



Standing Committee Report Summary

The Civil Liability for Nuclear Damage Bill, 2010

- The Standing Committee on Science & Technology, Environment & Forests submitted its 212th Report on 'The Civil Liability for Nuclear Damage Bill, 2010' on August 18, 2010. The Chairperson was Dr T. Subbarami Reddy.
- The Bill does the following:
 - a. It defines nuclear incidents, nuclear damage, nuclear installations, and operators of nuclear installations.
 - b. It lays down who will be liable for nuclear damage, and the financial limit of the liability.
 - c. It creates authorities who will assess claims and distribute compensation for nuclear damage.
 - d. It specifies penalties for not complying with the provisions of the Bill, or directions issued under it.

The main observations and recommendations of the Committee are:

- **Entry of private operators.** The Committee recommended that the Bill should be amended to prevent the entry of private operators. The Bill should state that it would apply only to nuclear installations (a) owned and controlled by the central government, or (b) authorities or corporations established by it, or (c) government companies.
- **Maximum liability.** The total liability for a nuclear incident under the Bill is 300 million SDR. The Committee recommended that this provision be modified to allow the central government to increase the amount of liability by notification.
- **Liability of the operator.** The liability of the operator under the Bill is Rs 500 crore. The Committee observed that this amount seems to be inadequate, and that a lower amount may result in the operator marginalising the issue of safety.

Recommendations: (a) The liability of the operator should be increased to Rs 1,500 crore; (b) The principle

of strict liability of the operator should be clearly mentioned in the Bill; and (c) The government should not be allowed to decrease the liability of the operator by notification in any case (The Bill allows the government to decrease the liability of the operator up to a minimum of Rs 100 crore).

- **Right of recourse.** The Bill gives operators a right to recourse under three conditions: (a) if there is a clear contract; (b) if the damage is caused by someone with intent to cause damage; (c) against suppliers if damage is caused by their wilful act or negligence.

Recommendations:

- a. The Committee felt that the right of recourse against suppliers is vague. It recommended that recourse against the supplier should be strengthened. The supplier is liable if an incident has occurred due to (i) defects, or (ii) sub-standard material, or (iii) gross negligence of the supplier of the material, equipment or services.
 - b. In the Bill the three conditions are separated by a semi-colon. The Committee recommended that the semi-colon should be replaced by "and". This might imply that all three conditions mentioned need to exist for an operator to have recourse.
- **Time limit for claiming compensation.** The Bill allows all claims for compensation for damage have to be made within 10 years from the date of the incident. The Committee recommended that (a) the time limit for claiming compensation should be increased to 20 years, and (b) the time limit should be calculated from the date of the knowledge of such injury.
 - **Appeal from orders of Claims Commissioner/ Nuclear Damage Claims Commission.** The Bill bars the jurisdiction of civil courts for proceedings under the Bill and does not provide for any appeal. The Committee recommended that victims should have a right to appeal to the High Court and Supreme Court.

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