

Ten misconceptions about the nuclear deal

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In spite of the fact that the Indo-US nuclear deal is not in the national interest, many in the country, and in Parliament, support it because of misconceptions about the deal, which need to be clarified.

(1) The nuclear deal is an agreement between India and the US for the US government to supply nuclear fuel and reactors to India.

Contrary to common perception, the nuclear deal or the 123 Agreement is *not* a commitment on the part of the US government to provide us with uranium or nuclear reactors. Presently American law prohibits nuclear cooperation with India because we have not signed the Non-Proliferation Treaty (NPT). All the nuclear deal does is to grant a 'waiver' from that law, so that American companies can now pursue nuclear trade with India. However, if India conducts a test at any time, the waiver is revoked.

(2) Imported uranium and nuclear reactors will be cheap and cost-effective.

Even if the nuclear deal is made operational, the actual sale of uranium and nuclear reactors will be governed by market forces – there are no guarantees of cheap or competitive nuclear power. To the contrary, there is every reason to believe that it will be expensive. The cost of uranium in the international market has gone up four-fold in the last few years, and will rise further with further demand. The same is true of the cost of steel and other materials used in a reactor. Manpower costs are much higher in the West. The example of the Dhabol power plant has already shown us that importing power plants from the West is not necessarily a viable option. We would do well to learn from that experience.

(3) The nuclear deal will safeguard our energy security.

It is true that nuclear energy is green energy, and therefore essential for our *long-term* energy security. But this does not translate into the nuclear deal will ensure our energy security. Power from the nuclear reactors that we buy will definitely be more expensive than indigenous nuclear power. Further, to keep the reactors running, we will always be dependent on imported uranium, which is controlled by a cartel – the Nuclear Suppliers Group (NSG). Therefore, the nuclear deal, by making us dependent on the cartel, will only compromise our energy security. Only our indigenous nuclear power programme can truly ensure our energy security. And in any case, for the next few decades, nuclear power will not exceed 6% of our total electricity production.

(4) Importing nuclear plants is a quick-fix solution to the present power crisis.

Nuclear technology is sensitive. Even if the nuclear deal goes through, it will take time to buy and setup new reactors. We have examples of the French reactors in China, and the Russian reactors in Kudankulam, India. It will actually take longer to setup foreign reactors compared to indigenous ones. Just the negotiations and legal formalities could take years. It will be at least eight years before we see the first power. So importing reactors is certainly no quick solution. For the short term, we will still have to rely on coal and hydroelectricity.

(5) The nuclear deal does not stop India from further nuclear testing, and therefore does not compromise our national security.

It is very clearly stated in the 123 Agreement it will be subject to national laws, and the Hyde Act is a law of the US. Therefore, the 123 Agreement is certainly circumscribed by the Hyde Act, which very clearly states that if India tests a nuclear device, all further nuclear trade is to stop, and the nuclear materials that have already been sold to us have to be returned. No future Indian government would dare to jeopardise such a huge investment in nuclear power, by testing. So, for all practical purposes the nuclear deal caps our strategic programme – which is precisely what the Americans intend.

(6) We can pass a national law to counteract the Hyde Act, and this will protect our strategic programme.

Just as the Hyde Act is not binding on us, our laws are not binding on the US. We can certainly amend our Atomic Energy Act to enable participation of the private sector in nuclear power. But if we pass a law saying that we will retain the right to test, it will have no influence on the actions of the US. If and when we test, they can simply quote the 123 Agreement and the Hyde Act, and pull out all their nuclear materials, leaving us devastated. The only option here is to renegotiate the 123 Agreement and have the clause inserted there. However, the Americans are unlikely to agree to this, since it goes against their non-proliferation policy.

(7) The nuclear deal and the safeguards agreement give India the status of a nuclear power.

While the 18 July 2005 Joint Statement did indeed talk about India being treated as an equal by the US, neither the 123 Agreement nor the IAEA Safeguards Agreement, have borne out those optimistic statements. In fact, the IAEA safeguards agreement that has been negotiated is closely based on the model agreement that IAEA has for non-nuclear weapon states. The safeguards agreements that the nuclear weapon countries have signed with the IAEA require them to put very few reactors under safeguards, and allow them to take reactors out of safeguards. India, however, will have to place most of its reactors under safeguards for perpetuity. Therefore we are certainly not being treated as a nuclear weapons country.

(8) Without the nuclear deal, we cannot get adequate uranium for our domestic nuclear programme.

The Department of Atomic Energy has always maintained that we have enough indigenous uranium for 10,000 MW of nuclear power for 30 years. We are not yet close to that number. The present mismatch in uranium availability for operating reactors is a consequence of poor planning, and inadequate prospecting and mining. There is talk of importing 40,000 MW of nuclear power, which will cost not less than \$100 billion or Rs. 4 lakh crores. If even 10% of this money were spent on uranium mining in existing mines in Andhra Pradesh and Meghalaya, on searching for new uranium deposits, and negotiating with non-NSG countries, there will be enough uranium for a robust indigenous nuclear power programme, until such time as thorium reactors takes over.

(9) The safeguards agreement with the IAEA guarantees fuel supplies even if India conducts a nuclear test.

The safeguards agreement only notes, in the preamble, that India's concurrence to the safeguards is linked to getting fuel supplies. However, the IAEA has no role in this matter, and certainly, no such commitment is given in the safeguards agreement. It also notes that India may take 'corrective measures' in the event of a disruption of foreign fuel supplies. It does not specify what these measures will be, it does not provide for any role for the IAEA in this, and it does not bestow legitimacy on any such measures that India may take. It may well be that any such measures that we suggest, such as importing fuel from another country, will be disallowed by the nuclear cartel (the NSG). The only tangible corrective measure is for India to explore and mine more uranium, and to enhance the enrichment capability to provide fuel for those reactors. The latter is subject to uncertainty.

(10) The nuclear deal has no impact on our foreign policy.

The Hyde Act states clearly that it is the policy of the US to secure India's cooperation on a number of issues involving Iran, including its capability to reprocess nuclear fuel (in spite of the fact that Iran, as an NPT signatory, has the right to enrich uranium for use in light-water reactors). This has nothing to do with the nuclear deal, and can only be related to influencing our foreign policy. Recent statements by Gary Ackerman, Chairman of the US House Foreign Affairs Committee, regarding Indo-Iran gas pipeline, only add fuel to such suspicions.

It can therefore be seen, that the Indo-US nuclear deal is not in the national interest. It presents the very serious danger of capping our strategic programme. That alone is reason enough not to go forward with the deal. Additionally, it does not guarantee the energy security that we are seeking, and, in fact, may only end up making us as vulnerable to the nuclear cartel, as we are today to the oil cartel.

It is easy to see why the US wants this deal so badly. At virtually no cost, since there is no commitment towards fuel supplies, they can cap our strategic programme, bring us into the NPT net, through the back door, as a non-nuclear power, keep a close eye on our nuclear activities, including R&D, through intrusive IAEA inspections, and subjugate us to the wishes of the nuclear cartel. If there were no cartel, we could have easily extended the Kudankulam agreement for more reactors, and avoided the present situation. If these are not reasons enough not to go ahead with the nuclear deal, then there are no reasons that reason can find.
