

PM's Suo-Motu Statement on Discussions on Civil Nuclear Energy Cooperation with the US: Implementation of India's Separation Plan

March 7, 2006
New Delhi

In my Statement on February 27, 2006, I had provided an assurance that this august House will be informed of developments in our discussions with the United States on separation of our civilian and military nuclear facilities. I now inform this august House of developments since my suo motu statement of 27 February.

The President of the United States, His Excellency Mr. George W. Bush visited India between March 1-3, 2006. His visit provided our two countries an opportunity to review progress made in deepening our strategic partnership since the Joint Statement issued during my visit to Washington last July. Our discussions covered the expansion of our ties in the fields of agriculture, economic and trade cooperation, energy security and clean environment, strengthening innovation and the knowledge economy, issues relating to global safety and security and on deepening democracy. Expanded cooperation in each of these areas will have a significant impact on India's social and economic development. The full text of the Joint Statement issued during President Bush's visit is placed on the Table of the House.

I have pleasure in informing the House that during President Bush's visit, as part of the process of promoting cooperation in civilian nuclear energy, agreement was reached between India and the United States on a Separation Plan. Accordingly, India will identify and separate its civilian and military nuclear facilities and place its civilian nuclear facilities under IAEA safeguards. Sir, I place on the Table of the House the Separation Plan that has been drawn up by India and agreed between India and the United States in implementation of the India-United States Joint Statement of July 18, 2005.

I would like to outline some salient elements of the Separation Plan:

i) India will identify and offer for IAEA safeguards 14 thermal power reactors between 2006-14. There are 22 thermal power reactors in operation or currently under construction in the country. Fourteen of these will be placed under safeguards by 2014 in a phased manner. This would raise the total installed thermal power capacity in Megawatts under safeguards from 19% at present to 65% by 2014. I wish to emphasize that the choice of specific nuclear reactors and the phases in which they would be placed under safeguards is an Indian decision. We are preparing a list of 14 reactors that would be offered for safeguards between 2006-14.

ii) We have conveyed that India will not accept safeguards on the Prototype Fast Breeder Reactor (PFBR) and the Fast Breeder Test Reactor (FBTR), both located at Kalpakkam. The Fast Breeder Programme is at the R&D stage. This technology will take time to mature and reach an advanced stage of development. We do not wish to place any encumbrances on our Fast Breeder programme, and this has been fully ensured in the Separation Plan.

(iii) India has decided to place under safeguards all future civilian thermal power reactors and civilian breeder reactors, and the Government of India retains the sole right to determine such reactors as

civilian. This means that India will not be constrained in any way in building future nuclear facilities, whether civilian or military, as per our national requirements.

(iv) India has decided to permanently shut down the CIRUS reactor, in 2010. The fuel core of the Apsara reactor was purchased from France, and we are prepared to shift it from its present location and make it available for placing under safeguards in 2010. Both CIRUS and Apsara are located at the Bhabha Atomic Research Centre. We have decided to take these steps rather than allow intrusive inspections in a nuclear facility of high national security importance. We are determined that such steps will not hinder ongoing Research and Development.

(v) Reprocessing and enrichment capabilities and other facilities associated with the fuel cycle for our strategic programme have been kept out of the Separation Plan.

(vi) One of the major points addressed in the Separation Plan was the need to ensure reliability of fuel supplies, given our unfortunate past experience with regard to interruption in supply of fuel for Tarapur. We have received commitments from the United States for the reliable supply of fuel to India for reactors that will be offered for safeguards. The United States has also reaffirmed its assurance to create the necessary conditions for India to have assured and full access to fuel for such reactors. Under the July 18 Joint Statement, the United States is committed to seeking agreement from its Congress to amend domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international market for nuclear fuel, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations. This has been reflected in the formal understandings reached during the visit and included in the Separation Plan.

(vii) To further guard against any disruption of fuel supplies for India, the United States is prepared to take other additional steps, such as :

- a) Incorporating assurances regarding fuel supply in a bilateral U.S.-India agreement on peaceful uses of nuclear energy which would be negotiated.
- b) The United States will join India in seeking to negotiate with the IAEA an India-specific fuel supply agreement.
- c) The United States will support an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors.
- d) If despite these arrangements, a disruption of fuel supplies to India occurs, the United States and India would jointly convene a group of friendly supplier countries to include countries such as Russia, France and the United Kingdom to pursue such measures as would restore fuel supply to India.

In light of the above understandings with the United States, an India-specific safeguards agreement will be negotiated between India and the IAEA. In essence, an India-specific safeguards agreement would provide: on the one hand safeguards against withdrawal of safeguarded nuclear material from civilian use at any time, and on the other permit India to take corrective measures to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies. Taking this into account, India will place its civilian nuclear facilities under India-specific safeguards in perpetuity and negotiate an appropriate safeguards agreement to this end with the IAEA. In the terms of the Separation plan, there is hence assurance of uninterrupted supply of fuel to reactors that would be placed under safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted. The House can rest assured that India retains its sovereign right to take all appropriate measures to fully safeguard its interests.

During my Suo Motu Statements on this subject made on July 29, 2005 and on February 27, 2006, I

had given a solemn assurance to this august House and through the Honorable members to the country, that the Separation Plan will not adversely effect our country's national security. I am in a position to assure the Members that that this is indeed the case. I might mention:

i) that the separation plan will not adversely effect our strategic programme. There will be no capping of our strategic programme, and the separation plan ensures adequacy of fissile material and other inputs to meet the current and future requirements of our strategic programme, based on our assessment of the threat scenarios. No constraint has been placed on our right to construct new facilities for strategic purposes. The integrity of our Nuclear Doctrine and our ability to sustain a

minimum Credible Nuclear Deterrent is adequately protected. Our nuclear policy will continue to be guided by the principles of restraint and responsibility.

ii) The Separation Plan does not come in the way of the integrity of our three stage nuclear programme, including the future use of our thorium reserves. The autonomy of our Research and Development activities in the nuclear field will remain unaffected. The Fast Breeder Test Reactor and the Prototype Fast Breeder Reactor remain outside safeguards. We have agreed, however, that future civilian Thermal power reactors and civilian Fast Breeder Reactors would be placed under safeguards, but the determination of what is civilian is solely an Indian decision.

As I mentioned in my Statement on February 27, the Separation Plan has been very carefully drawn up after an intensive internal consultation process overseen by my Office. The Department of Atomic Energy and our nuclear scientific community have been associated with the preparation of the Separation Plan. The Chairman of the Atomic Energy Commission and the Principal Scientific Adviser to the Government of India were actively involved closely at every stage. I am in a position to assure the Hon'ble members that we have not permitted information of national security significance to be compromised in any way during the negotiations.

I believe that the significance of the July 18, 2005 Statement is the prospect it offers for ending India's nuclear isolation. It will open up prospects for cooperation not only with the US but with countries like Russia, France and other countries with advanced nuclear capabilities, including those from the NSG. The scope for cooperation in the energy related research will vastly expand, so will cooperation in nuclear research activities. India will be able to join the international mainstream and occupy its rightful place among the top countries of the nuclear community. There would be a quantum jump in our energy generating capacity with a consequential impact on our GDP growth. It also ensures India's participation as a full partner in cutting edge multilateral scientific effort in the nuclear field such as ITER and Generation IV Initiative.

Sir, successful implementation of the July 18 Joint Statement requires reciprocal actions by the United States as well as India. Steps to be taken by India will be contingent upon actions taken by the US. For our part, we have prepared a Separation Plan that identifies those civilian facilities that we are willing to offer for safeguards. The United States Government has accepted this Separation Plan. It now intends to approach the US Congress for amending its laws and the Nuclear Suppliers Group for adapting its Guidelines to enable full civilian cooperation between India and the international community. At the appropriate stage, India will approach the IAEA to discuss and fashion an India-specific safeguards agreement, which will reflect the unique character of this arrangement. Since such a safeguards agreement is yet to be negotiated it will be difficult to predict its content, but I can assure the House that we will not accept any provisions that go beyond the parameters of the July 18, 2005 Statement and the Separation Plan agreed between India and the United States, on March 2, 2006. We are hopeful that this process will move forward in the coming weeks and months.

I would request Hon'ble Members to look at this matter through the larger perspective of energy security. Currently, nuclear energy provides only three per cent of our total energy mix. Rising costs and reliability of imported hydrocarbon supplies constitute a major uncertainty at a time when we are accelerating our growth rate. We must endeavor to expand our capabilities across the entire energy spectrum ? from clean coal and coal-bed methane, to gas hydrates and wind and solar power. We are

actively seeking international partnerships across the board and are members of many international initiatives dedicated to energy. Indeed, at the end of my talks with President Bush, we announced Indian participation in two more programmes: the Future-Gen programme for zero emission thermal power plants and the Integrated Ocean Drilling Programme for gas hydrates.

The House will appreciate that the search for an integrated policy with an appropriate mix of energy supplies is central to the achievement of our broader economic or social objectives. Energy is the lifeblood of our economy. Without sufficient and predictable access, our aspirations in the social sector cannot be realized. Inadequate power has a deleterious effect in building a modern infrastructure. It has a direct impact on the optimal usage of increasingly scarce water resources. Power shortage is thus not just a handicap in one sector but a drag on the entire economy.

I believe that the needs of the people of India must become the central agenda for our international cooperation. It is precisely this approach that has guided our growing partnership with the United States. I would, in particular, draw attention to the launching of the Knowledge Initiative in Agriculture with a three year financial commitment to link our universities and technical institutions and businesses to support agricultural education, research, capacity building, including in the area of bio-technology. Our first Green Revolution benefited in substantial measure from assistance provided by the US. We are hopeful that the Knowledge Initiative on Agriculture will become the harbinger of a second Green Revolution in our country.

Sir, India and the United States have much to gain from this new partnership. This was the main underlying theme of our discussions during the visit of President Bush. The resumption of civilian nuclear energy cooperation would demonstrate that we have entered a new and more positive phase of our ties, so that we can finally put behind us years of troubled relations in the nuclear field. I am confident that this is a worthy objective that will receive the full support of this House.

^ TOP ^