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U.S. Department of Energy  
Office of the General Counsel, GC-52  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Subject: Notice of Inquiry Concerning Preparation of Report to Congress on the  
Price-Anderson Act, 62 *Federal Register* 250

Dear Sir or Madam:

Thank you for the opportunity to comment on the *Federal Register* "Notice of Inquiry" of December 31, 1997. We trust that our comments will assist the Department in preparing its required written report to Congress on the need to continue or modify provisions of the Price-Anderson Act. In accordance with the Notice, five copies of these comments are enclosed.

Princeton University Plasma Physics Laboratory (PPPL) strongly supports the continuation of the provisions of the Price-Anderson Act for DOE contractors and suppliers, including the exemption of PPPL from the payment of civil penalties. It is our procurement experience at PPPL that certain subcontractors expect Price-Anderson protection and will not contract with the Laboratory without it.

DOE nonprofit contractors and their suppliers are not in the financial position to protect against a nuclear incident, particularly since there is no realistic way of estimating the monetary damages which may be involved. The establishment of a financial reserve by individual contractors would be cost prohibitive, cost inefficient, and ineffective in truly protecting the public should a major calamity occur.

The fact that the Act's indemnification is not subject to the availability of funds is equally important. We do not believe that either Public Law 85-804 or Section 162 of the Atomic Energy Act would suffice in lieu of the Price-Anderson Act indemnification, since indemnification by the Government under either of these two other statly schemes 1) would not cover the public, and 2) would be discretionary.

DOE's "general contract authority" to indemnify its contractors would not be workable either, since these indemnities are subject to the availability of appropriated funds, a restriction unacceptable to us and certain of our subcontractors and suppliers.

In summary, the Price-Anderson Act ensures an adequate remedy to members of the public who may be harmed by nuclear incidents arising from DOE work and encourages responsible and qualified contractors to pursue DOE's nuclear activities. It is essential that indemnification provided by the Price-Anderson Act be preserved. Further the exemption from civil penalties for non-profit contractors must be preserved.

Very truly yours,

Katherine Buttolph  
University Counsel

KB/syg

## Answers to the Department of Energy's Price-Anderson Questions

### DOE Question No.

1. the DOE Price-Anderson indemnification should be continued without Modification. The rationale for it in the past is equally applicable today. The broad nuclear incident indemnification under which our Laboratory currently operates must be available to satisfy the public's (particularly our neighbors) concerns and those of our suppliers.
2. The DOE Price-Anderson indemnification should continue and should not be made discretionary. Funds must continue to be available to protect the public and URA to compensate for damages and injuries resulting from a nuclear incident.
4. DOE Price-Anderson indemnification should always apply to DOE activities conducted pursuant to an NRC license. To do otherwise, would be counter-productive to greater external regulation of DOE facilities currently being tested by the Department.
5. DOE Price-Anderson indemnification should continue to provide omnibus coverage, and we are not aware of any persuasive reasons why a distinction should be made between for-profit and nonprofit contractors. Nonprofit contractors generally have, however, much more limited corporate funds available to cover such risks than large for-profit contractors.
6. If omnibus DOE indemnification coverage were not continued, we are not aware of any acceptable alternatives. Public Law 85-804, Section 162 of the Atomic Energy Act and DOE's general contract indemnification authority would not cover the public, is discretionary, and does not possess some of the other statutory advantages of Price-Anderson.
30. Unlike for-profit contractors, nonprofit contractors frequently cannot accommodate increased risks through appropriate fee increases, and thus justify continued exemption from the civil penalties. We see no benefit to changing the existing exemption. We have no experience with such a relationship.
31. We believe DOE's existing policy is appropriate.