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Central Intelligence Agency

Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

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INDIA-US NUCLEAR RELATIONS: DISSIPATING GOOD WILL [REDACTED]

Summary

Senior Indian officials, concerned about safety hazards at the General Electric built Tarapur reactors, are urging Prime Minister Gandhi to make a major issue of the US failure to supply spare parts when Secretary Shultz visits later this month. The Chairman of the Indian Atomic Energy Commission told US officials on May 17 that one of the two reactors at the power station had been shut down because it could no longer be operated safely and warned that this would become a major public controversy.

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Although the Chairman has publicly denied the existence of any hazards, the Indian press has reported radiation releases and overexposure of plant personnel at the Tarapur reactors. US technical experts believe that the Tarapur reactors can no longer

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be operated safely without the US spare parts and that the potential exists for an accident involving the release of radiation into the crowded Bombay area. In our view such an event would provoke anti-American sentiment in the Indian public and discredit nuclear officials who have favored a conciliatory approach to the United States. [REDACTED]

#### The Spare Parts Issue

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We do not believe that all fuel in the reactors would have to be unloaded to make repairs [REDACTED]. We believe that New Delhi has threatened to reprocess Tarapur fuel as a bargaining chip in order to speed the US response to its spare parts request. [REDACTED] there will be enough storage space at Tarapur until [REDACTED] to accommodate all of the spent fuel that would be discharged during normal plant operations and that the country's only functioning reprocessing plant is committed to handling spent fuel from other reactors at least until [REDACTED].

#### Problems with the Reactors

Assessments of US technical experts who have studied the Indian spare parts request, information supplied by the Indians on the reactors, Indian press reports, [REDACTED] all assert that [REDACTED] the Tarapur reactors can no longer be operated safely without the US spare parts and that the potential exists for an accident involving the release of radiation into the environment. Recent Indian press reports claim that Tarapur workers have already been exposed to radiation in excess of internationally accepted standards and radioactive gasses have been vented into the atmosphere. [REDACTED] last year that Indian officials had noted high radiation levels at the plant because defective fuel elements had been used to maintain power generation since the US cut off nuclear sales in 1980. [REDACTED]

On 17 May the Indian press reported that one of the reactors was shut down for routine maintenance and replacement of a pump seal. Indian Atomic Energy Commission Chairman Homi Sethna told US officials at that time that a pump in the cooling system had failed and that the reactor could no longer be operated safely without US spare parts. Although press commentary on the problems at Tarapur has so far been muted, Sethna has warned that

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the US failure to supply spare parts and a resultant reactor shutdown would become a major public issue. [REDACTED]

India made its first formal request to the United States for spare parts in January 1982 and submitted its first detailed list of needs in July. The United States has told the Indians that any export of parts must comply with the Nuclear Non-Proliferation Act, or the law must be amended, and that it would be helpful if Congress could be assured that India had no current plans to reprocess Tarapur fuel, which the Indians confirmed to US representatives in February 1983. [REDACTED]

### Indian Objectives

We believe that Indian objectives on the Tarapur issue are to:

- Avoid prolonged shutdown of the Tarapur reactors. Because the Indian civil nuclear program has come under strong press and opposition attack for cost overruns, safety hazards, and failure to provide cheap, reliable electricity, we believe that the Indian nuclear establishment is reluctant to shut down Tarapur for an extended period, even if major safety problems exist.
- Secure the spare parts. In our view, India genuinely needs the parts from the United States. We believe that Indian industry lacks the experience or proprietary technology to make the parts quickly enough to avoid a long shutdown of Tarapur. According to US and foreign reactor vendors, moreover, only the United States can supply the parts for the American-made reactors. We believe that Indian nuclear officials would also like to avoid the high costs of self-sufficiency for the remaining 10 years of the projected useful life of the reactors.
- Avoid broader confrontation on nuclear issues with the United States. In our judgment, New Delhi wants to retain US good will so that Washington will take Indian concerns into account in its relations with Pakistan, particularly in restraining Pakistan's efforts to acquire nuclear weapons. We believe that Prime Minister Gandhi wishes to sustain the improvement in relations that resulted from her visit to Washington and to retain a balance in Indian relations with both the United States and the Soviet Union.
- Avoid any commitments that would extend or expand the US role in the Indian nuclear program. We believe that the Indian nuclear establishment continues to use the specter of foreign dependence to justify its costly and autarchic civil power program. According to press reports, opposition parties criticized last fall's agreement

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between India and the United States for refueling the Tarapur reactor because it failed to terminate all US controls over the nuclear program. In response, Gandhi has told the Indian parliament that all safeguards on the Tarapur reactor and its spent fuel will end when the agreement with the United States expires in 1993. [REDACTED]

#### Tarapur and India's Nuclear Policy

In our view, an extended shutdown of the Tarapur reactor or a demonstration that the plant has major safety problems would enhance the chances that Raja Ramanna, currently Director of the Bhaba Atomic Research Center, would succeed Homi Sethna as chairman of the Atomic Energy Commission. Sethna will reach retirement age this fall and must receive formal permission to continue in office. [REDACTED] Ramanna is working energetically to replace Sethna as the country's senior nuclear policy adviser. Ramanna argues that Sethna has failed to create a workable civil nuclear power program. [REDACTED]

[REDACTED] Ramanna favors overall closer nuclear ties with the Soviet Union, including acceptance of a Soviet offer to provide India with large power reactors. In Ramanna's opinion, [REDACTED] the Soviet offer would enable India to make substantial progress in expanding its nuclear generating capacity. [REDACTED]

#### Outlook

In our judgment, the Indian nuclear establishment is likely to press Gandhi to seek a firm commitment from Secretary Shultz to resolve the spare parts issue. We believe that New Delhi will take a harder line in the discussions if revelations of alleged safety hazards at the Tarapur reactors continue in the Indian press. The Indians may even threaten to reprocess Tarapur spent fuel in order to pressure the United States to reverse what they regard as inexcusable delay and bad faith in its failure to deliver the spare parts. In our view, even a minor but fully documented release of radioactivity from Tarapur into the crowded Bombay area would provoke an outburst of anti-American sentiment by the Indian public that would threaten to discredit nuclear officials such as Sethna who have favored a resolution of outstanding issues with the United States. Under these circumstances, we believe that Ramanna and others who favor a less cooperative posture toward US nuclear nonproliferation interests could take control of the nuclear program. [REDACTED]