

**Fact Sheet**  
**Office of the Spokesman**  
**Washington, DC**  
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**U.S.- India Civil Nuclear Cooperation Initiative**  
**Bilateral Agreement on Peaceful Nuclear Cooperation**

The United States and India have reached a historic milestone in their strategic partnership by completing negotiations on the bilateral agreement for peaceful nuclear cooperation, also known as the 123 Agreement. This agreement will govern civil nuclear trade between our two countries and open the door for American and Indian firms to participate in each other's civil nuclear energy sector.

The completed text of the proposed 123 Agreement is respectful of both the July 18, 2005, and March 2, 2006 Joint Statements issued by President Bush and Prime Minister Singh. In addition, it is consistent with applicable U.S. law.

This agreement, about which the Administration briefed Congress regularly, establishes the framework for full civil nuclear cooperation between the United States and India.

Key features of the agreement:

- \* Confirms the desire of both countries to engage in full civil nuclear cooperation, including research and development; nuclear safety; and commercial trade in nuclear reactors, technology, and fuel;
- \* Affirms the fuel supply assurances made to India by President Bush on March 2, 2006, including creating the necessary conditions to allow India access to the international fuel market, and by supporting the creation of an Indian strategic fuel reserve;
- \* Grants consent to India for certain nuclear fuel cycle activities. In particular, grants consent to reprocessing, with such right being brought into effect by India establishing a new national facility under International Atomic Energy Agency safeguards dedicated to reprocessing safeguarded nuclear material, and our two countries agreeing on arrangements and procedures under which reprocessing will take place;
- \* Commits India to appropriate safeguards on all civil nuclear material and equipment subject to the agreement and to assuring that nuclear items subject to the agreement will be used only for peaceful purposes, including through a reaffirmation of India's commitments to safeguards in perpetuity;

- \* Reinforces the commitment of both countries to global nonproliferation efforts;
- \* Preserves the rights of both countries to terminate cooperation and request the return of transferred items under appropriate circumstances; and
- \* Creates the legal basis for the United States to be a stable, reliable, and predictable supplier for India's civil nuclear energy market.

The conclusion of negotiations on the 123 agreement opens the door for the completion of the remaining steps in the broader U.S.-India Civil Nuclear Cooperation Initiative. These steps include:

- \* Conclusion of a safeguards agreement between India and the International Atomic Energy Agency applicable to India's separated civil nuclear sector and progress toward an Additional Protocol;
- \* Achievement of a consensus decision in the Nuclear Suppliers Group to make an India-specific exception to the full-scope safeguards requirement of the Group's export guidelines; and
- \* Approval of the 123 Agreement by the U.S. Congress.

Civil nuclear cooperation between the United States and India will offer benefits to both of countries' citizens through enhanced energy security, a more environmentally-friendly energy source, greater economic opportunities, and more robust nonproliferation efforts.

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