

**FRIENDS OF THE EARTH
GREENPEACE
NUCLEAR INFORMATION & RESOURCE SERVICE
PUBLIC CITIZEN
SAFE ENERGY COMMUNICATION COUNCIL
SIERRA CLUB
TAXPAYERS FOR COMMON SENSE
U.S. PUBLIC INTEREST RESEARCH GROUP**

January 17, 2003

Re: Oppose Price-Anderson Rider on Omnibus Appropriations Bill

Dear Senator:

As national environmental, public interest, public health, taxpayer, and consumer advocacy organizations, we urge you to oppose reauthorization of the Price-Anderson Act in the omnibus appropriations bill. This anti-consumer, anti-environment, anti-taxpayer rider has no place in the appropriations package. Moreover, the Price-Anderson Act represents an unfair subsidy to the nuclear industry and will not lead to a safe, clean affordable energy future. At a time when the public is demanding corporate accountability, the Price Anderson Act encourages nuclear irresponsibility.

Originally enacted in 1957 as a temporary measure to jump-start the nascent nuclear power industry, the Price-Anderson Act limits the public liability of nuclear power plant operators. This arrangement affords inadequate compensation to the public in the event of an accident or attack, while conferring a substantial annual subsidy to the nuclear industry in terms of foregone insurance premiums. Reauthorizing the Price-Anderson Act would unnecessarily extend this subsidy to proposed new reactors licensed within the next 15 years, without addressing their security vulnerabilities.

There is no justification for continuing this unfair subsidy to a mature industry. But the Price- Anderson provisions included in the appropriations bill grant special liability reductions to new, untested modular reactor designs. If these reactor designs are as safe as the industry claims and do not pose an undue risk to public health and safety, the industry should be held accountable for their safety by obtaining private insurance.

The Price-Anderson Act also provides blanket indemnity to Department of Energy contractors, even in cases of intentional misconduct and gross negligence. This runs counter to the goal of comprehensive security and a strong safety culture at DOE nuclear facilities. The federal government should not provide disincentives to safety through the Price-Anderson Act that undermine national security and place workers and the general public at greater potential risk. Further, taxpayers should not be responsible for the intentional misconduct and gross negligence of private industry.

Reauthorizing the Price-Anderson Act leaves the public unprotected, nuclear operators unaccountable, and taxpayers potentially on the hook for billions of dollars in the event of a nuclear catastrophe. Again, we urge you to oppose this measure in the appropriations process.

We would be happy to discuss this matter with you further. Please contact Lisa Gue at Public Citizen (202) 546-4996, Anna Aurilio at PIRG at (202)546-9707, Erich Pica at FOE (202) 783-7400 x220, or Aileen Roder at Taxpayers for Common Sense (202) 546-8500 x130.

Sincerely,

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