval cooperation including joint exercises and acquisition of U.S. equipment and systems for the Indian Navy.

**April 12-14, 2005:** External Affairs Minister Natwar Singh visits Washington at the invitation of Secretary Rice. The composition of the delegation accompanying Minister Singh suggests continued discussion of U.S.-India nuclear and technology cooperation. Following a meeting between Singh and President Bush, Foreign Secretary Saran briefs the press that "[President Bush] said India and the U.S. need to work in this particular area [the issue of energy] which would include the area of civil nuclear cooperation."

**May 13, 2005:** Both houses of India's Parliament pass the *Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Bill 2005*. The timing of the bill's passage is almost certainly linked to ongoing discussions with Washington regarding civilian nuclear cooperation.

**May 17, 2005:** In a speech to the Defense Research and Development Organization (DRDO), Prime Minister Manmohan Singh lays out India's commitment to the nonproliferation of sensitive technologies, the logic for international suppliers of high technology, including nuclear high technology, to cooperate with India and India's willingness to accept certain elements of the international nuclear nonproliferation regime while retaining its strategic nuclear capabilities.

**May 17, 2005:** U.S. and India hold a meeting of the bilateral Global Issues Forum. The U.S. delegation is led by Under Secretary for Global Affairs Paula J. Dobriansky and the Indian delegation by Foreign Secretary Shyam Saran. Among the topics discussed are environmental protection, sustainable development, and the promotion of democratic values and human rights.

**May 31, 2005:** Energy Secretary Samuel W. Bodman and Deputy Chairman of the Planning Commission of India Montek Singh Ahluwalia launch a new bilateral U.S.-India Energy Dialogue. Five working groups are established with each focusing on a range of energy topics.

**June 1, 2005:** Allan Hubbard, assistant to the president for economic policy and director of the National Economic Council (NEC) and Chairman Ahluwalia launch a reinvigorated U.S.-India Economic Dialogue. The four tracks of the dialogue are trade, commerce, finance, and environment. The two sides agree to explore adding an information and communications technology component to the dialogue.

**June 24, 2005:** Under Secretary of State Nicholas Burns and Foreign Secretary Shyam Saran meet in Delhi. According to an India spokesman, the main issues of discussion were the energy and economic dialogue and reform of the United Nations.

**June 28, 2005:** During a four-day official visit to the U.S., Defense Minister Pranab Mukherjee and Secretary Rumsfeld sign the *New Framework for the U.S.-India Defense Relationship* that is intended to improve cooperation between the two militaries, enlarge defense trade, co-produce military hardware and increase technology transfers.

**June 29, 2005:** President Bush issues a proclamation determining “that India has made progress in providing adequate and effective protection of intellectual property rights. Accordingly, I have determined to terminate the suspension of India’s duty-free treatment for certain articles under the GSP [Generalized System of Preferences].”

**June 29-30, 2005:** Inaugural meeting of the U.S.-India Joint Working Group on Civil Space Cooperation is held in Bangalore with Director P.S. Goel of the ISRO Satellite Centre leading the Indian delegation and Principal Deputy Assistant Secretary of State Anthony F. Rock heading the U.S. delegation.

**July 18-20, 2005:** Prime Minister Singh makes a state visit to the U.S. Singh addresses a joint session of Congress. The centerpiece agreement contained in the *U.S.-India Joint Statement* relates to pursuing civilian nuclear cooperation.

**Sept. 13-15, 2005:** President Bush and Secretary Rice meet Prime Minister Singh on the sidelines of the annual meeting of the UN General Assembly.

**Sept. 19, 2005:** External Affairs Minister Singh meets Secretary Rice.

**Sept. 21-25, 2005:** Indian Finance Minister P. Chidambaram visits the U.S. to attend the IMF-World Bank annual meeting. He participates in an India Investment Forum co-organized by the U.S.-India Business Council and meets CEOs of major U.S. companies to discuss issues relating to investments in manufacturing and infrastructure in India.

**Sept. 26-Oct. 5, 2005:** The U.S. and India conduct *Malabar 2005*, naval exercises off the coast of Goa. For the first time aircraft carriers are included.

**Oct. 3, 2005:** The U.S. and India sign the Protocol of Exchange of the Instrument of Ratification concerning Mutual Legal Assistance Treaty in criminal matters. The treaty is intended to improve law enforcement cooperation relating to terrorism, narcotics, trafficking, and organized crime.

**Oct. 8, 2005:** A major earthquake hits South Asia with the epicenter in Kashmir.

**Oct. 17, 2005:** Secretary Rice and Minister of State for Science & Technology, Biotechnology and Ocean Development Kapil Sibal sign a Science and Technology Umbrella Agreement. This new agreement, which for the first time establishes intellectual property right protocols and other provisions necessary to conduct active collaborative research, is expected to accelerate cooperation between Indian and U.S. scientists in government agencies, private sector, and academia in such areas as basic sciences, space, energy, nanotechnology, health, and information technology.

**Oct. 21-22, 2005:** Under Secretary of State Nicholas Burns visits India for the bilateral U.S.-India Asian Security Dialogue (previously held in Sept. 2004 and May 2005) and a meeting of the Joint Working Group on Civil Nuclear Energy Cooperation to pursue implementation of the July 18 U.S.-India agreement.

**Oct. 29, 2005:** Terrorists bomb three markets in Delhi. The attacks are condemned by President Bush and Secretary Rice.

**Nov. 7-10, 2005:** Treasury Secretary John Snow travels to India to co-chair the India-U.S. Financial and Economic Forum, a component of the U.S.-India Economic Dialogue. Among the issues discussed were fiscal and tax policies, the WTO Doha Round negotiations, strengthening India's infrastructure, and collective efforts to combat money laundering, and the financing of terrorism.

**Nov. 7-17, 2005:** *Cope India 2006* a joint military exercise between the U.S. and Indian air forces is held at Kalaikunda Air Station in West Bengal. During the exercise, USAF *F-16* fighters flew with IAF *Mirage 2000*, *MIG-21*, *MIG-29*, *SU-30*, and *Jaguar* aircraft.

**Nov. 9, 2005:** U.S. Trade and Development Agency and India's Finance Ministry sign agreement to increase cooperation with Indian public sector entities in the areas of project preparation, trade capacity building, investment analysis, training, and sector development.

**Nov. 12, 2005:** The U.S.-India Trade Policy Forum to expand trade and investment ties is launched in New Delhi during a visit of U.S. Trade Representative Ambassador Rob Portman. The U.S. has such a trade forum with the EU and China.

**Nov. 21-23, 2005:** The seventh round of the U.S.-India Defense Policy Group (DPG) is held in Washington. The meeting is co-chaired by Under Secretary of Defense for Policy Eric. S. Edelman and Indian Defense Secretary Shekhar Dutt.

**Nov. 30-Dec. 1, 2005:** The fourth meeting of the U.S.-India High-Technology Cooperation Group is held in New Delhi.

**Dec. 6, 2005:** The U.S. supports India's membership in the international thermonuclear experimental reactor (ITER) project. India's Ministry of External Affairs says that "U.S. support was instrumental in ensuring final agreement."

**Dec. 7-8, 2005:** The inaugural meeting of the U.S.-India Information and Communications Technologies (ICT) Working Group is held in Washington. A part of the U.S.-India Economic Dialogue, the initiative was agreed to during Prime Minister Singh's visit to the U.S. in July 2005.

**Dec. 21-22, 2005:** Indian foreign secretary visits Washington for consultations with U.S. counterpart Under Secretary of State Burns to discuss progress on implementing the July 18 Joint Statement on civilian nuclear energy cooperation. This is the second meeting of the Joint Working Group on Civil Nuclear Energy Cooperation.