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October 3, 1985

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OCT 7 1985

NUCLEAR WASTE PROJECT OFFICE

Hon. Richard H. Bryan
 Governor
 State of Nevada
 Carson City, NV 89710

Dear Governor Bryan:

I am pleased to invite you to submit written testimony on the Price-Anderson Act to the Subcommittee on Energy Research and Production. The Subcommittee is conducting a legislative inquiry into the need to extend and/or amend the Price-Anderson Act as it relates to the Department of Energy's contractors, to operators of licensed research reactors, and to others engaged in nuclear research and development in general.

We would appreciate receiving your comments on the need to extend and/or amend the Price-Anderson Act as it relates to DOE's contractors. In particular, we would like to understand the ramifications of allowing the Act to expire and your position on what, if any, limitation on liability is appropriate. A list of questions is attached and we ask that you respond to them as a supplement to your written testimony.

The Subcommittee will need twenty copies of your statement for distribution to Members and staff. Please forward them to the attention of Ms. Debbie Johnson, Subcommittee on Energy Research and Production, Room B-374 Rayburn House Office Building, Washington, D.C. 20515 (202/225-8056).

Dr. John V. Dugan, Jr., the Subcommittee Staff Director, can be reached at 202/225-2884. However, should you have any specific questions about the Subcommittee's inquiry into the Price-Anderson Act, please contact Mr. Louis Ventre, Jr., the Subcommittee Counsel, at 202/225-2981.

Sincerely,

MARILYN LLOYD, Chairman
 Subcommittee on Energy
 Research and Production

M:Vdj
 Attachments

cc: Robert R. Loux

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QUESTIONS RELATING TO THE PRICE-ANDERSON ACT

- 1) What are the public policy reasons that support continuation of the Price-Anderson system relative to accidents at contractor facilities?
- 2) Under generic provisions of the Atomic Energy Act, DOE possesses the authority to indemnify contractors, subject to appropriations, against damages due to accidents. Would this authority be sufficient to promote the public policies identified in your response to Question #1?
- 3) Should the discretionary "may" in Section 170(d) of the Atomic Energy Act be changed to an obligatory "shall" to require that all DOE nuclear contractors be covered under the Price-Anderson scheme? Why?
- 4) Should there be a limitation on liability for government indemnified activities? Why?
- 5) If the Act is not extended for commercially-licensed activities, what should be the limitation on liability for DOE contractors? Why?
- 6) Does the Price-Anderson Act currently cover federal indemnification for all incidents related to the transportation, handling and ultimate disposal of high-level nuclear waste and spent nuclear fuel? Please explain.
- 7) Should Price-Anderson Act coverage be extended to states and political subdivisions for defects in roads or bridges that result in spent fuel or waste transportation accidents?
- 8) What are your reactions to legislation (attached), introduced by Sid Morrison, H.R. 2524, which amends the contractor provisions of Price-Anderson to ensure that there are no limits on liability for nuclear waste activities carried out pursuant to the Nuclear Waste Policy Act of 1982? Do you support or oppose this legislation? What changes would you recommend to H.R. 2524?
- 9) Should the Nuclear Waste Fund be the source of liability payments relative to nuclear waste activities? Why?
- 10) Should the "extraordinary nuclear occurrence" concept be retained or should strict liability be imposed upon any accident causing damage? Why?
- 11) Does the fact that a DOE contractor is not personally liable for nuclear accidents make that contractor less concerned about safety? Why?
- 12) Should nuclear waste or spent fuel carriers under DOE contract be required to obtain private insurance at some minimum level to provide an incentive for safety first, considering that there is likely to be a great deal of competition among such carriers? Why?

- 13) Should the contractor be liable for accidents that are a result of the contractor's gross negligence, willful misconduct or bad faith? Why?
- 14) Should Price-Anderson be amended to specifically exclude coverage of punitive damages and be limited only to compensatory damages? Why? What about recovery for pain and suffering and loss of consortium? Should direct personal injuries and property damage take priority over these other damages?
- 15) Should the Act be amended to include coverage for precautionary evacuations when an accident does not subsequently occur? Why? Who should pay for such evacuations?
- 16) Should the Act be amended to allow the public to collect damages as a result of actions by sabotage or terrorism involving contractor activities? Why? Shouldn't the innocent public be protected regardless of the reason for the radioactive release?
- 17) Should the twenty-year limitation on claims be eliminated leaving only the limitation that suit be instituted within three years from the date first known or reasonably could have been known of the damage? Why?
- 18) Should the Secretary of Energy be authorized to make immediate damage payments in the event of an accident at contractor facilities, or are existing provisions for interim emergency assistance adequate? Why?