

February 25, 1998

TO: U.S. Department of Energy
Office of General Counsel
GC-52
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Washington, DC 20585

FROM: OHM REMEDIATION SERVICES CORP.
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RE: DEPARTMENT OF ENERGY, OFFICE OF GENERAL COUNSEL;
PREPARATION OF REPORT TO CONGRESS ON PRICE-ANDERSON ACT
(62 FR 68272): PUBLIC COMMENT (REPLY)

OHM Remediation Services Corp. ("OHM") is submitting the following reply to the Department of Energy (DOE) to address issues raised in other comments and replies to the DOE. OHM filed its original comments on January 30, 1998.

To the extent possible, OHM will cite to relevant portions of the Act and/or the "List of Questions."

OHM'S REPLY:

I. OHM is in favor of the continuation of the Price-Anderson Act indemnification provisions.

OHM generally agrees with the ad hoc Energy Contractors Price-Anderson Group's (the Group's) reply in favor of the continuation of the nuclear hazards liability protection provided by the Price-Anderson Act.

The continuation of the Act is in the public's best interests and the majority of the comments submitted to the DOE agree that the Act is in the public's best interests.

The public benefits because the Act provides a source of indemnification that is independent of the financial condition of particular nuclear contractors, subcontractors and suppliers. Furthermore, the letter of the American Nuclear Insurers (referenced by the Group in its reply; response to question number 11) confirms that private insurance coverage would not be a viable alternative.

II. OHM proposes that the coverage and scope of the Act be clarified to avoid protracted litigation on these issues in the event of a nuclear disaster.

The scope of the Act should be clarified to reflect the current state of the nuclear industry. The comments have raised numerous questions regarding whether the Act would cover various situations. The nuclear industry should not have to await a nuclear disaster and potential lawsuits to determine whether it is covered during certain nuclear activities that are not expressly addressed by the Act. Lastly, the Act's purpose should be stated in terms of the current state of the nuclear industry.

III. The Charter of the Price-Anderson Act Task Force expressly expanded the 1998 report to cover the NRC system because of the increasing likelihood that certain DOE contractors will be NRC-licensees.

OHM disagrees with the Group's position that issues regarding the Nuclear Regulatory Commission (NRC) should not be addressed by the DOE task force in its report to Congress (See the Group's reply to DOE questions 3 and 4, and reply to miscellaneous comments 2, 3 and 5).

The Charter of the Price-Anderson Act Task Force, at item IV(C), provides that the DOE should address:

DOE's Price-Anderson system of indemnification as well as the system administered by the NRC. . . [b]ecause of the important policy questions relating to the NRC system and because of the increasing likelihood that certain DOE contractors will be NRC-licensees, it is appropriate to expand the 1998 report to cover the NRC system.

Therefore, it is appropriate and prudent for the DOE to address issues regarding the NRC due to the increasing potential that the roles of the DOE and NRC will overlap.

IV. CONCLUSION

In conclusion, OHM is strongly in favor of the continuation of the Price-Anderson Act and the modification of the Act to clarify the scope of the indemnification provided under the Act.

Dated: February 25, 1998