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APPROVED

DEC -6 1974

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

DEC 2 1974

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MEMORANDUM FOR THE PRESIDENT

**Subject: Enrolled Resolution S.J. Res. 248 - Compensation
for nuclear-powered warship accidents
Sponsor - Sen. Pastore (D) Rhode Island**

Last Day for Action

December 7, 1974 - Saturday

Purpose

Would establish procedures for compensation for damages in foreign countries caused by nuclear incidents involving the nuclear reactor of a United States warship and thus facilitate the entry of U.S. nuclear-powered warships into foreign ports.

Agency Recommendations

Office of Management and Budget	Approval
Department of Defense	Approval
Department of State	Approval
Atomic Energy Commission	Approval

Discussion

The Department of the Navy uses nuclear-powered reactors for propulsion of a number of warships. Concern over liability in the event of a reactor incident has caused several nations to restrict access of these ships to their ports. Navy staff has informally advised us that Australia, France, New Zealand, Spain and Turkey currently deny entry to some, if not all, U.S. nuclear-powered warships. The Navy believes that this resolution would greatly assist their efforts in obtaining approval for future entry into some ports currently denied to them.

Legislation was originally introduced by Rep. Hosmer as H.J. Res. 1089. Defense proposed several language changes in its



report to the Joint Committee on Atomic Energy (JCAE) and stated that with those changes the bill would be consistent with the Administration's program. S.J. Res. 248 incorporates all of the changes recommended in Navy's report.

The bill would:

- establish the policy that the U.S. will pay for bodily injury or death or damage or loss to real or personal property resulting from incidents involving reactors on U.S. warships, unless the loss results from armed hostilities or civil insurrection, and
- authorize the President to pay these claims or judgments from any contingency funds available to the Government or by certifying them to Congress for appropriation of the necessary funds.

The JCAE's report states that the resolution contemplates sufficient flexibility in the President and Defense to set certain conditions on claims settlement, including:

- designation of the Secretary of the Navy as administrator of any claims
- provision for a statute of limitations on submission of claims
- exclusion of claims for damages which were intentionally caused, and
- exclusion of claims not directly involving nuclear damage; e.g., collision of a nuclear-powered warship with no resultant nuclear incident.

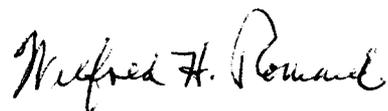
From the beginning of the commercial nuclear power program, the Congress has recognized the need for liability provisions as a prerequisite to national acceptance of the new power reactors. The principle of strict or absolute liability for commercial reactor accidents is incorporated in the Atomic Energy Act. This was extended to the NS Savannah, our first nuclear-powered merchant ship and was instrumental in achieving its entry into foreign ports. In this connection, the JCAE's report states: "The U.S. has clearly adopted a standard practice for reactor accident liability in every area except nuclear-powered warships."

In its views letter on the enrolled bill, State comments:

"The Department of State has been conducting negotiations with a number of foreign governments, in recent years, concerning the question of visits by US nuclear powered warships to foreign ports. The reluctance of some countries to grant entry by our nuclear powered ships has been caused in part by our inability to provide what some governments regard as adequate assurances for liability and indemnification. We believe that approval of S.J. Res. 248 would provide us with additional negotiating flexibility which would be helpful in resolving this issue."

In its views letter, Defense states:

"This resolution would greatly assist the Navy in obtaining nuclear powered warship entry into many ports currently denied the United States."



Assistant Director for
Legislative Reference

Enclosures

THE WHITE HOUSE
WASHINGTON

ACTION
Last Day: December 7

December 4, 1974

MEMORANDUM FOR THE PRESIDENT
FROM: KEN COLE ^C
SUBJECT: Enrolled Resolution S.J. Res. 248
Compensation for Nuclear-powered
Warship Accidents

Attached for your consideration is Enrolled Resolution S.J. Res. 248, sponsored by Senator Pastore, which would establish procedures for compensation for damages in foreign countries caused by nuclear incidents involving the nuclear reactor of a United States warship and thus facilitate the entry of U.S. nuclear-powered warships into foreign ports.

OMB recommends approval and provides you with additional background information in its enrolled bill report (Tab A).

Phil Areeda, Bill Timmons and the NSC all recommend approval.

RECOMMENDATION

That you sign S.J. Res. 248 (Tab B).



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

2 December 1974

Dear Mr. Ash:

Your transmittal sheet dated 26 November 1974, enclosing a facsimile of an enrolled bill of Congress, S. J. Res. 248, "Assuring compensation for damages caused by nuclear incidents involving United States nuclear powered warships," and requesting comment of the Department of Defense, has been received. The Department of the Navy has been assigned the responsibility for the preparation of a report thereon expressing the views of the Department of Defense.

This resolution, as the title indicates, creates a new and separate settlement authority, pursuant to which U.S. warship nuclear reactor related claims could be paid out of contingency funds or by special appropriation in accordance with procedures, and subject to conditions to be promulgated by the President. This resolution would greatly assist the Navy in obtaining nuclear powered warship entry into many ports currently denied the United States.

The Department of the Navy, on behalf of the Department of Defense, recommends approval of S. J. Res. 248.

Sincerely yours,

A handwritten signature in black ink that reads "J. William Middendorf II". The signature is written in a cursive style with a large, sweeping flourish at the end.

J. William Middendorf II
Secretary of the Navy

Honorable Roy L. Ash
Director, Office of Management and Budget
Washington, D. C. 20503



DEPARTMENT OF STATE

Washington, D.C. 20520

NOV 27 1974

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D.C.

Dear Mr. Ash:

Mr. Rommel, in his memorandum of November 26, has requested the Department's views and recommendations on S. J. 248. This resolution, introduced by Congressman Craig Hosmer and which recently passed in the Congress, concerns the liability of US nuclear powered warships. If approved, S. J. 248 would provide assurance to foreign countries that it is the policy of the United States to pay claims or judgments for damages or losses proven to be the result of a nuclear incident involving the nuclear reactor of a US warship.

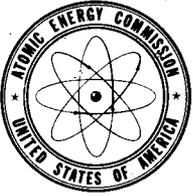
The Department of State has been conducting negotiations with a number of foreign governments, in recent years, concerning the question of visits by US nuclear powered warships to foreign ports. The reluctance of some countries to grant entry by our nuclear powered ships has been caused in part by our inability to provide what some governments regard as adequate assurances for liability and indemnification. We believe that approval of S. J. 248 would provide us with additional negotiating flexibility which would be helpful in resolving this issue.

Since these visits are becoming more and more important as our nuclear fleet is increased, the Department of State supports S. J. Res. 248.

Cordially,

A handwritten signature in black ink that reads "Linwood Holton". The signature is written in a cursive style with a large initial "L".

Linwood Holton
Assistant Secretary
for Congressional Relations



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

NOV 29 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Attn: Mrs. Louise Garziglia
Legislative Reference Division
Office of Management and Budget

Dear Mr. Rommel:

The Atomic Energy Commission is pleased to respond to your request for its views and recommendations on Enrolled S.J. RES. 248, "[A]ssuring compensation for damages caused by nuclear incidents involving the nuclear reactor of a United States warship."

The Atomic Energy Commission recommends that the President sign the enrolled resolution.

The purpose of this resolution is to create a new and separate authority, pursuant to which U. S. warship nuclear reactor related claims could be paid out of Department of Defense contingency funds or by special appropriation in accordance with procedures, and subject to conditions, to be promulgated by the President. While we would defer on the merits to the Navy as the primary interest agency, it would appear that this proposed legislation would facilitate the entry into foreign ports of U. S. nuclear powered warships.

Sincerely,

A large, stylized handwritten signature in black ink, likely belonging to the Chairman of the Atomic Energy Commission.

Chairman

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 2 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Resolution S.J. Res. 248 - Compensation
for nuclear-powered warship accidents
Sponsor - Sen. Pastore (D) Rhode Island

Last Day for Action

December 7, 1974 - Saturday

Purpose

Would establish procedures for compensation for damages in foreign countries caused by nuclear incidents involving the nuclear reactor of a United States warship and thus facilitate the entry of U.S. nuclear-powered warships into foreign ports.

Agency Recommendations

Office of Management and Budget	Approval
Department of Defense	Approval
Department of State	Approval
Atomic Energy Commission	Approval

Discussion

The Department of the Navy uses nuclear-powered reactors for propulsion of a number of warships. Concern over liability in the event of a reactor incident has caused several nations to restrict access of these ships to their ports. Navy staff has informally advised us that Australia, France, New Zealand, Spain and Turkey currently deny entry to some, if not all, U.S. nuclear-powered warships. The Navy believes that this resolution would greatly assist their efforts in obtaining approval for future entry into some ports currently denied to them.

Legislation was originally introduced by Rep. Hosmer as H.J. Res. 1089. Defense proposed several language changes in its

To-
Harrison Henderson
12-2-74
6:10 p.m.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 758

Date: December 2, 1974

Time: 6:00 p.m.

FOR ACTION: Mike Duval *o.k.* cc (for information): Warren Hendriks
 Bill Timmons *o.k.* Jerry Jones
 Phil Areeda *no obj.*
 NSC/S *o.k. Huberman*

FROM THE STAFF SECRETARY

DUE: Date: December 4, 1974

Time: 3:00 p.m.

SUBJECT:

Enrolled Resolution S.J. Res. 248
 Compensation for nuclear-powered
 warship accidents

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Judy Johnston, Ground Floor, West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
 delay in submitting the required material, please
 telephone the Staff Secretary immediately.

 K. R. COLE, JR.
 For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 758

Date: December 2, 1974

Time: 6:00 p.m.

FOR ACTION: Mike Duval ✓
Bill Timmons
Phil Areeda
NSC/S

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: December 4, 1974

Time: 3:00 p.m.

SUBJECT:

Enrolled Resolution S.J. Res. 248
Compensation for nuclear-powered
warship accidents

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor, West Wing

*OK Mike Duval
12/3*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks, Jr.
For the President

THE WHITE HOUSE

WASHINGTON

December 4, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS 

SUBJECT: Action Memorandum - Log No. 758
Enrolled Resolution S.J. Res. 248
Compensation for nuclear-powered
warship accidents

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 758

Date: December 2, 1974

Time: 6:00 p.m.

FOR ACTION: Mike Duval
Bill Timmons
Phil Areeda ✓
NSC/S

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: December 4, 1974

Time: 3:00 p.m.

SUBJECT:

Enrolled Resolution S.J. Res. 248
Compensation for nuclear-powered
warship accidents

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor, West Wing

*No objection
P. Areeda ✓*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks, Jr.
For the President

93d Congress }
2d Session }

SENATE

{ REPORT
{ No. 93-1281

TO FACILITATE THE ENTRY INTO
FOREIGN PORTS OF UNITED STATES
NUCLEAR WARSHIPS

REPORT

BY THE

JOINT COMMITTEE ON ATOMIC ENERGY

[To accompany S.J. Res. 248]



OCTOBER 16, 1974.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1974

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(III)

TO FACILITATE THE ENTRY INTO FOREIGN PORTS OF
UNITED STATES NUCLEAR WARSHIPS

OCTOBER 16, 1974.—Ordered to be printed

MR. PASTORE, from the Joint Committee on Atomic Energy,
submitted the following

REPORT

[To accompany S.J. Res. 248]

The Joint Committee on Atomic Energy, having considered S.J. Res. 248, a resolution to clarify congressional intent relative to the assumption of liability in the event of any reactor incident involving a United States nuclear warship propulsion reactor in a foreign port, hereby report without amendment the resolution and recommend that the resolution do pass.

BACKGROUND

The Joint Committee has received testimony at various times concerning restrictions on entry of U.S. nuclear warships into ports of foreign countries. Concerns over liability in the event of a reactor accident have been offered by some nations, as a reason for restricting access to their ports. Hearings on this matter were held on June 14, 1972, at which time testimony was received from the following individuals:

Admiral Elmo R. Zumwalt, Chief of Naval Operations;

Hon. U. Alexis Johnson, Under Secretary of State for Political Affairs;

Admiral Hyman G. Rickover, Deputy Commander for Nuclear Propulsion, Naval Warships Systems Command, Navy Department; Director, Division of Naval Reactors, AEC; and

Mr. Benjamin Forman, Assistant General Counsel for International Affairs, Department of Defense.

On July 16, 1974, Rep. Craig Hosmer filed a proposed joint resolution (H.J. Res. 1089) which was aimed at removing any question of

congressional intent relative to the assumption of liability in the event of a reactor incident in a foreign port. The Joint Committee expressed a desire to receive the views of the Departments of State and of Defense concerning this problem before proceeding on the resolution. By letter dated September 4, 1974, (see Appendix A) the Secretary of Defense expressed his Department's support of the resolution, and suggested minor alterations in language. By letter dated September 17, 1974 (Appendix B) over signature of Ambassador-at-Large McCloskey, the Department of State supplied its comments on the resolution. Finally, on September 26, 1974, in testimony before the Joint Committee in executive session, Secretary of Defense Schlesinger and Dr. Dixy Lee Ray, Chairman, AEC, expressed their support of the resolution and termed it necessary and urgent.

On October 9, 1974, "clean" resolutions, incorporating the DOD recommendations, were introduced in the Senate by Vice-Chairman Pastore as S. J. Res. 248, and in the House of Representatives by Mr. Hosmer, as H.J. Res. 1161. These resolutions were referred to the Joint Committee. On October 10, 1974, the Joint Committee met in executive session and voted unanimously to approve these resolutions and to adopt this report.

NEED FOR RESOLUTION

In the opinion of the committee, this resolution is long overdue. While the Navy has been negotiating foreign port entry of U.S. nuclear powered warships for nearly twenty years, it has done so without the aid of the legal assurance of liability protection it provides for. That this could be done is a tribute to the remarkable safety record of these ships. With 127 naval reactors currently in operation, naval reactors have amassed over 1,200 years of nuclear accident free operation. This unblemished safety record is especially remarkable in light of the fact that the naval nuclear power program is the oldest and largest power reactor program in the world.

From the beginning of the commercial nuclear power program the Congress recognized the need to establish liability provisions for potential reactor accidents as a prerequisite to national acceptance of this new technology. Based on the almost unanimous opinion of legal experts in the technically advanced countries, the principle of strict or absolute liability for commercial reactor accidents was incorporated into the U.S. Atomic Energy Act. This principle was further extended to cover the NS *Savannah*, our first nuclear powered merchant ship, and became part of the guarantee the United States gave each country with whom a bilateral agreement for its port entry was negotiated. The U.S. has clearly adopted a standard practice for reactor accident liability in every area except nuclear powered warships.

America's nuclear powered submarines and surface warships represent the most versatile and potent element of United States seapower. These ships operate at a higher tempo than any other ships in the fleet. Foreign port access is therefore essential to efficient ship utilization and to provide a place for the members of the crew to rest from their demanding duty. These ships should not be denied access to the ports of our friends and allies over a legal question for which there is a

simple solution. Certainly, the Joint Committee never intended to interpose any legal difficulties for the nuclear fleet, which carries such a national security burden on behalf of this country and the free world.

During the past decade, the nations of the world have begun to utilize nuclear-powered generating stations in ever increasing numbers. Following the lead of the United States, these countries have enacted national legislation to stipulate the liability and indemnity arrangements which will assure prompt and adequate compensation for nuclear damage in the event of a nuclear accident involving their various nuclear facilities. Many of the laws extend the liability provisions to include nuclear substances in transit and to nuclear ships, both merchant and warship, in the territorial waters or ports of the country.

The general standard of liability prescribed in the various national legislation or international conventions relative to nuclear accidents is one in which the operator of a nuclear installation is liable for resulting damage without fault or negligence. This standard is generally referred to as absolute liability. Section 170 of the Atomic Energy Act of 1954, as amended, achieves an analogous result by requiring waivers of available defenses. The indemnity provisions of the Act, however, do not extend to U.S. nuclear warships.

As a result of national legislation or International Conventions such as the Paris Convention of Third Party Liability in the Field of Nuclear Energy of July 29, 1960, as amended, many nations have questioned the United States concerning the liability of U.S. nuclear powered warships with respect to a nuclear accident. Some have made a guarantee of absolute liability by the U.S. a prerequisite for nuclear powered warship port visits to their country. Others have accepted nuclear powered warships into their ports in support of free world security interests, but have indicated a strong desire for clarification of this liability aspect. The good faith and ability of the United States to pay claims for nuclear damage is not at issue. Rather, foreign governments have indicated a desire to satisfy a national legislative requirement or to avoid any possible question over the liability aspects of a nuclear powered warship visit.

The ability of the Executive Branch to provide such a guarantee would greatly facilitate the entry of nuclear powered warships, in support of national policy, to foreign ports throughout the world. However, existing U.S. law does not provide a basis to guarantee to friendly foreign governments that the U.S. will pay valid claims for nuclear damage involving its nuclear powered warships promptly and on a fair and equitable basis, applying the same standard of absolute liability used for other reactor applications. The proposed resolution would accomplish this purpose.

ANALYSIS OF PROPOSED RESOLUTION

The intent of the Resolution is to enable the U.S. to give a straightforward, unqualified assurance that any nuclear damages claims involving the reactor of a nuclear powered warship would be handled on an absolute liability basis regardless of whether or not a foreign government had enacted legislation to that effect. The normal excep-

tion in the case of damages incurred by acts of war or civil insurrection is included. The operative portion of the Resolution applies to domestic as well as foreign accidents.

The Resolution would authorize the President and, in turn, the Defense Department, the necessary discretion on subsidiary aspects of settling claims. Specific terms and conditions contemplated include the following:

(a) Designation of the Secretary of the Navy as agent for administration, settlement, and payment of claims submitted under this resolution.

(b) Provision for a statute of limitations for submission of claims.

(c) Provision to prevent a person or his heirs or assignees from recovering damages from a nuclear accident which he intentionally caused.

(d) Provision to exclude claims not directly related to nuclear damage. It is intended that claims not resulting from the hazardous properties of nuclear material will be treated or administered in the manner otherwise prescribed or available for such claims. For example, a claim resulting from a collision involving a nuclear powered warship but which did not result in a nuclear accident would be determined by application of a normal liability standard. If, as a result of such collision and resultant damage, suit were brought in Admiralty in a U.S. court, proof of fault on the part of the United States would have to be established and the U.S. Government would be entitled to all exemptions and limitations of liability extended to other ship owners or operators.

(e) Provision to insure that technical and security information, disclosure of which is prohibited by U.S. statute or administrative regulation, is not disclosed to or exchanged with unauthorized persons in the course of investigations or proceedings resulting from a nuclear accident.

(f) Provision to take into account the variations in arrangements the U.S. has with allies on the mechanics for handling claims arising out of U.S. armed forces activities in peacetime, i.e.

(1) authorization to reimburse a foreign country for a pro rata share, including costs, of claims which are processed and settled either administratively or judicially by the foreign country according to its laws and regulations.

(2) alternatively, authorization to process and pay meritorious claims directly to the claimant up to full value of the claim.

(g) Authorization to use contingency funds, in an amount not exceeding that budgeted by the Department of Defense for contingency payments for that fiscal year, to pay meritorious claims.

SOURCE OF FUNDS

The Resolution is intended strictly as a claims settlement authority and does not authorize any new funds. Nuclear powered warships have an unparalleled safety record and all possible precautions are taken to reduce any possibility of a nuclear accident. Since the likelihood of such an accident is extremely remote, the committee does not

consider that there is a need to encumber funds available to the President and the agencies.

The Resolution would merely sanction the use of available money to pay an agreed settlement and would indicate that the Congress would not reject a request for additional appropriations simply because the case was being disposed of on the basis of absolute liability.

The Resolution would not alter agency authority under existing claims settlement and payment legislation. All such authorities would remain intact. The authority under the Resolution would simply supplement that provided by other legislation.

The Resolution would *not* preclude the Congress from questioning the amount of a proposed settlement or the merits of the findings on damages or causal connection, if the Congress felt the agencies had not done their job properly.

The Resolution avoids mentioning any particular dollar ceiling on the amount of U.S. liability. It is important to be flexible on this so that domestic needs are not governed by practice in other countries. A specific sum would serve only as a target, and the U.S. Government has stated that it will take care of whatever damage its ships cause. The absence of a figure does not jeopardize the congressional role, since the Executive will necessarily have to obtain congressional action on payment of claims which exceed the contingency funds available to the Defense Department.

COST OF LEGISLATION

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510), the Joint Committee states that this resolution does not authorize the expenditure of any new funds, but merely sanctions the use of contingency funds available within the Department of Defense, with the understanding that separate congressional authorization would be required for payments in excess of such funds.

APPENDIX A

THE SECRETARY OF DEFENSE,
Washington, D.C., September 4, 1974.

HON. MELVIN PRICE,
Chairman, Joint Committee on Atomic Energy, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H. J. Res. 1089, 93d Congress, a joint resolution "Assuring compensation for damages caused by nuclear incidents involving United States nuclear powered warships."

The purpose of this resolution is to create a new and separate settlement authority, pursuant to which U.S. warship nuclear reactor related claims could be paid out of contingency funds or by special appropriation in accordance with procedures, and subject to conditions, to be promulgated by the President.

This resolution would greatly assist the Navy in obtaining nuclear powered warship entry into many foreign ports currently denied the United States.

It is recommended that the resolution be amended as follows:

(1) the title, by deleting "United States nuclear powered warships" and inserting in lieu thereof, "the nuclear reactor of a United States warship";

(2) the third clause of the preamble, by deleting "utilization of nuclear equipment" and inserting in lieu thereof, "operation of a nuclear reactor";

(3) the fourth clause of the preamble, by deleting "United States nuclear powered warships" the first time it appears, and inserting in lieu thereof, "nuclear reactor of a United States warship";

(4) line 5 on page 2 of the resolution by deleting "resulting" and inserting in lieu thereof, "proven to have resulted";

(5) lines 6 and 7 on page 2 of the resolution by deleting "a utilization facility in a United States nuclear powered" and inserting in lieu thereof, "the nuclear reactor of a United States"; and

(6) line 8 on page 2 of the resolution by deleting "or" and inserting following "damage", ",", or loss".

Subject to the above, the Department of Defense strongly supports the joint resolution.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee, and that enactment of this proposal would be consistent with the Administration's program.

Sincerely,

J. R. SCHLESINGER.

APPENDIX B

DEPARTMENT OF STATE, AMBASSADOR AT LARGE,
Washington, D.C., September 17, 1974.

Hon. MELVIN PRICE,
Chairman, Joint Committee on Atomic Energy, House of Representatives.

DEAR MR. CHAIRMAN: The Joint Committee has asked for the Department's views on the draft resolution (H.J. Res. 1089) which has recently been introduced concerning the liability of U.S. nuclear powered warships in the event of a nuclear incident.

The Department of State has in recent years been involved in negotiations with a number of foreign governments concerning the question of visits by U.S. nuclear powered warships to foreign ports. These visits are important to us in maintaining the effectiveness of our growing nuclear fleet. Some governments have been reluctant to accept the ships in their ports because of our inability to give assurances concerning liability and indemnification which they consider adequate. I believe that in a number of cases, by confirming Congressional support for the policy of paying claims and judgments, the proposed resolution might effectively resolve this problem and permit visits to take place.

As you know, the nuclear warship liability question has been raised in connection with the renegotiation of the Spanish Base Agreement. Prompt Congressional action on the resolution would provide us with an additional negotiating flexibility and might make possible a mutually acceptable resolution of this issue.

For these reasons the Department of State supports H.J. Res. 1089, and I am grateful to you for inviting us to comment upon it. I apologize for the tardiness of this reply.

Sincerely,

ROBERT J. McCLOSKEY.

(8)

○

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

Joint Resolution

Assuring compensation for damages caused by nuclear incidents involving the nuclear reactor of a United States warship.

Whereas it is vital to the national security to facilitate the ready acceptability of United States nuclear powered warships into friendly foreign ports and harbors; and

Whereas the advent of nuclear reactors has led to various efforts throughout the world to develop an appropriate legal regime for compensating those who sustain damages in the event there should be an incident involving the operation of nuclear reactors; and

Whereas the United States has been exercising leadership in developing legislative measures designed to assure prompt and equitable compensation in the event a nuclear incident should arise out of the operation of a nuclear reactor by the United States as is evidenced in particular by section 170 of the Atomic Energy Act of 1954, as amended; and

Whereas some form of assurance as to the prompt availability of compensation for damage in the unlikely event of a nuclear incident involving the nuclear reactor of a United States warship would, in conjunction with the unparalleled safety record that has been achieved by United States nuclear powered warships in their operation throughout the world, further the effectiveness of such warships: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the United States that it will pay claims or judgments for bodily injury, death, or damage to or loss of real or personal property proven to have resulted from a nuclear incident involving the nuclear reactor of a United States warship: *Provided*, That the injury, death, damage, or loss was not caused by the act of an armed force engaged in combat or as a result of civil insurrection. The President may authorize, under such terms and conditions as he may direct, the payment of such claims or judgments from any contingency funds available to the Government or may certify such claims or judgments to the Congress for appropriation of the necessary funds.*

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

①

November 26, 1974

Dear Mr. Director:

The following bills were received at the White House on November 26th:

S.J. Res. 248
S. 3802

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.