



## INDO-IRANIAN TIES: THICKER THAN OIL

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*This article examines the nature and extent of the Indo-Iranian relationship. Interest in this bilateral relationship piqued in the United States due to the policy debate surrounding the United States-India civilian nuclear agreement and the ever-deepening Iranian nuclear crisis. While it has become de rigueur to suggest that this relationship is centered on hydrocarbon politics, this article contends that the Indo-Iranian relationship has much more to do with India's great power aspirations and concomitant expansive agenda for Central Asia. This article concludes with some reflections on the limits of this relationship and the importance of India to international efforts to contain Iran.*

Since the 1990s, Delhi and Tehran have sought to forge a robust and comprehensive relationship inclusive of energy and other forms of commercial cooperation, infrastructure development in Iran and beyond, as well as military and intelligence ties. These bilateral developments have enjoyed widespread support among Iranian and Indian polities. Despite extensive regional press coverage, Indo-Iranian rapprochement has drawn the attention of the United States only episodically and never as intensely as in 2006. Arguably, increased scrutiny of the Indo-Iranian relationship arose due to the temporal convergence of two unrelated developments: the ever-deepening Iranian nuclear crisis and the efforts of President George Bush to persuade the U.S. Congress to adopt legislation enabling a civilian nuclear deal for India. This deal was seen by many policymakers in India and the United States as an integral part of an overall suite of engagements to help India become a global power and a strategic U.S. ally.

Underscoring the interplay between these two developments, critics of the nuclear deal argued that it would weaken the nonproliferation regime at a time when

it must be adequately robust to counter Iranian intransigence towards its nuclear program. Both opponents of the administration's proposed Indo-U.S. civilian nuclear deal and proponents of some variant of such a civilian nuclear deal questioned the "strategic and military" ties that New Delhi and Tehran have trumpeted to their domestic audiences.

India's votes at the International Atomic Energy Agency (IAEA) "against Iran" in September 2005 and February 2006 were important tests for those policymakers who were dubious about India's intentions. While India did vote for the resolutions finding Iran to be in non-compliance in September 2005 and later to refer Iran to the United Nations Security Council (UNSC) in February 2006, there were earlier signs that India would either abstain or even oppose the United States on these issues. Notably, India's foreign minister, Natwar Singh, declared in October 2005 that India would not support U.S. efforts to refer Iran to the UNSC, which outraged key members of the U.S. Congress.

Some policymakers and analysts questioned the wisdom of promoting India as the newly designated strategic ally of the United States while it has what both New

Delhi and Tehran call a strategic alliance. (India—like many countries—maintains several bilateral relations that are “strategic” in name only.) Detractors of the nuclear deal voiced concerns about two Indian nuclear scientists (Y.S.R. Prasad and C. Surendar) who provided assistance to Iran’s nuclear program. Both were eventually sanctioned by the United States under the Iran Nonproliferation Act of 2000, although sanctions on Surendar were eventually dropped. Some congresspersons were disconcerted by the second Indian-Iranian naval exercise that took place in March 2006—coincident with President Bush’s visit to South Asia. While the U.S.-Indian civilian nuclear deal was finally signed into law by President Bush on December 18, 2006, the House and Senate tried—but failed—to require India to halt its fissile material production and/or end its military relations with Iran as preconditions for nuclear cooperation.

Throughout Congress’ deliberation on the civilian nuclear deal, administration officials consistently downplayed Delhi’s ties with Iran by reducing them to India’s growing energy needs. Officials argued that the civilian nuclear engagement would diminish India’s reliance upon Iran, or at least provide the opportunity for the United States to shape India’s relationship with Iran.<sup>1</sup> Given the various apprehensions about the Indo-Iranian relationship in the context of the nuclear deal, the Congressional Research Service authored a report examining the extent of the relationship, ostensibly to put to rest some of these concerns. While acknowledging that some differences in preferred policy towards Iran could emerge, that report too concluded that India’s motivations to pursue relations with Iran were primarily rooted in India’s growing energy needs and

therefore are relatively benign to U.S. interests.<sup>2</sup>

This essay seeks to challenge the view that India’s ties to Iran are primarily tied to hydrocarbon politics. Rather, this paper argues that the Indo-Iranian relationship has much more to do with India’s great power aspirations and concomitant agenda to expand its presence in Afghanistan and Central Asia. This paper concludes with a discussion of the constraints that may limit the extent of Indo-Iranian engagement.

### **BACKGROUND ON THE INDO-IRANIAN RAPPORT**

On March 15, 1950, New Delhi and Tehran signed a friendship treaty which called for “perpetual peace and friendship” between the two states. In principle, this document committed the two to amicable relations; however, in practice, both states were mired—albeit to differing extents at different times—in opposing Cold War alliances that precluded the development of robust bilateral ties. Iran, under the leadership of Muhammad Reza Shah, had close ties to the United States and Pakistan through Iran’s participation in the Baghdad Pact (later renamed the Central Treaty Organization, CENTO). During the 1965 and 1971 wars between India and Pakistan, Iran provided military assistance to Pakistan. (Iran was part of Pakistan’s purported “strategic depth.”) Nehru derided such alliances as a “wrong approach, a dangerous approach, and a harmful approach”<sup>3</sup> and championed instead the Non-Aligned Movement. Despite this aversion to superpower alliances, India forged close ties to the Soviet Union, which became India’s primary defense supplier.

Although India largely welcomed Iran’s 1979 Revolution as an expression of national self-assertion, and although the

post-revolutionary Iranian leadership was generally well disposed towards India, significant differences persisted between New Delhi and Tehran. Iran was more critical of the Soviet invasion of Afghanistan than was India. India, under Prime Minister Indira Gandhi, avoided public condemnation even though privately she was deeply vexed that Moscow brought superpower confrontation into India's extended strategic environment. During the Iran-Iraq War, India remained ambivalent as it tried to simultaneously protect its oil interests in both states. India, with its large Muslim minority, was chary of Iran's exporting its revolution and was discomfited by the fact that Iran, with clerical rule, had moved far away from democracy and espoused support for Kashmiri self-determination.<sup>4</sup> While the decades of the 1970s and 1980s witnessed tensions between the two, there were episodic but notable periods of positive engagement, and the two sustained economic ties during this period, particularly on energy issues.

Significant improvements in relations did not materialize until the end of the Cold War. One of the most consequential events in their shared recent history was Indian Prime Minister Narasimha Rao's 1993 state visit to Iran. Rao became the first Indian Prime Minister to visit Iran since the revolution, and his state visit was declared a "turning point" in bilateral relations by Iran's then-President Ali Akbar Hashemi Rafsanjani. In 1995, Rafsanjani made a reciprocal visit to India. While high-level visits continued after 1995—which did much to solidify in some measure their mutual economic interests in key technological sectors—the next state visit did not occur until 2001, when Prime Minister Atal Bihar Vajpayee visited Tehran. This visit culminated in the 2001

Tehran Declaration, signed by Prime Minister Vajpayee and Iran's President Muhammad Khatami. The Tehran Declaration laid the foundation for Indian and Iranian cooperation on a wide array of strategic issues, including defense cooperation.<sup>5</sup>

Two years later, in January 2003, President Khatami traveled to Delhi, where he was welcomed as the "Chief Guest" at India's 2003 Republic Day celebrations—an honor generally reserved for the most important of personages. Both leaders signed the New Delhi Agreement, which was important both in its timing and substance. India's feting of Khatami, contemporaneously with both the U.S. military buildup in the Persian Gulf in preparation for the second U.S. war in Iraq *and* with an unprecedented qualitative and quantitative expansion in U.S.-Indian military ties, declared the importance that New Delhi attaches to its relationship with Iran. The New Delhi Declaration was also important in its substance. Expanding off of the Tehran Declaration, this accord further committed the two states to deeper levels of engagement, including military cooperation.<sup>6</sup>

## INDIA'S ENVIRONMENT

## STRATEGIC

Indian analysts and defense managers often describe India's strategic environment in terms of the entire Indian Ocean basin. The westernmost frontier of this strategic area stretches to the Strait of Hormuz and the Persian Gulf. Occasionally, Indian analysts claim the eastern coast of Africa as the westernmost border of this strategic space. To the east, it encompasses the Strait of Malacca and abuts the South China Sea. To the north it is comprised of Central Asia, and to the south, it extends to Antarctica.

Within this extended strategic neighborhood, India first and foremost seeks to be recognized as the preeminent power within the Indian Ocean basin. New Delhi already considers itself to be the preeminent power of South Asia. India also seeks to be—and to be seen as—a global power in due course.<sup>7</sup> New Delhi believes that it has a natural role in shaping regional security arrangements to foster stability throughout the Indian Ocean basin and beyond. India's *Ministry of Defence Annual Report 2005-2006*, for example, notes the "slow but steady" progress made in achieving "a truly multipolar world, with India as one of the poles...."<sup>8</sup> India is also willing to be proactive to prevent developments that are fundamentally inimical to its interests by relying upon two instruments of India's "soft" power: its economic and political sources of influence.<sup>9</sup>

Consonant with New Delhi's expansive set of interests within the entire Indian Ocean basin, India has pursued actively a "Look East" policy and has maintained a very sophisticated greater Middle East policy that includes Israel, Iran, and several Central Asian and Arab states. Of particular import for this discussion is India's continuous effort to consolidate its strategic footing in Afghanistan and other parts of Central Asia, including two airbases in Tajikistan. Iran is critical to these efforts in many ways, because it provides India much-needed geographical access to these theatres.<sup>10</sup> In addition, since 2001, India has secured an unprecedented expansion in ties with the United States and has advanced its relations with the European Union and China. Regarding its varied dealings with countries that have outstanding conflicts with each other, India has consistently signaled its intentions to maintain its "strategic independence" by pursuing

bilateral relations consistent with Delhi's regional requirements—irrespective of discord that these states may have with each other.

In recent years, India has sought to demonstrate that its security calculus is more inclusive than Pakistan both to counter the once-prevalent view that India is shackled to Pakistan and to establish India as an important power beyond the perimeters of South Asia. In short, India wants to be a supra-regional power, and it wants to be seen as one in other capitals. Central Asia, which includes Afghanistan along with Iran, comprises an important theater for this power projection, and only some of India's interests in Central Asia are Pakistan-focused. India sees enormous energy potential in the region. India is currently the world's sixth largest energy consumer, with more than half of its electricity production based upon coal.<sup>11</sup> In 2003, India produced 33 million tons (mt) of crude oil; it imported 90 mt—or 73 percent of its total requirement of 123 mt.<sup>12</sup> Some analysts believe that by 2020, India may become the fourth largest consumer, following only the United States, China, and Japan.<sup>13</sup> India hopes that it can diversify its energy sources and Central Asia, with 2.7 percent of the world's confirmed oil deposits and seven percent of the world's natural gas deposits, has long figured imminently in these plans.<sup>14</sup> India also sees Central Asia and Iran as enormous potential consumer markets for Indian products as well as its human capital and manpower. Militarily and strategically, Central Asia is an important area for Indian presence, at least in part to deny Pakistan the "strategic depth" it craves.

*Iran Matters*

India needs Iran to achieve its varied objectives in Central Asia. Iran, for its part, sees a tremendous complementarity of interest with India. Both states seek to undermine unipolarity, and both states are uncomfortable with the role that the United States has played and will likely continue to play in the Middle East—despite the fact that both states have very different relations with the United States.

Both Iran and India share concerns about the domestic security situation in the Central Asian states, fear a recrudescence of [Sunni] Islamist power in Afghanistan and elsewhere, and are wary of the multitude of security threats that Pakistan poses to the region and beyond. Iran and India are both optimistic about the commercial benefits of Central Asian markets and hope to share the spoils of the North-South Transit Corridor. Iran will require massive infrastructure investments to extract maximum benefits from this corridor, and India is lined up to provide cost-effective intellectual and material assistance in the development of information technology networks, ports, roads, and rail projects. Both India and Iran see tremendous value in military cooperation, even if to date, few large-scale military interactions have taken place.

Finally, Tehran and Delhi derive benefits from their relationship domestically and internationally. India continues to confront communal conflict between its varied Muslim and Hindu communities. Close ties with Iran and a diverse array of other Muslim states (including states with important Muslim minorities) help diminish some Muslims' fears at home and abroad that India has become Islamophobic. These perceptions have been galvanized by, *inter alia*, India's recent efforts to promote a

tripartite relationship with the United States and Israel to combat Islamist terrorism, the rise of Hindu nationalism, and the episodic but sanguineous incidents of anti-Muslim violence (such as the Gujarat massacres of Muslims in 2003 and the anti-Muslim riots following the destruction of the Babri Masjid in late 1992 and early 1993).<sup>15</sup> Such ties also help circumvent Pakistan's efforts in multilateral fora (such as the Organization of Islamic Countries) to raise the issue of Kashmir.

Iran, for its part, needs a partner like India with a sophisticated and complex set of international relations. This is at least in part because of Iran's increasing isolation as a result of the 2005 election of the hardliner president Mahmoud Ahmadinejad and Iran's unrelenting intransigence on the nuclear issue. While the U.S. position towards Iran began to harden in 2002, members of the European Union were at odds with the United States. This has changed, with members of the European Union increasingly espousing similar positions to that of the United States. After months of negotiations, the UNSC voted unanimously to impose sanctions in December 2006 for Iran's refusal to halt uranium enrichment.

While Indo-Iranian relations were strained by India's votes at the IAEA in September 2005 and February 2006, ultimately India's actions demonstrated Delhi's ability to finely balance its need for Tehran with its interest in securing its ties to the United States and the international community. At a time when Iran's regime has many vociferous detractors, India has remained an equally vocal defender of both Iran and its relationship with Iran. Notable in this regard was the February 2007 visit to Iran by India's Foreign Minister Pranab Mukherjee, amid heightened U.S.-Iranian

discord and increasing evidence of Iranian involvement in Iraq.<sup>16</sup>

While many non-Indian observers focused on the simple fact that India voted “against Iran,” Indian officials consistently explained its actions at the IAEA to domestic and Iranian audiences alike that India went to great lengths to *help* Iran during the various IAEA standoffs. Indian officials dilated upon the fact that India worked assiduously to ensure that the United States, France, Germany, and Britain did not “ride roughshod over Iranian interests” and lobbied the Europeans to amend their 2005 resolution, which called for an immediate referral to the UNSC. Following the February 2006 vote to refer Iran to the UNSC, Indian Prime Minister Manmohan Singh explained this decision in terms of helping to provide diplomatic solutions to the impasse and encouraging all parties to eschew confrontation and inflexibility.<sup>17</sup> While it is likely that Indian interlocutors are correct to suggest that Iran’s situation could have been direr without Indian intervention, it is unclear that Iran sees the Indian role in this way. India’s involvement in the Iran nuclear impasse also afforded it an interesting opportunity to demonstrate leadership on an issue on which it has a unique perspective.

## **INDO-IRANIAN RELATIONSHIP**

### ***In Structure***

The first institutional mechanisms established to guide Indo-Iranian relations is the “The Indo-Iran Joint Commission,” which was established in 1983. This commission convenes at the foreign ministerial level to discuss and review progress made on economic issues. A second major milestone in the institutionalizing of the relationship was the

signing of the Tehran Declaration. Signed by Iran’s President Khatami and India’s Prime Minister Vajpayee during the latter’s April 2001 visit to Tehran, this accord focused heavily upon energy and commercial concerns, including a commitment to accelerate the development of a gas pipeline and the finalizing of an agreement by which Iran would provide India with liquefied natural gas (LNG). This agreement also reaffirmed their commitment to develop the North-South Corridor and to encourage their commercial sectors to utilize this corridor. They also agreed to promote scientific and technical cooperation.<sup>18</sup>

One of the important mechanisms that emerged from the 2001 meeting was the India-Iran Strategic Dialogue. The first such meeting was held in October 2001 and was convened by India’s then-foreign secretary, Chokila Iyer, and by Iran’s deputy foreign minister for Asia and the Pacific, Mohsen Aminzadeh. That first meeting focused on three major areas of mutual concern: first, regional and international security perspectives; second, the security and defense policies of India and Iran; and third, issues related to the international disarmament agenda. This body subsequently met four times, the last time being in May 2005. That meeting, convened by Aminzadeh and Undersecretary of Indian Ministry of External Affairs Rajiv Sigri, focused heavily on gas pipelines and upon a bilateral agreement for LNG.<sup>19</sup>

The most recent and arguably most substantial set of frameworks guiding Indo-Iranian relations is the January 2003 New Delhi Declaration, penned during President Khatami’s visit to New Delhi, along with seven additional Memoranda of Understanding.<sup>20</sup> This document built and expanded on the 2001 accord. It focused

upon international terrorism and the shared position that the Iraq situation should be resolved through the United Nations. Both states expressed an interest that they should pursue enhanced cooperation in the areas of science and technology, including: information technology, food technology, and pharmaceutical development and production. Some reports also suggest that space advancements (for instance, satellite launch) were discussed, although there is no such mention of them in the actual accord.<sup>21</sup> The enduring mainstays of the engagement—hydrocarbon and water issues—and mutual interests in exploring education and training opportunities also figured prominently. Both concurred that there should be close cooperation on efforts to reconstruct and rehabilitate Afghanistan.<sup>22</sup>

One of the key instruments signed during Khatami's 2003 visit was the "Road Map to Strategic Cooperation." This document follows the New Delhi Declaration closely and establishes a targeted framework for fulfilling the objectives set forth by the Declaration. The key areas mapped out include concrete steps on oil and gas issues (such as the ever-challenging pipeline project), the commitment to expand non-hydrocarbon bilateral trade and other forms of significant economic cooperation, and the joint effort to further develop the Chahbahar port complex, the Chahbahar-Fahranj-Bam railway link, and the Marine Oil Tanking Terminal. Perhaps the most controversial commitment spelled out included more robust defense cooperation between the two.<sup>23</sup> The document committed both sides to exploring political dialogue and modalities of cooperation on issues of strategic significance through the mechanisms of the Indo-Iran Strategic Dialogue, foreign office consultations, and

the institutional interaction of both national security councils.

### *In Substance*

#### *Energy and Commercial Interests*

As reflected in the 2001 Tehran Declaration and the 2003 New Delhi Declaration, India and Iran want to move ahead on commercial and energy issues. Iran has the third largest reserve of oil, with proven reserves of nearly 132 billion barrels.<sup>24</sup> Iran also has the second largest proven reserve of gas with 971 trillion cubic feet.<sup>25</sup> Iran is anxious to get its hydrocarbons out of the ground and into new markets, and energy-hungry India wants to be such a market. India is not alone in seeking Iran's oil and gas. China, India's long-term strategic peer with exacting energy demands, seeks Iranian and Central Asia resources, and this need for energy resources will become yet another theater of competition for these two Asian giants.

However, progress on the energy relationship has been slow in developing. Currently, Indian crude oil imports from Iran range between 100,000 and 150,000 barrels per day (bpd), accounting for about 7.5 percent of India's total crude oil imports (around two million bpd).<sup>26</sup> India also seeks to obtain natural gas from Iran via the much-disputed "pipeline" by transporting gas from Iran to India via Pakistan. India and Iran also have ostensibly "finalized" a \$22 billion deal whereby Iran will supply five million tons of LNG to India each year. The deal was signed by India's GAIL (Gas Authority of India Limited) and Iran's NIGEC (National Iranian Gas Export Company), a subsidiary of the National Iranian Oil Company (NIOC). According to this agreement, LNG will be supplied over

a 25-year period, commencing from 2009, at a price of U.S. \$3.21 per Million British Thermal Units (MMBTU).<sup>27</sup>

Due to the fact that Iran lacks the capability to produce LNG, India's GAIL has committed to help construct an LNG plant in Iran. However, industry analysts are doubtful that Iran will obtain such a capability any time soon. First and foremost, American components are generally necessary for such plants, and the United States will not provide Iran such components. To date, no LNG terminal has ever been built without any American-made components, and most LNG plants use processes developed by U.S. companies. Needless to say, should GAIL proceed with these plans, it could run afoul of the Iran-Libya Sanctions Act (ILSA), which requires sanctions on yearly investments in excess of \$20 million in Iran's energy sector.<sup>28</sup>

India and Iran continue to make progress on their commitment to build a North-South Corridor with Russia. Russia, Iran, and India signed this agreement (called the Inter-Governmental Agreement on International "North-South Transport Corridor") in September 2000 in St. Petersburg. Since this corridor is a part of an Indo-Iranian initiative to facilitate the movement of goods across Central Asia as well as Russia, both India and Iran entered into an earlier trilateral agreement with Turkmenistan in 1997. This North-South Corridor permits the transit of goods from Indian ports to Iran's port of Bandar Abbas, or hopefully Chahbahar. Goods transit Iran via rail to Iran's Caspian Sea ports of Bandar Anzali and Bandar Amirabad. They are then transferred to ports in Russia's sector in the Caspian. From there, the route extends along the Volga River via Moscow and onward to northern Europe. This is intended to serve as an alternative cargo

route, linking Indian products with Russia through the Baltic ports of St. Petersburg and Kotka in Rotterdam or through the Ukrainian Black Sea ports of Illychevsk and Odessa to connect to the Mediterranean. With a length of only 6,245 km, it is an enormous improvement over the 16,129 km route through the Suez Canal and the Mediterranean. Indian officials are very enthusiastic about this route, because it will reduce the logistics of moving goods and diminish travel time and transport costs. Trial runs began in early 2001, with some 1,800 freight containers moving through it; officials expected those figures to rise by the end of 2002. According to early reports in 2002, officials expected the corridor to handle 15 to 20 million tons of freight at \$10 billion per year.<sup>29</sup>

As a part of this agreement, India agreed to help expand the Iranian port of Chahbahar and lay railway tracks that would connect Chahbahar to the Afghan city of Zaranj. Iran hopes that expanding Chahbahar will relieve some of the congestion of Bandar Abbas. Part of the concern that emanates from this activity is the ambiguity about what kind of facility or facilities will materialize at Chahbahar. Currently, India claims that this will be a commercial port. However, others in the region—such as Pakistan and China—fear that once it is complete, Indian naval vessels will have a presence there. These apprehensions are important and may affect the Chinese and Pakistani planning at Pakistan's Gwador port. The Gwador port lies along Pakistan's Makran coast, only a few hundred kilometers from Chahbahar. Gwador is being modernized and expanded with Chinese capital, and it is hoped that this port will diminish Pakistan's vulnerability to a naval blockade of its major port in Karachi. It has added



importance in light of purported Indian and Iranian activities at Chahbahar.

India has also committed to upgrading the 215-kilometer road that links Zaranj and Delaran as part of a circular road network that will connect Herat and Kabul via Mazar-e-Sharif in the north and Kandahar in the south. This would permit Indian goods to move into Afghanistan via Delaran and beyond. This initiative to expand trade into Afghanistan is part of a trilateral agreement that was signed with Afghanistan in January 2003. This agreement permits Afghan exporters to use Chahbahar with a 90 percent reduction on port fees and a 50 percent saving on warehousing charges. Afghan vehicles are also given full transit rights on the Iranian road system.<sup>30</sup>

Business delegations have played an important role in consolidating business ties between the two countries. Khatami's 2003 delegation to New Delhi included a 65-member business group, and they weighed some \$800 million in joint ventures that would involve 400 Indian and Iranian companies. India's Ministry of External Affairs contends that Indian investment was sought in Iran's automobile, information technology (IT), and textile sectors, and it was agreed that India could provide Iran with commodities such as sugar, rice, pharmaceuticals, food oils, and engineering goods. Both sides made a concerted effort to push non-oil trade. One of the means by which this is going forward is the Joint Business Council set up by the Indian Chambers of Commerce and Industry and the Iran Chamber of Commerce, Industries, and Mines.<sup>31</sup> Overall, the trade picture appears to be positive: The total value of all trade for the fiscal year ending March 2005 was \$1.6 billion, compared to \$1.18 for 2003-2004 and \$913 million in 2002-2003. While this represents a growth trajectory,

the total trade between the United States and India in 2005 was about \$27 billion.<sup>32</sup>

#### *Defense and Intelligence Ties?*

While these two states have been talking about "strategic relations" for some time with few concrete results, the last few years have witnessed ostensibly substantive advances. India and Iran also established a joint working group on counterterrorism and counter-narcotics, reflecting their mutual security concerns in these functional areas. Moreover, as noted, they have instituted a strategic dialogue that has met four times between October 2001 and early 2007. This dialogue is the forum designed to explore opportunities for cooperation in defense in agreed areas, including training and exchange visits consonant with the commitments articulated in the 2003 New Delhi Declaration. Some analysts claimed that the agreement would boost Indian armament exports to Iran, a view that is shared by Iranian analysts as well.<sup>33</sup> Notwithstanding those assertions, such exports have not occurred, and they are not likely in the near future.

According to some analysts, Iran hopes that India will provide expertise in electronics and telecommunications as well as upgrades for many of its legacy Russian weapons systems.<sup>34</sup> While little in this regard has materialized, there have been various and consistent reports of specific military deals between India and Iran. In 2001, Indian Defense Secretary Yogendra Narain met with his Iranian counterpart Ali Shamkani to explore arm sales to Iran.

According to the Indian press, India has trained Iranian naval engineers in Mumbai and at Visakhapatnam. Reportedly, Iran is also seeking combat training for missile boat crews and hopes to purchase simulators for ships and subs from India.

Iran also anticipates that India can provide midlife service and upgrades for its MiG-29 fighters and retrofit its warships and subs in Indian dockyards. India helped Iran develop batteries for its submarines, which are more suitable for the warm-weather gulf waters than those supplied by the Russian manufacturer. Some analysts claimed that Iran wanted Indian technicians to refit and maintain Iran's T-27 tanks as well as its BMP infantry fighting vehicles and the towed 105 mm and 130 mm artillery guns. India is also planning to sell Iran the Konkurs anti-tank missile.<sup>35</sup> There were several reports of a bilateral accord that would permit India to access Iranian military bases in the event of war with Pakistan. This accord allegedly would also permit India to rapidly deploy troops and surveillance platforms as well as military equipment in Iran during times of crisis with Pakistan. If true, this is a turning point in regional relations and one that will, in principal, put Iran in opposition to Pakistan. These same reports claim that Indian and Iranian troops will conduct combat training, and naval forces will conduct "operational and combat training on warships and missile boats."<sup>36</sup>

There has been some activity in the naval sphere; the two navies carried out their first joint naval maneuvers in the Arabian Sea in March 2003. This exercise was likely motivated at one level by the mutual concern about the security of sea-lanes of control and at another level by their discomfort with the increasing presence of the United States in the Persian Gulf in preparation for the invasion of Iraq. This 2003 naval exercise was notable, because it both coincided with the mounting U.S. military presence in the Persian Gulf and Arabian Sea and because among the burgeoning U.S.-Indian defense ties, the

U.S.-Indian naval relationship has been the most dramatic in its depth and breadth.<sup>37</sup>

India and Iran conducted their second naval exercise on March 3-8, 2006, overlapping with President Bush's trip to Afghanistan, India, and Pakistan. There has been considerable acrimony over the precise nature of this engagement. According to a March 27, 2006 article published in *Defense News*, this naval engagement took place in Kochi and involved the IRIS Bandar Abbas (a fleet-supply-turned training vessel) and the IRIS Lavan, an amphibious ship. A spokesman for the Indian Navy's Southern Command reportedly explained that Indian naval instructors briefed nearly 220 sailors. The exercise, coming at a time when Congress was being asked to consider a civilian nuclear deal with India, antagonized critics of the deal. Indian and U.S. government officials have been busy, first denying the visit took place and next dismissing the characterization of the visit as exaggerated. Both U.S. and Indian officials deny that any "training" took place and that this was a standard port call.<sup>38</sup>

To focus merely on the substance (or lack thereof) of that particular exercise is to miss the larger picture of Indo-Iranian naval ties as described by Indian analysts. Recently, a senior fellow with India's Observer Research Foundation described Indo-Iranian maritime relations in the following way:

India and Iran have enjoyed good maritime relations that include high-level political and military visits, joint-naval exercises, naval technology cooperation, and maritime infrastructure developments symbolized by port development in Chahbahar. Naval cooperation between the two sides dates back to the mid-1990s when the Indian

Navy helped the Iranian Navy to adapt four Russian-built Kilo-class submarines for warm water conditions in the Persian Gulf.<sup>39</sup>

Another important aspect of that naval visit was its timing and symbolism. As noted, it was concurrent with President Bush's visit to South Asia, during which President Bush agreed to deliver to India a path-breaking civilian nuclear deal that required legislative action by Congress and concomitant review of the deal and its implications. Indian officials correctly noted that the naval exercise was months in the planning. While this is surely true, it is equally true that the Bush visit was also months in the planning. The naval exercise—particularly one as unimportant as officials indicate—could have been postponed. Given the symbolic importance of such an exercise, the conduct of the exercise signaled to Tehran that India's foreign policies would not be dictated by Washington.<sup>40</sup>

Numerous analysts of South Asia infer that there are close security ties between Delhi and Tehran because of the Indian consulate in Zahedan with a likely intelligence presence there. India also established a consulate in Iran's port city of Bandar Abbas in 2001, which will permit India to monitor ship movements in the Persian Gulf and the Strait of Hormuz.<sup>41</sup> From a regional security point of view, the volume of defense trade, measured in dollars, may be less relevant than the kind of activities that appear to be ongoing, many of which may be more qualitative in nature. The presence of Indian engineers at Chahbahar and of Indian military advisors and intelligence officials in Iran confers to India a significant access to Iran. This access has tremendous import for India's ability to project power *vis-à-vis* Pakistan

and Central Asia. It clearly provides India an enhanced ability to monitor Pakistan and even launch sub-conventional operations against Pakistan from Iran. Of late, numerous Pakistani officials opine that India is supporting the insurgency in Pakistan's troubled Baluchistan province and is exploiting its position in Afghanistan to enhance its intelligence activities against Pakistan. Pakistani observers also note that the presence of Indian engineers (and perhaps naval personnel in the future) at Chahbahar has particular utility for monitoring what is happening at Pakistan's Gwador port.

#### *Technical Areas of Cooperation*

It is clear that India has cooperated with Iran on civilian nuclear programs in the past. India sought to sell Iran a ten-megawatt research reactor to be installed at Moallem Kalyaeh in 1991, and may have also considered selling Iran a 220-megawatt nuclear power reactor. While both were to be placed under IAEA safeguards, the United States pressured India not to go through with the sales, fearing that Iran would use these facilities to make weapons-grade fissile materials.<sup>42</sup>

The issue of nuclear cooperation again emerged in October 2004, during a discussion between then President Khatami and India's late national security advisor, J.N. Dixit, in Tehran. Topics of discussion included regional security as well as economic and energy cooperation. Iran reiterated its commitment to cooperate with the IAEA and the Indian side confirmed, "New Delhi would always support Tehran's peaceful use of nuclear technology."<sup>43</sup> Controversy arose over reports of two Indian nuclear scientists, Y.S.R. Prasad and C. Surendar, who took assignments to provide technical assistance to Iran's

nuclear program. Both served as chairman and as managing director of the Nuclear Power Corporation of India Limited (NPCIL). The United States imposed sanctions upon them in September of 2004 under Sections 2 and 3 of the Iran Proliferation Act (INA) of 2000. India objected to such sanctions and countered that Surendar had never visited Iran while in service or after his retirement, and Prasad's visits and consultancy services were provided under the aegis of the IAEA. Ultimately, sanctions remained against Prasad, while those against Surendar were dropped.<sup>44</sup>

Reports of Indo-Iranian space cooperation also galvanized small pockets of opposition to the "other Indo-U.S. deal" on space cooperation, presumably out of concern that U.S. technologies could find their way into the hands of Iranian scientists. Such critics note that Iran is interested in expanding its nascent space and satellite program, and this will require a variety of dual-use items that could assist Iran's missile development program and improve satellite capabilities.<sup>45</sup> Late in February 2003, the *Times of India* reported "India and Iran have an ongoing cooperation in space research," and quoted remarks of the managing director of Iran's ComKar System Communications, who claimed that his organization "already cooperates with ISRO (Indian Space Research Organization)." Unfortunately, little information is available about the nature of the cooperation or even if the cooperation really was "space cooperation" rather than more mundane communications-related projects.<sup>46</sup>

## CONCLUDING THOUGHTS ON CONSTRAINTS AND IMPLICATIONS

### *Constraints*

While Iran is important to India, there are constraints that restrict India's reach into Iran—even if they are fewer than in the recent past. Until circa 2004, both the United States and Israel counseled India to minimize defense, energy, and strategic relations with Iran.<sup>47</sup> However, by 2005, officials from the Bush Administration expressed confidence that the relationship does not adversely affect major U.S. interests.<sup>48</sup> Whether this attitude will persist within the newly elected and Democrat-led U.S. Congress remains to be seen. Many in Congress will be watching India closely as the confrontation with Iran continues to intensify.<sup>49</sup>

As for Israel, Ariel Sharon expressed apprehension about India's ties with Iran during his 2003 visit to India, even though he eventually said he was satisfied with India's explanation of its relations with Iran. However, Israel again raised the issue during the Indo-Israeli Joint Working Group on Counterterrorism in November 2004.<sup>50</sup> Whether or not Israel currently shares the U.S. insouciance is difficult to assess, but Israel's concerns will remain salient for New Delhi, because Israel is India's largest arms supplier. Defense cooperation between India and Israel has expanded since official normalizations of relations in 1992 and includes sales of large weapons systems and extensive military training.<sup>51</sup>

Both India and Israel have considerable expertise in providing maintenance and upgrades for legacy Russian weapons platforms. As such there is an explicit symmetry between the kinds of defense-related services that Israel has furnished to

India and the kinds of services that India seeks to provide to Iran and other Central Asian states. Israel has helped India with avionics upgrades with its MiGs, and in turn, India hopes to provide similar services to countries throughout the region. Thus Israel has good cause for unease, and India is not insensitive to this discomfiture. Consequently, Israeli equities will remain a part of New Delhi's decision calculus *vis-à-vis* Iran for the policy-relevant future and will serve as an important impediment to India's efforts to engage Iran.

As the Iran standoff continues and as the global consensus coalesces around sanctioning Iran, India's cooperation in maintaining that isolation will become increasingly important. Some of India's planned investment to help Iran acquire an LNG capability will likely run afoul of U.S. law and will undermine U.S.-led efforts to constrain and even punish Iran. While no one doubts that India prefers an Iran without nuclear weapons, India has signaled little intention to sacrifice all that hinges upon Iran. Now that India has secured a civilian nuclear deal with the United States, it remains to be seen whether Delhi will contribute to these important efforts. Some lawmakers such as the new Chairman of the House Foreign Affairs Committee, Tom Lantos, have already expressed such doubts in the wake of Mukherjee's 2007 visit to Tehran.<sup>52</sup>

Despite the Bush Administration's explicit forbearance on the Iran factor, Indian strategists and policymakers ultimately understand that U.S. patronage is likely necessary for it to achieve all that it aspires. In the past, India reasonably had few hopes to believe that the United States could or would support India's bid for great power aspirations and instead saw the U.S. as niggardly seeking to restrain India from assuming its rightful global role. Under

such perceived conditions, it behooved India to hope for the best with respect to the United States while diversifying its options and cultivating ties with other important countries. India now has much greater expectations from its relationship with the United States and will tread carefully to preserve it.

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## NOTES

<sup>1</sup> Secretary of State Condoleezza Rice argued, in recent testimony for the deal, that it will help India "meet its rising energy needs without increasing its reliance on unstable foreign sources of oil and gas, such as nearby Iran." See The Honorable Condoleezza Rice at the Committee on Foreign Relations, United States Senate on "U.S.-India Atomic Energy Cooperation: The Indian Separation Plan and the Administration's Legislative Proposal," April 5, 2006, <http://foreign.senate.gov/hearings/2006/hrg/060405a.html>; Siddharth Varadarajan, "India casts a wide net for energy," *International Herald Tribune*, January 25, 2006; Henry Sokolski, "Negative Reaction," *Armed Forces Journal*, May 16, 2006.

<sup>2</sup> K. Alan Kronstadt and Kenneth Katzman, "India-Iran Relations and U.S. Interests," CRS Report for Congress RS22486, August 2, 2006.

<sup>3</sup> Farah Naaz, "Indo-Iranian Relations 1947-2000," *Strategic Analysis*, Vol. 25, No. 10 (May 2001), p. 1914.

<sup>4</sup> See A.K. Pasha, *India, Iran and the GCC States* (New Delhi: Manas Publication, 2000); Naaz, "Indo-Iranian Relations;" John Calabrese, "Indo-Iranian Relations in Transition," *Journal of South Asian and Middle Eastern Studies*, Vol. 25, No. 5 (Summer 2002); C. Christine Fair, "Indo-Iranian Relations: Prospects for Bilateral Cooperation post-9-11" in Robert Hathaway (ed.), *The "Strategic Partnership" Between India and Iran, Asia Program Special Report*, No. 120 (April 2004), p. 120; Harsh V. Pant, "India and Iran: An "Axis" in the Making?," *Asian Survey*, Vol. 44, No. 3 (July/August 2003).

<sup>5</sup> Fair, "Indo-Iranian Relations;" and Pant, "India and Iran."

<sup>6</sup> *Ibid.*

<sup>7</sup> George Perkovich, "Is India a Major Power," *The Washington Quarterly*, Vol. 27, No. 1 (Winter 2003-04), pp. 129-44.

<sup>8</sup> Government of India, *Ministry of Defence Annual Report 2005-2006*, p. 2.

<sup>9</sup> C. Christine Fair, "US-Indian Army-to-Army Relations: Prospects for Future Coalition Operations?," *Asian Security*, Vol. 1, No. 2 (April 2005); C. Christine Fair, *The Counterterror Coalitions: Cooperation with Pakistan and India* (Santa Monica: RAND, 2004); and Juli MacDonald, *Indo-U.S. Military Relationship: Expectations and Perceptions* (Falls Church: Booz Allen Hamilton, 2002).

<sup>10</sup> For discussion of India's various regional efforts, see Satu Limaye, "The Weakest Link, but not Goodbye," *Comparative Connections*, Vol. 4, No. 4 (Winter 2003); and Sushil J. Aaron, *Straddling Faultlines: India's Foreign Policy Toward the Greater Middle East*, French Research Institutes in

India, *CSH Occasion Paper*, No. 7 (2003), p. 30; Meena Singh Roy, "India's Interests in Central Asia," *Strategic Analysis*, Vol. 24, No. 12 (March 2001); Stephen Blank, "Central Asia's Deepening East Asian Relations," *The Analysts Biweekly Briefing* (Central Asia Caucasus Institute, November 8, 2000); MacDonald, *Indo-U.S. Military Relationship*.

<sup>11</sup> Derived from data of the Government of India, Ministry of Power website, <http://powermin.nic.in/>. Coal accounts for 55 percent of India's current generation. In total thermal sources (coal, gas, diesel) it accounts for 66 percent of India's production. India is the third largest producer of coal in the world. See Peter M. Lamb, "The Indian Electricity Market: Country Study and Investment Context," Program on Energy and Sustaining Development, Stanford University, *Working Paper*, No. 48 (April 16, 2005), [http://iis-db.stanford.edu/pubs/20975/India\\_Country\\_Study.pdf](http://iis-db.stanford.edu/pubs/20975/India_Country_Study.pdf) (accessed 18 May 2006).

<sup>12</sup> These percentages are derived from 2003 data from the International Energy Agency, "IEA Energy Statistics, Oil in India in 2003," [http://www.iea.org/Textbase/stats/oilnonoecd.asp?nonoecd=India&COUNTRY\\_LON\\_G\\_NAME=India](http://www.iea.org/Textbase/stats/oilnonoecd.asp?nonoecd=India&COUNTRY_LON_G_NAME=India).

<sup>13</sup> Saikat Neogi, "Oil Diplomacy Beyond Tehran," *The Hindustan Times*, February 5, 2006. For a somewhat different—but more comprehensive view—see The International Energy Agency, *Key World Energy Statistics—2005* (Paris: IEA, 2005).

<sup>14</sup> Roy, "India's Interests in Central Asia."

<sup>15</sup> High-level Indian (National Security Advisor Under Prime Minister Vajpayee Brajesh Mishra) and Israeli leadership (Israeli Deputy Prime Minister Yosef Lapid) has called for explicit U.S.-India-

Israel axes to counter Islamist terrorism. See Sultan Shahin, "India's Startling Change of Axis," *Asian Times Online*, May 13, 2003; Ghulam Muhammed, "U.S.-Israel- India Axis," *Al Jazeera Online*, September 5, 2003; Chidanand Rajghatta, "Mishra Proposes India-Israel- U.S. Anti-terror Alliance," *The Times of India*, May 9, 2003; "Unwritten, Abstract U.S.-India-Israeli Axis to Fight Terror," *Indian Express*, September 11, 2003; Surendra Mohan, "Is Mishra's Suggestion of a U.S.-India-Israel Axis Workable?" *South Asia Tribute*, June 8, 2004.

<sup>16</sup> T. P. Sreenivasan, "Pranab's Iran visit a signal to the US," *Rediff*, February 12, 2007, <http://in.rediff.com/news/2007/feb/12tps.htm>.

<sup>17</sup> For a discussion of these votes, see K.P. Nayar, "No-choice Delhi Votes with U.S.," *The Telegraph*, September 25, 2006; and "Prime Minister's Suo Motu Statement on Iran," February 17, 2006, <http://pmindia.nic.in/speech.asp?id=279>.

<sup>18</sup> See "New Delhi Declaration" text. Government of India, Ministry of External Affairs," October 16, 2001, <http://meaindia.nic.in/speech/2003/01/25spc01.htm>.

<sup>19</sup> Government of India, Ministry of External Affairs, "India Iran Strategic Dialogue," October 16, 2001; "Iran, India Hold 4th Round of Strategic Dialogue," *Payvand's Iran News*, May 2, 2005.

<sup>20</sup> Government of India, Ministry of External Affairs, India, "Documents Signed Between Islamic Republic of Iran and India New Delhi-January 25, 2003 in Hyderabad House, New Delhi, India," January 25, 2003, <http://meaindia.nic.in>.

<sup>21</sup> Government of India, Ministry of External Affairs, "President Mohammad Khatami's Visit to India 24-28 January

2003 New Delhi," <http://meaindia.nic.in/event/2003/01/25events01.htm>; "India, Iran Have Co-operation in Space Research," *Times of India*, February; 1, 2003; Ministry of External Affairs, "Documents Signed Between Islamic Republic of Iran and India New Delhi;" Sengupta, "Yes, India is a Friend of Iran, so what?."

<sup>22</sup> Press Information Bureau (of India), "India, Iran Discuss Modalities for Execution of S& T Agreement," January 28, 2003, <http://pib.nic.in/archieve/lreng/lyr2003/rjan2003/28012003/r280120036.html>.

<sup>23</sup> C. Raja, "Tending to the Neighborhood," *The Hindu*, February 2003.

<sup>24</sup> PennWell Corporation, *Oil & Gas Journal*, Vol. 103, No. 47 (December 19, 2005). Oil includes crude oil and condensate.

<sup>25</sup> PennWell Corporation, *Oil & Gas Journal*.

<sup>26</sup> "Edgy India Mulls Iran Threats," *Express India*, May 18, 2006.

<sup>27</sup> This deal has been discussed in various guises with different details in various sources. India and Iran had tense discussions about contract finality. In May 2006, Iran said that the deal had not been ratified and therefore could still be cancelled. The contours are generally the same, however; see for example, "When Is a Contract Not a Contract?" *Rediff.com*, May 9, 2006; "India and Iran Finalize Gas Deal," *BBC News Online*, June 13, 2006; "India Finalizes a US \$20 Billion Deal to Import Liquefied Natural Gas (LNG) from Iran beginning 2009-10," *India Daily*, June 14, 2006.

<sup>28</sup> See Energy Information Administration, *Country Analysis Brief: Iran* (EIA, January 2006). Information provided in personal communications with Henry Rowen, Mark



Hayes, Mojan Movassate, and Medhi Varzi in April 2006. All of these individuals are well-reputed authorities on this issue.

<sup>29</sup> Regine A. Spector, "The North-South Corridor," *Central Asia-Caucasus Institute Analyst*, July 3, 2002; Aaron, *Straddling Faultlines*; Sudha Ramachandran, "India, Iran, Russia Map out Trade Routes," *The Asia Times Online*, June 29, 2002.

<sup>30</sup> Jian Yaping, "Why India Attaches Importance to Central Asia," *Alexander's Gas and Oil Connections*, December 11, 2003; Rizvan Zeb, "Gwadar and Chabahar: Competition or Complimentarily," *Central Asia-Caucasus Analysts*, October 22, 2003; Rizvan Zeb, "The Emerging Indo-Iranian Strategic Alliance and Pakistan," *Central Asia-Caucasus Analysts*, February 12, 2003; Aaron, *Straddling Faultlines*, p. 30.

<sup>31</sup> Aaron, *Straddling Faultlines*, p. 30; Government of India, *Ministry of Defence Annual Report 2005-2006*; Government of India, Ministry of External Affairs, "Iran," May 2004, <http://meaindia.nic.in/foreignrelation/iran.htm> (accessed May 18, 2006).

<sup>32</sup> Sudha Ramachandran, "The Glue that Bonds India, Iran," *The Asian Times*, January 12, 2005; Kronstadt and Katzman, "India-Iran Relations."

<sup>33</sup> Ramananda Sengupta, "Advantage: India," *Rediff.com*, January 30, 2003, <http://www.rediff.com/news/2003/jan/30ram.htm>, (accessed January 18, 2007); Ramtanu Maitra, "Why courting Russia and Iran makes sense," *Asia Times Online*, October 2, 2003, <http://www.atimes.com/atimes/South Asia/EJ02Df04.html> (last access January 18, 2007). For a reputable view from Pakistan, see Khaled Ahmed, "India's Relations with Iran," *Friday Times*, Vol. 16, No. 49 (January 28-February 3, 2005); M. P.

Zamani, "Indo-Iran Strategic Cooperation," *Iran Daily*, No. 2119 (October 21, 2004).

<sup>34</sup> Blank, "India's Rising Profile in Central Asia;" Pant, "India and Iran;" John Calabrese, "Indo-Iranian Relations in Transition," *Journal of South Asia and Middle Eastern Studies*, Vol. 25, No. 3 (Summer 2002).

<sup>35</sup> Calabrese, "Indo-Iranian Relations in Transition," pp. 75-76; "India-Iran Military Ties Growing," *Strategic Affairs*, June 16, 2001; Ramananda Sengupta, "Yes, India is a Friend of Iran, So What?" *Rediff*, November 13, 2003; Anthony Cordesman, *Iran's Developing Military Capabilities* (Washington DC: Center for Strategic and International Studies (CSIS), 2004); Zeb, "Gwadar and Chabahar;" Zeb, "The Emerging Indo-Iranian Strategic Alliance and Pakistan;" Ehsan Ehrari, "As India and Iran Snuggle, Pakistan Feels the Chills," *Asia Times*, February 11, 2003.

<sup>36</sup> Ehrari, "As India and Iran Snuggle."

<sup>37</sup> C. Christine Fair, *The Counterterrorism Coalitions Cooperation with India and Pakistan* (Santa Monica: RAND, 2004); Fair "Indo-Iranian Relations."

<sup>38</sup> Vivek Raghuvanshi and Gopal Ratnam, "Indian Navy Trains Iranian Sailors," *Defense News*, March 27, 2006. See also "India Trains Iranian Navy," *Middle East Newslines*, March 12, 2006; Vijay Sakhuja, "Iran Stirs Indian-US Waters," *Middle East Newslines*, April 10, 2006; Sridhar Krishnaswami, "Iran not Getting Military Training from India: Rice," *Rediff.com*, April 6, 2006. On May 16, 2006, Under Secretary of State for Political Affairs R. Nicholas Burns addressed this issue at a presentation on the U.S.- India Civilian Nuclear Deal at the Carnegie Endowment for International Peace. Burns claimed that the exercise was little more than a few hundred Iranian naval cadets playing



volleyball with Indians. Audio-file available at: <http://www.carnegieendowment.org/events/index.cfm?fa=eventDetail&id=884&&prog=zgp&proj=znpp,zsa,zusr>.

<sup>39</sup> Sakhuja, "Iran Stirs India-U.S. Waters."

<sup>40</sup> Tom Lantos in particular was disturbed by the exercise and opined that "...in order to become a strategic ally of the United States... India must recognise some basic facts, specifically some facts with respect to Iran: It is a terrorist state whose current regime strives to develop nuclear weapons. At this committee's first hearing on the proposed nuclear deal, I and others on this committee made it clear that a 'business as usual' relationship with the current terrorist regime in Tehran is unacceptable behavior by any country seeking to be our strategic partner." Aziz Haniffa, "India Not a Threat to NPT: Lantos," *Rediff.com*, April 6, 2006, <http://in.rediff.com/news/2006/apr/06ndeal1.htm> (accessed January 18, 2007).

<sup>41</sup> Donald L. Berlin, "India-Iran Relations: A Deepening Entente," *Asia-Pacific Center for Security Studies Special Assessment* (Honolulu: Asia-Pacific Center for Security Studies, October 2004).

<sup>42</sup> See Nuclear Threat Initiative, "Iran Profile," last updated August 2005, [http://www.nti.org/e\\_research/profiles/Iran/1825\\_1864.html](http://www.nti.org/e_research/profiles/Iran/1825_1864.html); Mark Skootsky, *U.S. Nuclear Policy Toward Iran*, June 1, 1995, <http://people.csail.mit.edu/boris/iran-nuke.text>; See interview with Jehangir Pocha, "Concern Increases over Ties between India, Iran Nuclear Arms Proliferation Worries U.S.," *San Francisco Chronicle*, October 14, 2003; "India Helping Iran with Nuclear Energy Programme: Foreign Minister," *Agence France Presse (AFP)*, December 13, 2003.

<sup>43</sup> "India Supports Iran's Peaceful Use of Nuclear Technology: Official," *Financial Times*, October 19, 2004.

<sup>44</sup> Ministry of External Affairs, "Sanctions on Indian Atomic Scientists by United States," May 17, 2006; Kronstadt and Katzman, "India-Iran Relations."

<sup>45</sup> Richard Speier, "India's ICBM—On a 'Glide Path' to Trouble?," The Nonproliferation Policy Education Center, February 7, 2006; "Iran Watch Round Table," February 2006, <http://www.iranwatch.org/ourpubs/roundtables/rt-indiadeal-022806.htm>.

<sup>46</sup> "India, Iran Have Co-operation in Space Research," *Times of India*, February 1, 2003. Also see Ramananda Sengupta, "India-Iran Gas Pipeline: A Transit Challenge," *Rediff.com*, January 22, 2003. In the 1970s, India and Iran began a joint venture project named Zohreh to launch four Iranian communications satellites into a geo-stationary orbit. At that time, they negotiated with NASA for launching satellites, according to Yiftah S. Shapir, "Iran's Efforts to Conquer Space," *Strategic Assessments*, Vol. 8, No. 3 (November 2005).

<sup>47</sup> Atul Aneja, "West Asia Watching Sharon's Visit," *The Hindu*, September 8, 2003; John Cherian, "A Visit and Its Aftermath," *Frontline*, Vol. 20, No. 20 (September 27-October 10, 2003); Harsh V. Pant, "India-Israel Partnership: Convergence and Constraints," *Middle East Review of International Affairs (MERIA)*, Vol. 8, No. 4 (2004), <http://meria.idc.ac.il/journal/2004/issue4/pant.pdf>; "Tel Aviv Worried about New Delhi's Ties with Iran," *Times of India*, September 11, 2003; Praful Bidwai, "Nuclear Poker over Iran," *Frontline*, Vol. 23, No. 2 (January 28 -February 10, 2006); Patricia Nunan, "US Signals Concern

About India-Iran Pipeline Project,” *VOA News.com*, March 17, 2005; Paranjoy Guha Thakurta, “Iran-Pakistan-India Gas Pipeline in Trouble,” *Inter Press Service News Agency*, February 14, 2006. For a U.S. blessing of the Iran-India relationship, see comments of Under Secretary of State for Political Affairs R. Nicholas Burns on the U.S. India Civilian Nuclear Deal at the Carnegie Endowment for International Peace on May 16, 2006.

<sup>48</sup> See comments of Under Secretary of State for Political Affairs R. Nicholas Burns on the U.S. India Civilian Nuclear Deal at the Carnegie Endowment for International Peace on May 16, 2006.

<sup>49</sup> Following Mukherjee’s February 2007 visit to Tehran, the new chairman of the House Foreign Affairs Committee, Tom Lantos, publicly opined that India was not keeping its commitments regarding the nuclear deal. See M K Bhadrakumar, “India on the front line in energy war,” *Asia Times Online*, February 14, 2007, [http://www.atimes.com/atimes/South\\_Asia/IB14Df01.html](http://www.atimes.com/atimes/South_Asia/IB14Df01.html).

<sup>50</sup> Aneja, “West Asia Watching Sharon’s Visit;” Cherian, “A Visit and its Aftermath;” Pant, “India-Israel Partnership;” “Tel Aviv worried about New Delhi’s ties with Iran.”

<sup>51</sup> Edward Luce and Harvey Morris, “India and Israel Ready to Consummate Secret Affair,” *Financial Times*, September 4, 2003.

<sup>52</sup> See M K Bhadrakumar, “India on the front line in energy war.”