

## The Price-Anderson Act

# Underwriting The Unthinkable

by Glenn Barlow

First passed by Congress in 1957 and renewed twice since then, the Price-Anderson Act sets a limit on the amount of damage for which a utility is liable in case of a nuclear accident. The Price-Anderson Act expires in 1987 and Congress is currently debating 10 bills that would revise it. (See this issue's Legislative Update section.) Just a few days before the disaster at Chernobyl, the House Interior Committee voted 21 to 20 in favor of HR 3653 by Representative Morris Udall to require the nuclear industry to pay up to \$8.2 billion and compensation to victims of a nuclear accident. The existing limit on liability is \$650 million. The nuclear industry put "enormous pressure on some of the members to reverse the decision [of] the committee," according to Representative John Sieberling (D-OH). Even during the Chernobyl disaster, one member changed his mind, thus enabling a reversal of the vote. "I think they had one vote on us," said Rep. George Miller from Northern California who supports the Udall bill. Rep. Sieberling said, "I don't see how in the light of the events in the Soviet Union in the last three days members can face their constituents and say they voted to reduce the coverage." He was referring to the attempt by Republican members of the committee to pass an alternative to the Udall bill, authored by Representative Price

(Yes, the same Price who wrote the original bill in the fifties.) The Price bill, HR 51, would only raise the limit to \$1.12 billion. Committee Chairperson Udall decided to postpone the vote on the bills to give the committee members more time to understand the implication of the Soviet nuclear meltdown.

### UNLIMITED LIABILITY?

Of the ten bills on nuclear insurance reform being debated by Congress, the one that would provide the best protection for

do, Senator Stafford's bill puts no limit on liability. Instead, the owners of nuclear power plants would contribute to an industry-wide self insurance fund that would pay all valid liability claims following future nuclear accidents. The NRC official added that Stafford's bill is actually modeled on a recommendation that was unanimously adopted by the five NRC commissioners in 1983, based on an extensive NRC staff report. Asselstine revealed that the 1983 vote alarmed the nuclear industry so much that each of the five NRC commissioners

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the public is Senator Stafford's proposal, S 1761, according to NRC Commissioner James Asselstine, who has been called "the conscience of the NRC" by Congressman Leon Panetta. Asselstine discussed nuclear insurance during a seminar on May 15, 1986, at the University of California at Santa Cruz. He noted that instead of setting a new limit on liability of one, two, or eight billion dollars, as the other proposed bills

received private lobbying visits from officials of the industry that the NRC regulates. According to federal regulations, such visits are highly illegal. The issue was put up to a new vote and the previous decision was reversed in a three-to-two vote. Thus, it was back to business as usual until Senator Stafford adopted the idea for his bill.

All of the bills before Congress base future nuclear insurance on what is called a



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deferred premium plan whereby the industry would not make payments until after an accident happened. Then, based on the NRC staff report on the industry's capacity to pay, each reactor owner would pay \$10 million per reactor per year into a mutual fund. Other bills set limits, but Stafford's would require the annual payments to continue until all claims were paid. Another difference is that Stafford's bill now has an amendment, #770, that allows utilities not involved in accidents to sue the owner of the reactor that has the accident to recover their premiums. Another bill, introduced by Gary Hart in the Senate and Sieberling in the House, would remove absolute limits on liability and hold individual utilities liable. Either the Stafford or the Hart bill would give the utilities some incentives to get their acts together and try harder to prevent accidents. The way things are today, there is no way to hold them liable for their mistakes.