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The Campaign to Repeal the Price - Anderson Act

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1. WHAT IS THE PRICE - ANDERSON ACT???

In 1954, after Eisenhower's "Atoms for Peace" speech at the UN, Congress rewrote the Atomic Energy Act to allow private ownership of nuclear reactors, under Atomic Energy Commission (AEC) license, and directed the AEC to promote nuclear power. Despite government urging and the promise of large subsidies, the utilities were hesitant to get committed to this new technology at that time. Why?

The Congressional Joint Committee on Atomic Energy investigated this "problem" and concluded that, "the problem of possible liability in connection with the operation of reactors is a major deterrent to further participation in the (commercial nuclear) program ... The problem of liability has become a major roadblock."

Insurance industry representatives had testified before the Committee that a catastrophic accident at a nuclear reactor could cause damage running into the billions of dollars. The insurance companies were not sure how safe nuclear reactors were, and they refused to provide coverage for anything but a small portion of the total damages possible.

Congress responded in 1957 by passing the PRICE - ANDERSON ACT (P/A), possibly the most blatant example of government intervention to protect and promote nuclear energy and the nuclear industry.

The PRICE - ANDERSON ACT limits the total liability of utilities in the event of a nuclear accident to \$560 million. In a major nuclear reactor accident, that might not go too far. A study by Brookhaven National Lab estimated that a major accident could cause \$17 BILLION in property damage, as well as the incalculable loss of death and suffering to tens of thousands of people in the area. Under the PRICE - ANDERSON ACT, the utility responsible would be off the hook for any damages exceeding \$560 million. After that point, you couldn't even get into court to sue!

The injustice continues. That \$560 million limit was set back in 1957. The value of our inflated dollars has fallen drastically since then. In terms of real value, the liability limit has been dropping each year! Furthermore, the federal government (read: taxpayer) provides about \$100 million of that insurance under PRICE - ANDERSON.

2. HOW CAN THEY DO THAT??

The PRICE - ANDERSON ACT violates the U.S. Constitution and your basic common law rights to recover damages. Unfortunately, the Supreme Court ignored those facts and upheld PRICE - ANDERSON in 1978. In its decision, the Court mentioned that if a major accident occurred and damages exceeded \$560 million, Congress would "review" the situation and take "appropriate action", so we have nothing to worry about. Gee, thanks.

3. HOW DOES THIS EFFECT THE UTILITIES??

The PRICE - ANDERSON ACT removes one of the "costs" of providing electrical power from nuclear plants, the cost of providing full insurance. That might be very expensive. It is possible that insurance companies would require major modifications at a nuclear facility before increasing coverage, for example. The government has fiddled with the market by artificially reducing this insurance cost, and by subsidizing nuclear energy in many other ways. Some economists feel that if this government "protection" of the nuclear industry is removed, the real cost of nuclear energy would be prohibitively high, and nuclear energy would be priced out of the market.

It is interesting to note that in many states, banks are not permitted to lend money to an "uninsurable risk", since the banks are actually investing money that belongs to other people. If P/A is repealed and the insurance companies decline to increase their coverage substantially, the banks might be forced to stop funding nuclear power plants.

THIS DOCUMENT CONTAINS
POOR QUALITY PAGES

CAMPAIGN TO REPEAL PRICE - ANDERSON

4. WHAT CAN WE DO?

The first order of business is to REPEAL THE PRICE - ANDERSON ACT, now. Seventeen members of Congress have sponsored HR 789, a bill that would repeal P/A. We have to talk about PRICE - ANDERSON and begin to exert some pressure on our Congressmen (and -women) to get that bill through Congress. There are some very strong interests that want to see that bill die in a committee, or fail if it comes to a vote. P/A passed initially, and was extended later, because very few people on the outside knew or understood the implications of the PRICE - ANDERSON ACT.

There is no moral defense of PRICE - ANDERSON. It stinks. I've talked to conservatives, liberals, libertarians, left wingers, right wingers, independents, pro - nukes, anti - nukes, you name it. Noone has been able to answer this one question:

"IF NUCLEAR REACTORS ARE AS SAFE AS THE GOVERNMENT CLAIMS,
WHY DOES THE GOVERNMENT NEED TO LIMIT THEIR LIABILITY ?"

Either they aren't , or it doesn't. REPEAL PRICE - ANDERSON.

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