

Liability for Nuclear Damage during Transportation of Nuclear Materials

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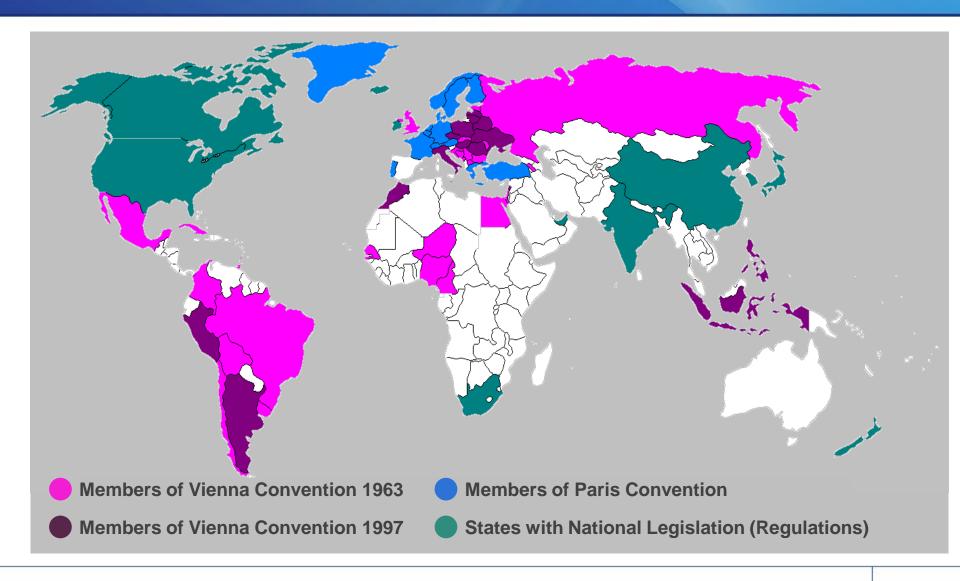
Key Principles of Liability for Nuclear Damage

✓ Operator's Absolute Liability	Who?
✓ Liability Caps	How much?
✓ Mandatory Financial Security, Subsidiary Liability of State and/or Pool of States or Power Utilities	Payout guaranties?
✓ Operator's Absolute Liability, Irrespective of Fault.	When is not liable?
✓ Exclusive Jurisdiction of one Country	What Jurisdiction?

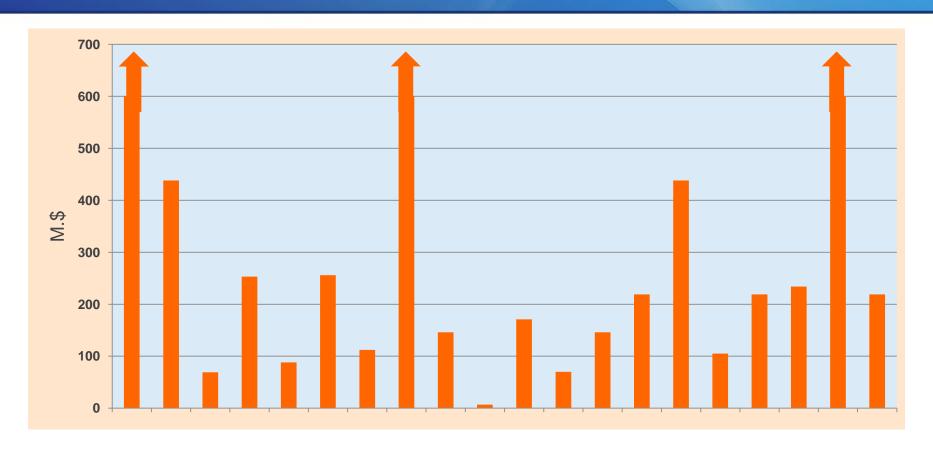
Key Principles of Liability for Nuclear Damage

	Special Legislation	No Special Legislation
✓ Who?	Operator	Operator, Projector, Contractor, Supplier etc.
✓ How much?	Usually Fixed Liability Caps	No Caps
✓ Payout guaranties?	Obligatory Insurance, Liability of State, Liability of Pool of Countries or Operators	None
√ When is not liable?	Ways of Release from Liability Strictly Narrowed.	Release from Liability pursuant to General Rules of Civil Law.
✓ What jurisdiction?	One Jurisdiction in one Country	Different Jurisdictions in Different Countries

Special Legislation Spreading



Liability Caps in EU

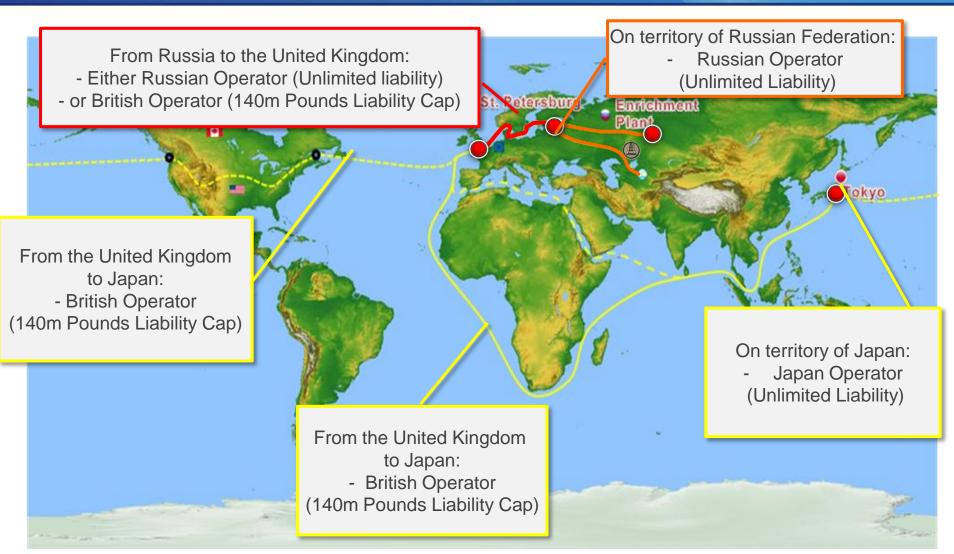


Liability Caps pursuant to International Conventions, with regard to National Legislation of EU Countries, varies from Seven Million US dollars (Italy) to \$438m (Belgium, Romania) or "Unlimited Liability" (Austria, Germany, Sweden).

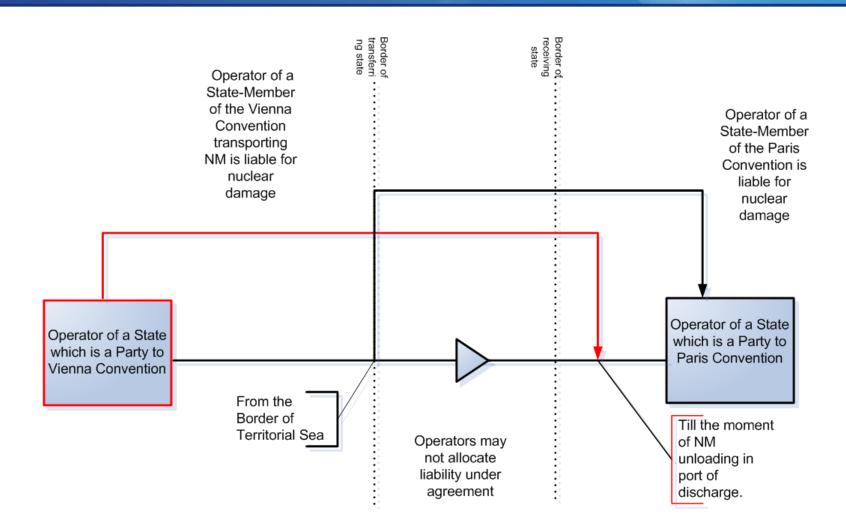
Transportation Routes of Nuclear Materials to Japan



Transportation Routes of Nuclear Materials to Japan



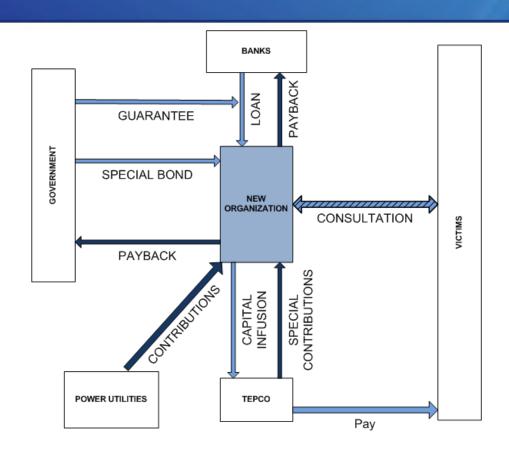
Transportation from Russia to the United Kingdom: «Duplication» of Liability



Liability for Trans-Frontier Nuclear Damage

	Japanese Legislation	Legislation of Neighboring Countries(Russia, China, South Korea)
✓ Who?	Operator (TEPCO)	Operator, Projector, Contractor, Supplier и др.
✓ How much?	Unlimited	Unlimited
✓ Payout guaranties?	Mandatory Financial Security equal to \$1,5bn, Liability within Limits of Financial Security.	None
✓ When is not liable?	Including Acts of God of overwhelming nature.	Release from Liability pursuant to General Rules of Civil Law.
✓ What Jurisdiction?	Japanese Jurisdiction	Different Jurisdictions in Different States

Compensation Plan for Victims of Fukushima's Crisis



- Payouts at the expense of State or Power Utilities
- Sums of Payouts shall be settled by State Committee.
- The Decision of Committee can be challenged in Court.

PAYBACK TO GOVERNMENT

FUNDS FOR COMPENSATION

Conclusions

- Following the Chernobyl Accident the Paris and Vienna Conventions were supplemented with enlarged liability caps, extended notion of compensable damage, special rules concerning reimbursements of trans-frontier damage. The same should be expected following the Fukushima's Crisis.
- It becomes evident, that only such instruments as setting up pools in partnership with other operators and states provide means to accumulate assets comparable with potential damage caused by nuclear incident – dozens of billions US dollars.
- Such instruments are available in US legislation on a national level (Price-Anderson Act) and are evolving now in Japan. On international level these instruments are available in Convention on Supplementary Compensation for Nuclear Damage (not entered into force) and Brussels Convention (for States-members of OECD).
- Progress in international unification meets the needs either citizens or interests of Atomic Industry and Power Utilities.
- Passing of Federal Law capping liability of operator (and of State respectively) with the following accession to Joint Protocol to Vienna and Paris Conventions is of current interest for Russia.