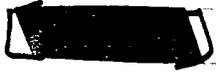




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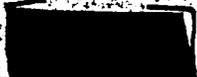


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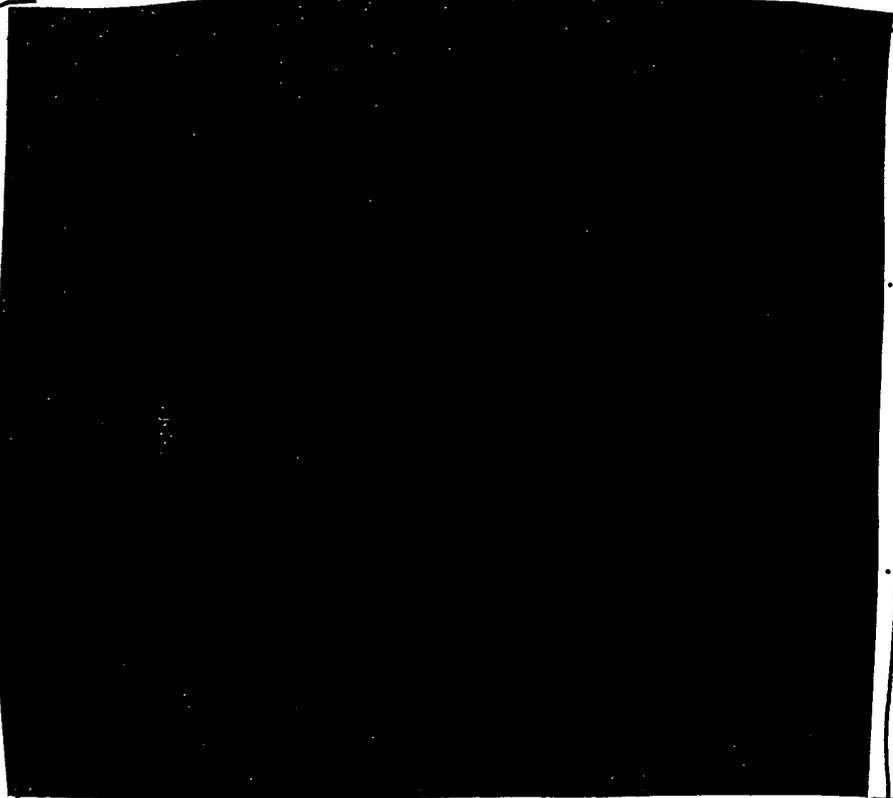
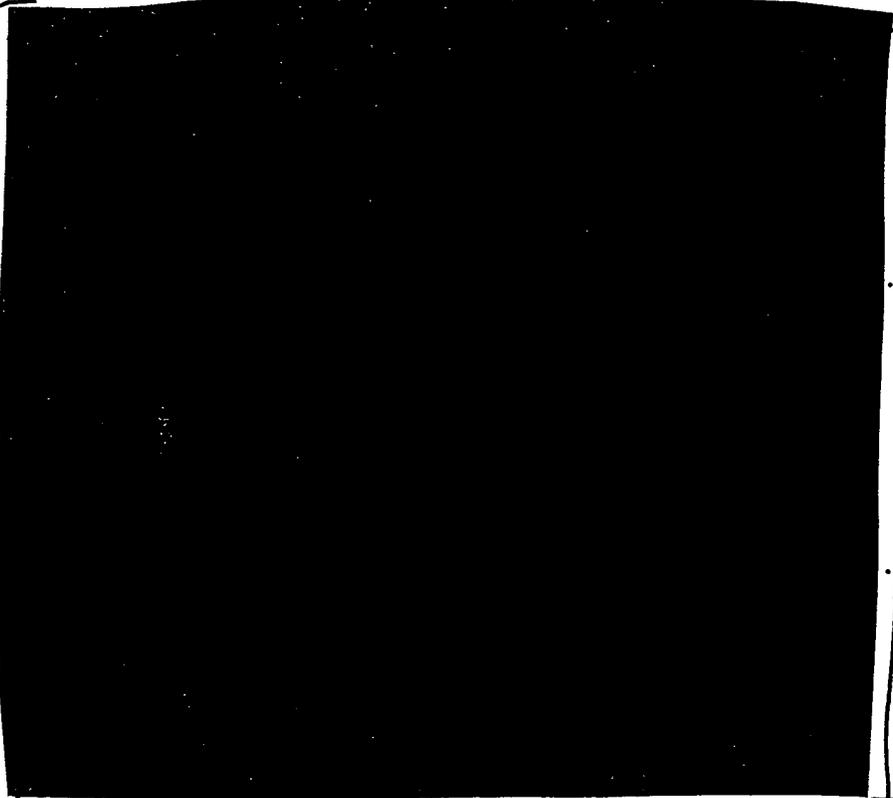
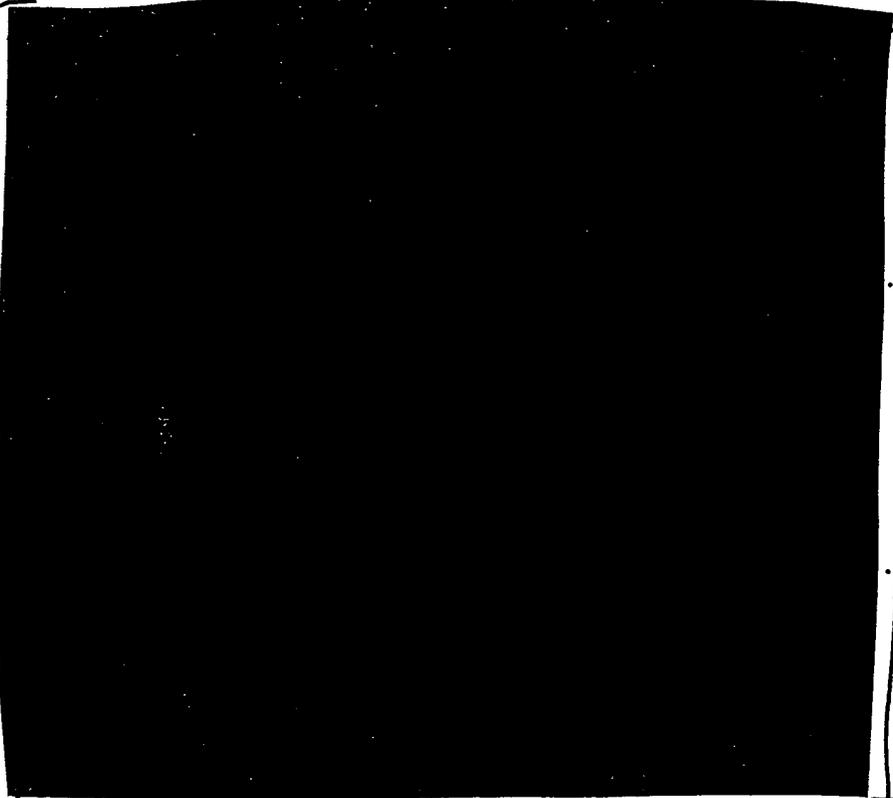
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[REDACTED]

India's recent announcement that it would begin reprocessing spent nuclear fuel at Tarapur is in part an attempt to force the United States to reevaluate--and if necessary, terminate--its nuclear cooperation relationship with New Delhi. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

INDIA: THE DECISION TO REPROCESS NUCLEAR FUEL [REDACTED]

India's recent announcement that it would begin reprocessing spent nuclear fuel at Tarapur is in part an attempt to force the United States to reevaluate--and if necessary, terminate--its nuclear cooperation relationship with New Delhi. The reprocessing decision appears to have been timed to catch the new US administration off guard and to force it to address the issue before it can settle into the routine left by its predecessors. Recent diplomatic exchanges indicate that India has become frustrated by what it perceives as the inability or unwillingness of the United States to act as a reliable and responsible nuclear supplier. While New Delhi's patience with US "foot-dragging" is wearing thin, the Indians would like to prevent a full break if US-imposed retroactive restrictions can be lifted. [REDACTED]

The Basis for Disagreement

India and the United States are at loggerheads over two agreements that form the core of their nuclear relationship:

- A 1963 nuclear cooperation agreement that the United States must provide timely and regular shipments of low enriched uranium for two reactors at the Tarapur atomic power station. The agreement runs for the projected life of the plant (30 years) and forbids the use of non-US-origin fuel.

- A subsequent agreement reached when India began building its power reactor fuel reprocessing plant in the Tarapur complex which stipulates that India and the United States will reach a "joint determination" that safeguards can be properly applied before reprocessing can begin. This plant was completed in 1976, but has not been put into regular operation because there has been no such determination. [REDACTED]

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[REDACTED]

India believes that the United States is not living up to the agreements. Uranium shipments have become irregular since India exploded a "peaceful" nuclear device in 1974. Indians strenuously object to the restrictions imposed by the US Nuclear Non-Proliferation Act (NNPA) of 1973 and regard the additional conditions imposed as a retroactive attempt to undermine their nuclear program by changing the terms of the 1963 contract. Under a recent arrangement, the administration must consult with Congress before sending the last of two shipments due India, and India is annoyed by the uncertainties raised by Congressional involvement. The Indians are upset that the United States is delaying the shipment until it is needed to ensure Tarapur's continued operation. They resent that under the terms of the NNPA, India must place its nuclear facilities under full-scope safeguards to receive uranium shipments arranged after the pending one. [REDACTED]

India has been piqued by the US Government's failure to act on India's longstanding requests for a joint determination on reprocessing, and it is skeptical of Washington's assurances that a joint determination is under "active review." India considers the spent fuel from Tarapur as belonging to India and believes that the reason for a joint determination is to ensure that safeguards are applied in any reprocessing operation. India is prepared to maintain the safeguards by an agreement with the International Atomic Energy Agency (IAEA) and does not believe that a move to reprocess without the joint determination constitutes a violation of the Indo-US agreement. [REDACTED]

The Reprocessing Decision

The recent decision to begin reprocessing is a political one--emanating from New Delhi, not Bombay--that has some psychological overtones. India's objective is to prod the United States into releasing the second shipment of fuel for Tarapur. In a broader context, however, reprocessing is an ingredient in India's desire to achieve a complete nuclear fuel cycle in a visible and successful nuclear program. The Indians want to assert their sovereign right to operate a plant they built themselves (with US approval) but cannot use because of US intransigence. [REDACTED]

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[REDACTED]

Independence in nuclear matters would enhance Indian prestige at home and among other developing nations, in addition to freeing India, which deplores signs of weakness and national dependency, from relying on undependable foreign suppliers.

[REDACTED]

The technical reasons given for India's "need" to reprocess are less compelling, at least at present. The Tarapur fuel situation is not critical; the power station can run for another couple of years on fuel currently available. Despite the claims of some Indian scientists, there is no need for additional storage space for accumulated spent fuel. The power station is the only one in India that requires the use of slightly enriched uranium. The backbone of the Indian nuclear power program is the heavy-water moderated, natural uranium Candu reactor. The Indians would accept the economic dislocation that would occur if they were forced to shut down Tarapur for lack of US-enriched uranium. The power station can run on a mixed oxide fuel (uranium oxide and plutonium oxide) that would be produced in a special fabrication plant using plutonium derived from reprocessing spent fuel. Such a plant would have to be built and the technology perfected before this vital step can be accomplished.

[REDACTED]

Although the threat has been made, there has been no decision in New Delhi to declare the United States in default,

[REDACTED]

Most Indian nuclear officials would like to see the relationship continue, but without the uncertainties that have marred it in recent years. If the agreement is to be dissolved, New Delhi would want Washington to do it, thus sparing India the onus of breaking the contract. In performing the initial reprocessing, the Indians are planning to use spent fuel from another reactor, which is not of US origin and over which the United States has no legal control, thus preempting the possibility that Washington can declare them in violation.

[REDACTED]

Putting the reprocessing plant into operation would be a challenge to the US position, but the Indians believe

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[REDACTED]

it would not constitute an open violation of the agreement. India will use spent fuel from the Rajasthan atomic power plant, not from Tarapur, for reprocessing. This fuel is not of US origin, but it is safeguarded under IAEA auspices.

[REDACTED]

The reprocessing of Tarapur station fuel is unlikely unless the US unilaterally abrogates the Indo-US agreement.

[REDACTED]

India's decision to reprocess does not necessarily signal a move toward nuclear weapons development, and there is no question of removing the reprocessing operation from existing safeguards. Rajasthan fuel is safeguarded, and the Indians would find the onus of taking a plant out of safeguards unacceptable. India recently received an IAEA determination that technical arrangements to apply safeguards can be accomplished--a further indication that India will do nothing to arouse international doubts about the peaceful intent of its nuclear program.

[REDACTED]

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