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Congress of the United States
House of Representatives
Washington, DC 20515-2107

October 23, 2008

The Honorable Condoleezza Rice
Secretary of State
U.S. Department of State
Washington, D.C. 20520

Dear Secretary Rice:

I am writing in regard to the announcement last weekend that the Peoples' Republic of China has agreed to supply Pakistan with two new nuclear reactors. I am deeply concerned that this agreement flouts the international trade rules established by the Nuclear Suppliers' Group (NSG), does further damage to the international nonproliferation regime, and will further destabilize South Asia.

I strongly opposed the recently completed U.S.-India nuclear cooperation deal, on the grounds that it would gravely damage the vitally important nonproliferation regime. A key concern raised by this agreement was that waiving the international rules for India would set a precedent for other nations to flout international nuclear nonproliferation export controls for their allies or trading partners.

As you know, the Peoples' Republic of China has had a long history of nuclear cooperation with Pakistan. This history made China and Pakistan likely candidates for future nuclear cooperation in violation of NSG guidelines, which was always a concern for those of us who opposed the India nuclear deal. Unfortunately, our concerns appear to be borne out in the events that are unfolding right now, which must be considered a direct consequence of the U.S.-India nuclear deal.

China has built one nuclear reactor in Pakistan and is currently nearing completion on a second, called Chashma I and Chashma II, respectively. The contracts for these reactors existed before China received membership in the NSG in 2004, and because of this China was allowed to complete work on them. It is vital to note that the provision of new nuclear reactors to Pakistan would violate the NSG guidelines, as Pakistan does not allow full-scope International Atomic Energy Agency safeguards.

The Department of State acknowledged this during Congressional hearings in 2004 explaining the Bush Administration's support for China's bid for NSG membership. On May 18th, 2004, then-Assistant Secretary of State for Nonproliferation John Wolf said, "We have known for some time that China planned to supply Chashma II. But, although we would prefer that no such

cooperation occur, Chashma II will be under IAEA safeguards and the NSG full-scope safeguards provisions have always made allowance for the completion of agreements and contracts entered into before membership.” Any new nuclear reactors provided by China to Pakistan would have been contracted for after China’s entrance into the NSG, and therefore be impermissible according to the NSG guidelines.

In light of press reports regarding the new Chinese-Pakistani nuclear deal, I respectfully request responses to the following questions:

1. Has the Department of State confirmed with either Pakistan or China, or both, that an agreement has been reached on the provision of any additional nuclear reactors other than Chashma I and II?
2. Would the provision of a nuclear reactor to Pakistan by China, contracted for after China’s entrance into the NSG, violate the guidelines of the Nuclear Suppliers’ Group?
3. Has the Department of State communicated to Pakistan and China that the provision of a nuclear reactor other than Chashma I and II to Pakistan by China would violate the guidelines of the Nuclear Suppliers’ Group?
4. If the provision by China of two additional reactors to Pakistan (beyond Chashma I and Chashma II) does violate NSG guidelines, what actions are available to the United States to protest the deal or penalize China and/or Pakistan? Will the administration seek to have China abandon the deal?
5. Will the United States raise this issue at the next Nuclear Suppliers’ Group meeting in November, 2008?
6. Recent press reports indicate that Pakistan may request emergency loans from the International Monetary Fund. This raises the possibility that Pakistan could receive international development funding at the same time that it is entering into contracts to pay China for the construction of nuclear reactors in violation of the Nuclear Suppliers’ Group guidelines. Would the United States seek to block the extension of IMF loans to Pakistan if such a nuclear agreement is under consideration?

Please provide responses to the above questions in 14 days, or by November 5th, 2008. If you have any questions, please contact Will Huntington of my staff at 202-225-2836.

Sincerely,



Edward J. Markey