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Keeping U.S. Dual-Use Goods out of India’s Nuclear Weapons Program

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On November 8, 2010 the Obama Administration announced that it would drastically reorient its export policy toward India, including removing India’s long-standing status as a “country of concern” within regulations on dual-use goods—goods with both civil and nuclear uses. In implementing this policy change, the administration will need to ensure that dual-use goods do not go to India’s unsafeguarded nuclear facilities, particularly plants that support its military nuclear program.

In addition, the administration recommended that India be invited to join the Nuclear Suppliers Group (NSG). Before it is invited to join the NSG, India will need to significantly strengthen its nonproliferation credentials. In May 2009, a senior U.S. State Department official noted during a discussion with NSG members that India needed to strengthen its export controls and nonproliferation measures ahead of becoming a member of the NSG, and that the United States would be hard on India if it did not.

If the United States fails to create safeguards against the transfer of dual-use goods imported by civil, space, and defense entities to India’s nuclear weapons program, this policy risks facilitating India’s expansion and improvement of its nuclear weapons arsenal and the means to deliver them. That will inevitably provoke Pakistan into further expanding its own nuclear weapons program, intensifying the ongoing and dangerous nuclear arms race in the South Asia region.

This announcement unfortunately marks a further reversal of a decades-long policy toward India which prevented sensitive equipment sales to a country with nuclear weapons outside the Nuclear Non-Proliferation Treaty (NPT). It sets a poor precedent for NPT non-nuclear weapon states and those with nuclear weapons outside the NPT, while undermining the central bargain of the NPT.

This policy appears to downplay India’s flawed nonproliferation record. The country has leaked sensitive centrifuge design information, illicitly procured goods for its nuclear weapons programs, and not adequately enforced export controls. Increasing India’s access to dual-use technology before the Indian government fixes these problems increases the likelihood that some of this technology could leak out through its poorly implemented controls.
The Obama administration should make clear that it will keep sanctions in place on India’s nuclear weapons and other unsafeguarded programs and that it intends to verify that India does not exploit the new policy to obtain dual-use goods for those programs. The Obama administration should announce that it:

- Will regularly verify the end use of sensitive dual-use goods sent to Indian entities or companies;
- Requires the Indian government’s explicit statement that it commits not to divert U.S. or other suppliers’ goods to its nuclear weapons programs; and
- Must have a pledge from the Indian government that government-owned or controlled entities will not engage in illicit nuclear trade to bypass supplier export controls either directly or indirectly, such as via trading companies.

If India sends U.S. dual-use goods to its nuclear weapons or unsafeguarded nuclear facilities, the United States should reverse its new policy pending the return of these goods.

**Sacrificing Nonproliferation?**

The Obama administration’s policy on U.S. sales to India goes a step beyond the Bush administration’s successful 2005 bid to gain a NSG exemption for civil nuclear cooperation with India. According to a White House fact sheet, new U.S. policy will be to support India’s membership in multilateral nuclear export control regimes, remove Indian defense and space related entities from the U.S. Entity List, “realign” U.S. dual-use export policy by removing it as a “country of concern,” and expand cooperation and dialogue on export control issues. The White House claims that this will “strengthen the global non-proliferation and export control framework and further transform...bilateral export control cooperation to realize the full potential of the strategic partnership between the two countries.” Unfortunately, for the economic gain and symbolic strengthening of the U.S.-Indian relationship, the new policy risks undermining the goal of nuclear nonproliferation.

The Obama administration has not indicated whether it will seek regular end-use verification of the additional dual-use transfers to Indian companies and government entities that will now be made under this new policy. It has failed to state if it will attempt to prevent India from using dual-use goods acquired from abroad in its nuclear weapons program, specifying only a vague “realignment” of export controls. The policy may encourage a practice of turning a blind eye to such transfers. It may also promote a further blurring of the line between civil and nuclear weapon uses in India, a blurring which India unreservedly seeks in its effort to be considered a legitimate nuclear weapons state with the ability to import any goods it seeks for all its nuclear programs.

India has many incentives to bend or break the new rules being proposed by the Obama administration. Constraints on the supply of dual-use goods have usefully created limits on India’s ability to improve and expand its nuclear arsenal. For many years, India has sought to expand its military enrichment program at Mysore with the addition of 3,000 centrifuges, and has relied greatly on illicit procurements abroad of dual-use and nuclear components to support this effort. As recently as March 2010, commercial satellite imagery showed the construction of a new, large industrial building at the Mysore site, which could be a new gas centrifuge uranium enrichment hall, representing a modernization or expansion of its centrifuge program. Following implementation of
the U.S. policy, India may find it easier to import needed dual-use goods such as valves, vacuum pumps, manufacturing equipment, and specialized materials to build and maintain these centrifuges. Across the board India may find it hard to resist violating U.S. policy as the most straightforward way to significantly improve its nuclear weapons capabilities.

The new U.S. policy will almost certainly result in the lifting of dual-use sanctions by other countries anxious to do business with India. Russia and France have already indicated support for Indian membership in the NSG. If India is allowed to join the NSG, it will gain even freer access to dual-use goods. These steps will compound the unprecedented influx into India of high technology goods it could once acquire only by illicitly procuring these items. Even if the United States puts into place end-use checks on dual-use goods, it may not be able to ensure that every country does the same. At the very least, the United States should commit to conduct end-use checks at the request of other governments that have far fewer resources than the United States.

Pakistan can be expected to perceive the dual-use exemption for India as grounds for a possible expansion of its nuclear weapons program and a solid rationale to resist any caps or constraints on its nuclear arsenal or future weapons grade plutonium or highly enriched uranium production. It can be expected to demand the same exemption for itself from the United States and other suppliers.

Continuing to grant India special nuclear nonproliferation exemptions further weakens the NPT regime. For those with nuclear weapons outside the NPT, they will feel encouraged that in time, they too can be accepted as nuclear weapon states and granted outside the NPT trade benefits accorded to both nuclear weapon and non-nuclear weapon state NPT members.

**Conclusion**

Granting India additional access to dual-use goods requires stringent controls blocking misuse. India should not receive an invitation to join the NSG until it demonstrates to the other members that it has strengthened its export control regulations and their implementation, upgraded controls over sensitive information, and committed not to engage in illicit nuclear trade. Otherwise, the new U.S. policy risks exacerbating a dangerous nuclear arms race, further undermines the legitimacy of the NPT, and is unlikely to strengthen the NSG.