

January 1, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 8631 - Price Anderson Act Amendments. This bill amends the Price-Anderson Act to provide for: (1) its extension for ten years until August 1, 1987; (2) a gradual transfer of indemnification from Government to private sources; (3) an increase in the limit of licensees' liability and (4) a limited extension of indemnity coverage outside the United States.

The Price-Anderson Act was enacted in 1957 and amended in 1965 and 1966. It was designed to protect the public and the emerging nuclear industry by assuring the availability of funds for the payment of claims in the unlikely event of a catastrophic nuclear incident.

H.R. 8631 will amend the Price-Anderson Act as follows:

- extends for ten years (from August 1, 1977 to August 1, 1987) the Nuclear Regulatory Commission's (NRC) authority to require financial protection of and to provide indemnification for its licensees. This extension would also apply to the authority of the Energy Research and Development Administration to enter into similar agreements with its contractors.
- clarifies existing law to recognize that the total liability of a licensee may eventually be covered by private insurance. The Commission is required, within one year of enactment of this legislation, to determine the maximum amount of private liability insurance available.
- authorizes NRC to approve private insurance plans which include a "base layer of insurance" funded by prepaid premiums in addition to a "secondary layer of insurance" funded, only if necessary and after an incident occurs, by deferred premiums paid on a pro rata basis by all nuclear facilities.
- requires the Commission to develop a plan to assure payment of deferred premiums.
- requires that after a nuclear incident that would probably result in claims in excess of \$560 million, the Commission make a survey of the causes and extent of damage, report its findings to the

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Joint Committee on Atomic Energy, the Representatives of the affected districts, and the Senators of the affected States.

- extends the indemnity provisions of the bill to offshore nuclear power plants and to shipment between licensees in the United States which are routed beyond territorial waters.

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